



Grant Thornton

Financial Statements

Central Eglinton Community Centre

December 31, 2008

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Auditors' Report

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To the Council of the Corporation of the
**City of Toronto and the Board of Management for the
Central Eglinton Community Centre**

We have audited the balance sheet of the **Board of Management for the Central Eglinton Community Centre** as at December 31, 2008 and the statements of revenue and expenditure, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards, those standards require that we 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 not-for-profit organizations, the Centre derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations, surplus, assets and liabilities.

In our opinion, except for the effect of adjustment, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The previous report, dated February 26, 2009, has been withdrawn and the financial statements have been revised as described in Note 4.

Budget figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Grant Thornton LLP

Toronto, Ontario
February 26, 2009, except for Note 4
which is as of May 7, 2009

Chartered Accountants
Licensed Public Accountants

Board of Management for the Central Eglinton Community Centre Balance Sheet

December 31 2008 2007

Assets

Current

Cash and short term investments (Note 3)	\$ 298,927	\$ 269,583
Receivables - City of Toronto	25,432	17,649
- Other	<u>3,084</u>	<u>4,607</u>
	<u>327,443</u>	291,839

Long term

Receivable - City of Toronto (Note 4)	<u>150,419</u>	<u>116,881</u>
	<u>\$ 477,862</u>	<u>\$ 408,720</u>

Liabilities

Current

Payables and accruals - City of Toronto	\$ 24,962	\$ 25,741
- Other	81,934	69,273
Deferred revenue	<u>13,346</u>	<u>14,561</u>
	<u>120,242</u>	109,575

Long term

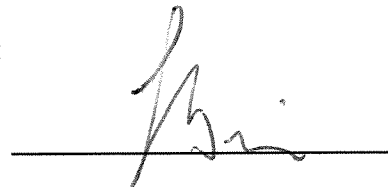
Employee benefits payable (Note 4)	<u>150,419</u>	<u>130,167</u>
	<u>270,661</u>	<u>239,742</u>

Net Assets

Program funds - Internally restricted	42,175	42,175
- Unrestricted	<u>165,026</u>	<u>126,803</u>
	<u>207,201</u>	<u>168,978</u>
	<u>\$ 477,862</u>	<u>\$ 408,720</u>

Approved on behalf of the Board of Management

 Chair

 Treasurer

See accompanying notes to the financial statements.

**Board of Management for the
Central Eglinton Community Centre
Statement of Changes in Net Assets**

Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total 2008</u>	<u>Total 2007</u>
Net assets, beginning of year	\$ 126,803	\$ 42,175	\$ 168,978	\$ 143,815
Surplus	<u>38,223</u>	<u>-</u>	<u>38,223</u>	<u>25,163</u>
Net assets, end of year	\$ <u>165,026</u>	\$ <u>42,175</u>	\$ <u>207,201</u>	\$ <u>168,978</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre Statement of Revenue and Expenditure

