

CENTRE ACTION

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

CENTRE ACTION
AS AT DECEMBER 31, 2010

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AUDITOR'S REPORT

To the members of
CENTRE ACTION

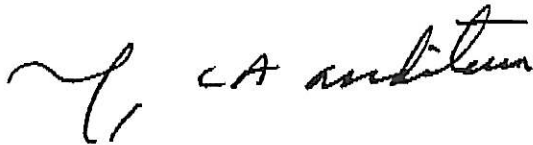
I have audited the statement of financial position of the CENTRE ACTION as at December 31, 2010, the statement of operations and the statement of changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from donations and activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the CENTRE ACTION as at December 31, 2010, and the result of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

MARC BEAULIEU CA



CA auditeur

Marc Beaulieu, CA auditor

Boucherville, February 15, 2011

CENTRE ACTION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
REVENUES		
Donations	\$ 100,942	\$ 150,392
Donations from Action Centre Foundation (note 10)	42,954	100,000
Grants and subsidies	125,305	100,966
Membership dues	2,915	3,142
Activities	22,400	25,218
Interest	1,331	6,640
Other revenues	11,166	2,052
	<u>307,013</u>	<u>388,410</u>
EXPENSES		
Fundraising event costs		
Salaries and benefits	\$ 32,227	\$ 57,362
Rent	786	740
Fundraising	1,688	9,453
Office supplies	2,345	419
Consulting	18,932	---
Public relations	176	87
Interest and bank charges	2	2
Telecommunication	734	853
Amortization of capital assets	117	117
	<u>57,007</u>	<u>69,033</u>

CENTRE ACTION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Member service costs		
Salaries and benefits	159,313	175,229
Rent	74,707	70,285
Fundraising	909	1,383
Social activities	31,652	40,028
Furniture and equipment	730	579
Office supplies	9,347	4,020
Public relations	528	261
Training	491	514
Interest and bank charges	29	36
Repairs and maintenance	976	2,543
Telecommunication	5,152	5,702
Insurance	5,250	5,314
Amortization of leasehold improvements	11,108	11,108
	<u>300,192</u>	<u>317,002</u>
Administration costs		
Salaries and benefits	59,348	36,546
Rent	3,146	2,959
Furniture and equipment	27	14
Office supplies	1,935	430
Consulting	756	315
Professional fees	8,089	4,630
Training	131	137
Interest and bank charges	798	21
Telecommunication	253	293
Insurance	1,000	1,012
Amortization of capital assets	467	468
Other expenses	236	251
	<u>76,186</u>	<u>47,076</u>
TOTAL EXPENSES	<u>433,385</u>	<u>433,111</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (126,372)</u>	<u>\$ (44,701)</u>

CENTRE ACTION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Invested in capital assets	Unrestric- ted	2010 TOTAL	2009 TOTAL
BALANCE, BEGINNING OF YEAR	\$ 29,233	\$ 328,996	\$ 358,229	\$ 402,930
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(11,693)</u>	<u>(114,679)</u>	<u>(126,372)</u>	<u>(44,701)</u>
BALANCE, END OF YEAR	<u>\$ 17,540</u>	<u>\$ 214,317</u>	<u>\$ 231,857</u>	<u>\$ 358,229</u>

CENTRE ACTION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ 59,409	\$ 135,727
Temporary investments (note 3)	68,568	247,554
Accounts receivable (note 4)	117,705	11,731
Prepaid expenses	<u>2,053</u>	<u>6,106</u>
	247,735	401,118
LONG-TERM INVESTMENTS (note 5)	9,329	9,018
LEASEHOLD IMPROVEMENTS (note 6)	<u>17,540</u>	<u>29,233</u>
	<u>\$ 274,604</u>	<u>\$ 439,369</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 7)	\$ 18,358	\$ 64,292
Deferred contributions (note 8)	<u>24,389</u>	<u>16,848</u>
	<u>42,747</u>	<u>81,140</u>
NET ASSETS		
INVESTED IN CAPITAL ASSETS	17,540	29,233
UNRESTRICTED	<u>214,317</u>	<u>328,996</u>
	<u>231,857</u>	<u>358,229</u>
	<u>\$ 274,604</u>	<u>\$ 439,369</u>

On behalf of the Board of Directors

Director

Director

CENTRE ACTION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

1. STATUS AND NATURE OF ACTIVITIES

Centre Action is incorporated under Part III of the *Quebec Companies Act* as a not-for profit organization and is a charity registered under the Income Tax Act on July 24, 1998. It changed its corporate name from CENTRE POLYVALENT D'ACTIVITÉS ACTION to CENTRE ACTION on April 16, 2004. The Organization offers services of education, facilitation, support and accompaniment to severely physically and/or mentally challenged persons.

