

REGINA SENIOR CITIZENS CENTRE INC.

Financial Statements

Year Ended December 31, 2010

INDEPENDENT AUDITORS' REPORT

**To the Members of:
Regina Senior Citizens Centre Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of Regina Senior Citizens Centre Inc., which comprise the statement of financial position as at December 31, 2010, and the statement of operations, statement of changes in net assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Independent Auditor's Report *(continued)*

Basis for Qualified Opinion

Regina Senior Citizens Centre Inc. derives a significant portion of its revenue from donations, fees for services, rental revenue, fundraising and member activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly our audit verification of these revenues was limited to the amounts recorded in the records of the Centre and we were unable to determine whether any adjustments might be necessary to donations, fees for services, rental revenue, fundraising and member activities, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements are presented fairly, in all material respects, the financial position of Regina Senior Citizens Centre Inc. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

REGINA, Saskatchewan
March 10, 2011


Mintz & Wallace
Chartered Accountants LLP

REGINA SENIOR CITIZENS CENTRE INC.

Statement of Financial Position December 31, 2010

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 8,285	\$ 6,309
Accounts receivable	10,261	22,803
Prepays	<u>2,300</u>	<u>523</u>
	20,846	29,635
RESTRICTED CASH	70,000	75,000
CAPITAL ASSETS <i>(Net of accumulated amortization) (Note 3)</i>	<u>26,310</u>	<u>28,267</u>
	\$ <u>117,156</u>	\$ <u>132,902</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,259	\$ 13,961
Deferred revenue <i>(Note 4)</i>	<u>14,599</u>	<u>16,009</u>
	<u>23,858</u>	<u>29,970</u>
NET ASSETS		
- Unrestricted	23,298	27,932
- Capital Reserve <i>(Note 2)</i>	20,000	25,000
- Contingency Reserve <i>(Note 2)</i>	<u>50,000</u>	<u>50,000</u>
	<u>93,298</u>	<u>102,932</u>
	\$ <u>117,156</u>	\$ <u>132,902</u>

See accompanying notes

Approved on behalf of the Board

Director

Director

REGINA SENIOR CITIZENS CENTRE INC.

Statement of Operations Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUE		
Donations	\$ 17,204	\$ 15,440
Fundraising	35,727	32,271
Grants:		
City of Regina - Recreation	119,800	119,800
City of Regina - Social Development	35,350	35,350
City of Regina - Urban Aboriginal	4,280	8,000
CanSask	-	28,032
Sask. Lotteries - supporting retirement	4,800	8,167
Sask. Seniors Mechanism (showcase)	7,925	6,375
United Way of Regina	35,000	35,000
Student Summer works	1,755	-
Activities:		
Member	\$ 61,674	\$ 55,689
Kitchen	24,824	24,664
Programs	29,239	29,851
Rentals	62,493	70,722
Fees for service	<u>128,992</u>	<u>114,343</u>
Newsletters	575	764
Memberships	<u>16,283</u>	<u>16,615</u>
	<u>585,921</u>	<u>601,083</u>
EXPENSES		
Accounting and legal	4,730	4,031
Activities: (excludes wages)		
Member	\$ 31,320	\$ 24,176
Kitchen	15,626	18,430
Programs	10,126	7,053
Rentals	9,682	12,960
Fees for service	<u>13,908</u>	<u>12,822</u>
Amortization	5,891	6,352
Cleaning and maintenance	14,224	25,571
Fundraising expense	30,097	27,296
Insurance	4,379	3,982
Office	32,874	38,012
Supporting seniors retirement	6,906	9,577
Urban aboriginal	5,646	4,975
Travel	1,716	3,959
Utilities	57,594	57,640
Wages and benefits	<u>351,069</u>	<u>324,707</u>
	<u>595,788</u>	<u>581,543</u>
(LOSS) INCOME FROM OPERATIONS	(9,867)	19,540
OTHER INCOME		
Interest income	233	716
EXCESS OF REVENUE (EXPENSES)	\$ <u>(9,634)</u>	\$ <u>20,256</u>

See accompanying notes

REGINA SENIOR CITIZENS CENTRE INC.

Statement of Net Assets Year Ended December 31, 2010

	<u>Unrestricted</u>	-----Restricted-----		<u>Total 2010</u>	<u>Total 2009</u>
		<u>Capital Reserve</u>	<u>Contingency Reserve</u>		
NET ASSETS - beginning of year	\$ 27,932	\$ 25,000	\$ 50,000	\$ 102,932	\$ 82,676
Excess of revenue (expenses)	(9,634)	-	-	(9,634)	20,256
Internal transfer (<i>Note 9</i>)	<u>5,000</u>	<u>(5,000)</u>	-	-	-
NET ASSETS - end of year	<u>\$ 23,298</u>	<u>\$ 20,000</u>	<u>\$ 50,000</u>	<u>\$ 93,298</u>	<u>\$ 102,932</u>

See accompanying notes

REGINA SENIOR CITIZENS CENTRE INC.