Year Ended December 31, 2008

	2008 <u>Budget</u> (Unaudited)	2008 <u>Actual</u>	2007 <u>Actual</u>
Parent/Child program revenue			
Grants			
Government of Canada	\$ -	\$ 2,297	\$ -
City of Toronto	<u>23,824</u>	<u>24,452</u>	<u>23,824</u>
	23,824	26,749	23,824
Program and membership fees	66,550	71,756	66,124
Membership fees	9,600	12,139	11,176
Fundraising	<u>250</u>	<u>140</u>	<u>-</u>
	<u>100,224</u>	<u>110,784</u>	<u>101,124</u>
Program expenditures			
Salaries and wages	75,110	74,272	77,181
Employee benefits	14,540	14,087	12,384
Materials and supplies	3,700	3,518	4,898
Purchase of services	<u>9,800</u>	<u>9,973</u>	<u>7,227</u>
	<u>103,150</u>	<u>101,850</u>	<u>101,690</u>
Surplus (deficiency) - Parent/Child program	<u>(2,926)</u>	<u>8,934</u>	<u>(566)</u>
Other program revenue			
Grants			
Government of Canada	9,000	4,594	6,420
Province of Ontario	2,500	3,000	3,012
City of Toronto	<u>32,217</u>	<u>31,257</u>	<u>31,217</u>
	43,717	38,851	40,649
Fundraising and donations	30,300	40,208	38,075
Program and membership fees	101,500	97,870	88,074
Membership fees	5,950	7,100	5,485
Rental fees	1,000	1,400	1,065
Other	<u>3,775</u>	<u>5,955</u>	<u>7,826</u>
	<u>186,242</u>	<u>191,384</u>	<u>181,174</u>
Program expenditures			
Salaries and wages	96,395	86,821	85,708
Employee benefits	13,878	11,639	10,780
Materials and supplies	39,470	32,196	26,411
Purchase of services	<u>33,760</u>	<u>31,439</u>	<u>32,546</u>
	<u>183,503</u>	<u>162,095</u>	<u>155,445</u>
Surplus - other program	<u>2,739</u>	<u>29,289</u>	<u>25,729</u>
Administration expenditures			
Salaries and wages	406,184	398,826	413,818
Employee benefits	106,546	106,946	98,549
Materials and supplies	15,627	29,916	29,352
Purchase of services	<u>33,243</u>	<u>34,206</u>	<u>34,371</u>
	<u>561,600</u>	<u>569,894</u>	<u>576,090</u>
Funds provided by City of Toronto			
Administration (Note 6)	<u>561,600</u>	<u>569,894</u>	<u>576,090</u>
Surplus	\$ <u>(187)</u>	\$ <u>38,223</u>	\$ <u>25,163</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre Statement of Cash Flows

Year Ended December 31 2008 2007

Increase (decrease) in cash and short term investments

Operating activities

Program surplus	\$ 38,223	\$ 25,163
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	(7,783)	(4,300)
- Other	1,523	5,170
Payables - City of Toronto	(779)	14,764
- Other	12,661	24,347
Long term account receivable - City of Toronto	(33,538)	(7,339)
Deferred revenue	(1,215)	526
Long term employee benefits payable	<u>20,252</u>	<u>7,339</u>
	<u>29,344</u>	<u>65,670</u>
Net increase in cash and short term investments	29,344	65,670
Cash and short term investments, beginning of year	<u>269,583</u>	<u>203,913</u>
Cash and short term investments, end of year	\$ <u>298,927</u>	\$ <u>269,583</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2008

1. Establishment and operations

The City of Toronto Act, 1997 continued the provisions of By-law No. 1995 - 0448 dated June 26, 1995 to reflect Chapter 25 of the City of Toronto Municipal Code. Chapter 25 amended all previous By-laws and established part of the premises at 160 Eglinton Avenue East, Toronto, as a community recreation centre under the authority of the Municipal Act, known as Central Eglinton Community Centre (the "Centre").

The Municipal Code provides for a Council appointed Board which, among other matters, shall:

- (a) endeavour to manage and control the premises in a reasonable and efficient manner, in accordance with standard good business practices, and
- (b) pay to the City of Toronto (the "City") any excess of administration expenditure funds provided by the City in accordance with its approved annual budget, but may retain any surplus from program activities.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the balance sheet. Rental and similar revenues are recognized on the date of the performance or event.

Capital assets

Purchased capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

- Computers - 3 years straight-line
- Furniture and equipment - 5 years straight-line

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2008

2. Significant accounting policies (continued)

Deferred capital contribution

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the balance sheet.

Contributed material and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Use of estimates

The preparing of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. For example, the employee benefits liabilities and related costs charged to the statement of revenue and expenditures depend on certain actuarial and economic assumptions. Estimates and assumptions are based on the Centre's best information and judgment and may differ significantly from actual results.

Employee related costs

The Centre has adopted the following policies with respect to employee benefit plans:

- (a) the Centre's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made; and
- (b) the costs of other employee benefits are determined by an independent actuary using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health care costs.

3. Cash and short term investments

Cash and short term investments include \$42,175 specifically reserved for expenditures relating to the 50+ Program only.