2. SIGNIFICANT POLICIES

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Organization 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue is earned.

Contributed services

The volunteers dedicate approximately 13,000 hours a year to help the Organization to permit the performance of its services. Due to the difficulty of determining the fair value of contributions received in the form of services, they are not recognised in the financial statements.

CENTRE ACTION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

2. SIGNIFICANT POLICIES (continued)

Financial instruments

Assets or liabilities held for trading

Financial instruments classified as assets or liabilities held for trading are measured at fair value with changes recognized in income. The Organization classified its cash, temporary investments and long term investment as held for trading. The valuation is the fair value and corresponds to cost.

Receivables and other financial liabilities

Financial instruments classified as receivables and other financial liabilities are measured at amortized cost using the effective interest method of amortization.

Accounts receivable are classified as receivables.

Accounts payable are classified as other financial liabilities.

Leasehold improvements

Leasehold improvements are accounted for at cost. Amortization is based on its useful life using the straight-line method over the term of the lease (5 years).

3. TEMPORARY INVESTMENTS

	2010	2009
Enhanced investment business account, at the rate of 0.45 %, without term	\$ 68,568	\$ 196,103
Term Savings, at the rate of 0.2 %, expiring December 23, 2010	<u>---</u>	<u>51,451</u>
	<u>\$ 68,568</u>	<u>\$ 247,554</u>

CENTRE ACTION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

	2010	2009
4. ACCOUNTS RECEIVABLE		
Donations	\$ ---	\$ 587
Subsidy	9,818	3,879
GST and QST	8,709	7,095
Due from Action Centre Foundation	99,004	---
Other	174	170
	<u>\$ 117,705</u>	<u>\$ 11,731</u>
5. LONG-TERM INVESTMENT	2010	2009
Deposit, non-refundable before maturity at the interest of rate 3.45%, maturing June 17, 2015 (initial deposit : \$ 8,000)	\$ <u>9,329</u>	\$ <u>9,018</u>
6. LEASEHOLD IMPROVEMENTS	2010	2009
Leasehold improvements	\$ 63,118	\$ 63,118
Accumulated amortization	<u>(45,578)</u>	<u>(33,885)</u>
	<u>\$ 17,540</u>	<u>\$ 29,233</u>
7. ACCOUNTS PAYABLE	2010	2009
Suppliers	\$ 7,822	\$ 5,194
Salaries and deductions at source	10,536	---
Due to ACTION CENTRE FOUNDATION, without interest	<u>---</u>	<u>59,098</u>
	<u>\$ 18,358</u>	<u>\$ 64,292</u>

CENTRE ACTION

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

	2010	2009
8. DEFERRED CONTRIBUTIONS		
The deferred contributions are related to the donations whose expenditure in whole or in part, have not been incurred.	\$ <u>24,389</u>	\$ <u>16,848</u>
9. CASH FLOW STATEMENT		
A cash flow statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.		
10. RELATED PARTY TRANSACTIONS		
The Organization is owes \$ 99,004 from Action Centre Foundation for fundraising. During the year the organization was granted \$ 42,954 donation from Action Centre Foundation.		
All these transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties and is determined using the cost recovery method.		
11. CONTRACTUAL OBLIGATIONS		
The Organization leases a building under two leases both expiring on July 31, 2012. Future minimum lease payments total \$ 137,162 and include the following payments over the next 2 years: 2011, \$ 86,629; 2012, \$ 50,533.		

CENTRE ACTION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

12. FINANCIAL INSTRUMENT

Interest rate risk

Centre Action administers its investment portfolio in a way to optimize its interest revenue.

For temporary investment the average interest rate of the financial year is 0.5 %. One of them is without term and the other has a term of 12 months. .

For the long-term investments, the effective interest rate realised during the year is 3.45%.

Fair value

The fair value of cash, temporary investments, accounts receivables and accounts payable is approximately equal to their carrying value due to their short-term maturity date.

13. CAPITAL DISCLOSURES

The Organization's capital is made up of net assets. The Organization's capital management objectives consist in ensuring that it continues as a going concern in order to fulfil its mission. The Organization manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital.

The Organization received \$8,000 from a benefactor. Pursuant to the trust documents, this amount should be invested in certificates of deposit and held as an endowment. Only the interest earned from these investments should help finance the Organization's activities. The Organization has complied with the requirements of this endowment.