Statement of Cash Flow Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
OPERATING ACTIVITIES		
Excess of revenue (expenses)	\$ (9,634)	\$ 20,256
Plus item which does not require cash outlay: - amortization	<u>5,891</u> <u>(3,743)</u>	<u>6,352</u> <u>26,608</u>
Net change in non-cash current assets	<u>10,765</u>	(15,773)
Net change in non-cash current liabilities	<u>(6,112)</u>	<u>(3,524)</u>
Net cash from operating activities	<u>910</u>	<u>7,311</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(3,934)</u>	<u>(4,401)</u>
Net cash from investing activities	<u>(3,934)</u>	<u>(4,401)</u>
(DECREASE) INCREASE IN CASH RESOURCES	(3,024)	2,910
CASH - beginning of year	<u>81,309</u>	<u>78,399</u>
CASH - end of year	\$ <u>78,285</u>	\$ <u>81,309</u>
Cash consists of:		
Cash	\$ 8,285	\$ 6,309
Restricted Cash	<u>70,000</u>	<u>75,000</u>
	\$ <u>78,285</u>	\$ <u>81,309</u>

See accompanying notes

REGINA SENIOR CITIZENS CENTRE INC.

Notes to the Financial Statements
December 31, 2010

1. NATURE OF OPERATIONS

The Regina Senior Citizens Centre Inc. is incorporated under The Non-Profit Corporations Act of Saskatchewan to develop and deliver programs that encourage and assist seniors to sustain independent, healthy and active life-styles and to maintain their interest and participation in community activities.

The Centre is a registered Canadian charitable organization and is exempt from corporate income taxes under Section 149(1)(f) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the most significant policies are as follows:

Revenue recognition

Regina Senior Citizens Centre Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund accounting

The Centre uses fund accounting and the records are segregated into three separate funds for presentation purposes.

Unrestricted - records the day to day operations of the Centre.

Capital Reserve - the Board of directors approved the setting aside of \$20,000 for the purchase of capital assets not elsewhere funded. Items to be presented to the Board for approval include vehicle replacement \$20,000. .

Contingency Reserve - the Board of Directors approved the setting aside of \$50,000 to ensure continued operations for a period of 3 months while awaiting approval or seeking funding from outside agencies. The reserve includes funding to cover shut down expenses should the Centre not be able to secure funding for ongoing operations. Included is the cost of paying out staff vacation and severance pay.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

REGINA SENIOR CITIZENS CENTRE INC.

Notes to the Financial Statements December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Capital assets

Capital assets are recorded at cost and amortized using the declining balance method at the rates indicated below. One half of the normal annual amortization is claimed in the year of acquisition.

Auto	30%	Declining balance
Equipment	20%	Declining balance
Furniture	20%	Declining balance
Piano	10%	Declining balance

Contributed goods and services

Contributed goods and services have been recorded at fair market value where the amount is reasonably determinable.

Financial instruments

Cash and restricted cash are classified as held-for-trade and are measured at fair market value. Receivables are classified as loans receivables and are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are amortized at cost.

Capital management

Capital is comprised of the Centre's net assets and any debt that it may issue. As at December 31, 2010 the Centre's net assets were \$93,298 and it had no outstanding debt. While the Centre is a registered charitable organization, capital management is an important part of sustaining the operations. The Centre uses reserves to manage capital.

Capital grants

In the current year the Centre received \$5,000 in capital asset funding from the City of Regina the amount was netted against the cost of the equipment that was purchased.

3. CAPITAL ASSETS

	-----2010-----			---2009---	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Rates</u>
Auto	\$ 9,245	\$ 8,341	\$ 904	\$ 1,291	30%
Equipment	19,426	13,063	6,363	3,528	20%
Furniture	40,832	24,354	16,478	20,598	20%
Piano	6,970	4,405	2,565	2,850	10%
	<u>\$ 76,473</u>	<u>\$ 50,163</u>	<u>\$ 26,310</u>	<u>\$ 28,267</u>	

REGINA SENIOR CITIZENS CENTRE INC.

Notes to the Financial Statements December 31, 2010

4. DEFERRED REVENUE

During the year the Centre had deferred revenue associated with deposits and prepaid memberships by members. The detail of this deferred revenue is as follows:

	<u>2010</u>	<u>2009</u>
Prepaid memberships	\$ 12,825	\$ 13,985
Rental deposits	<u>1,774</u>	<u>2,024</u>
	<u>\$ 14,599</u>	<u>\$ 16,009</u>

5. OPERATING LINE OF CREDIT

The Centre has a \$20,000 revolving line of credit of which \$Nil was drawn upon as at December 31, 2010 (2009 - \$Nil). Bank advances on the credit line are payable on demand and bear interest at 7.00%.

6. LEASE COMMITMENTS - EQUIPMENT

The Regina Senior Citizens Centre Inc. has a long term lease with respect to equipment. The lease contains renewal options and provides for payment of maintenance costs. Future minimum lease payments as at December 31, 2010 are as follows:

2011	\$ 4,410
2012	\$ 4,410
2013	\$ 4,410
2014	\$ 4,410

7. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, restricted cash, accounts receivables, accounts payable and accrued liabilities. Unless otherwise noted, it is the board's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value unless otherwise noted.

8. ECONOMIC DEPENDENCE

The Regina Senior Citizens Centre Inc. leases its two facilities from the City of Regina at an annual fee of \$1 each. The lease is for a one-year term and is negotiable each year.

9. INTERFUND TRANSFER

During 2010 there was an interfund transfer of \$5,000 from the capital reserve fund to the unrestricted fund to purchase lawn bowling equipment.