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2008

4. Employee benefits and subsequent event

The Centre participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its employees. Under the sick leave plan for management staff with ten years of service as of April 1, 2003, unused sick leave accumulates and eligible employees are entitled to a cash payment when they leave the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the employee upon termination, retirement or death. The Centre also provides health, dental, accidental death and disability, life insurance and long term disability benefits to eligible employees. Depending upon length of service and an individual's election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed in mid 2007, and has been extrapolated to provide the accrued benefit obligation to December 31, 2008. The actuarial valuation has resulted in an actuarial loss in 2002 of \$6,600 and 2006 gain of \$79,765 which is being amortized on a straight-line basis over 15 years and 12.8 years respectively, being the expected average remaining service life of the employees.

The financial statements, as originally issued, have been revised for a change to the estimate of the accrued benefit obligation provided by the actuary.

Information about the Centre's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2008</u>	<u>2007</u>
Sick leave benefit plan	\$ 60,055	\$ 29,739
Income benefits	17,038	8,620
Continuation of benefits to disabled employees	5,649	2,806
Post-retirement benefits	<u>4,339</u>	<u>3,736</u>
	87,081	44,901
Add: Unamortized actuarial gain	<u>63,338</u>	<u>85,266</u>
Employee benefit liability	\$ <u>150,419</u>	\$ <u>130,167</u>

The continuity of the accrued benefit obligation during 2008 is as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 130,167	\$ 122,828
Current service cost	22,322	14,594
Interest cost	4,090	2,121
Amortization of actuarial (gain)	(4,771)	(8,527)
Expected benefits paid	<u>(1,389)</u>	<u>(849)</u>
Balance, end of year	\$ <u>150,419</u>	\$ <u>130,167</u>

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2008

4. Employee benefits (continued)

Expenditures in 2008 relating to employee benefits amounting to \$21,641 are included in administrative employee benefit expenses on the Statement of Revenue and Expenditure and include the following components:

	<u>2008</u>	<u>2007</u>
Current service cost	\$ 22,322	\$ 14,594
Interest cost	4,090	2,121
Amortization of actuarial (gain)	<u>(4,771)</u>	<u>(8,527)</u>
Total expenditures related to post-retirement and post-employment benefits	\$ <u>21,641</u>	\$ <u>8,188</u>

A long term receivable of \$150,419 (2007 - \$116,881) has resulted from recording sick leave and post retirement benefits for management staff. Funding for these costs are provided by the City as benefit costs are paid and the City is responsible for the City approved management staff benefit liabilities that may be incurred by the Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of management and union employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$33,596 in 2008 (2007 - \$34,599).

5. Lease Commitments

The Centre has entered into agreements to lease office equipment which expire in 2014. Minimum amounts payable for the office equipment, in aggregate for each of the next five years are as follows:

2009	\$11,587
2010	11,587
2011	11,587
2012	9,476
2013	9,285

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2008

6. Funds provided by the City of Toronto - administration

Funding for administration expense is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits are normally funded by the City after approval has been obtained.

	<u>2008</u>	<u>2007</u>
Budgeted administration expenditure:		
Centre's approved budget for administration expense was:		
Interim administration budget	\$ 561,600	\$ 506,800
Retroactive management salary and benefits	-	70,998
Retroactive COTAPSAI	<u>512</u>	<u>-</u>
	<u>562,112</u>	<u>577,798</u>
Actual administration expenditure:		
Centre's actual administration expense was	569,894	576,090
Deduct: Post retirement benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto	<u>(20,252)</u>	<u>(7,339)</u>
	<u>549,642</u>	<u>568,751</u>
Administration expenditure under approved budget	\$ <u>12,470</u>	\$ <u>9,047</u>

The under expenditure of \$12,470 (2007 - \$9,047) is included in accounts payable to the City of Toronto.

7. Financial instruments

Fair value of financial instruments

The estimated fair values of cash, investments, accounts receivable, accounts payable and amounts due to/from City of Toronto approximate carrying value due to the relatively short term nature of the instruments.

8. Comparative figures

Certain of the prior year figures have been reclassified to conform with the current year's presentation.