



**Grant Thornton**

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RETURNED TO  
GRANT THORNTON

Financial Statements

**Eastview Neighbourhood Community Centre**

December 31, 2008

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# Grant Thornton

## Auditors' Report

**Grant Thornton LLP**  
Royal Bank Plaza  
19th Floor, South Tower  
200 Bay Street, Box 55  
Toronto, ON  
M5J 2P9  
T (416) 366-0100  
F (416) 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Council of the Corporation of  
the City of Toronto and the Board of Management for the  
Eastview Neighbourhood Community Centre

We have audited the balance sheet of the **Board of Management for the Eastview Neighbourhood 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.

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.

Toronto, Ontario  
March 24, 2009

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

# Board of Management for the Eastview Neighbourhood Community Centre Balance Sheet

December 31 2008 2007

## Assets

### Current

Cash	\$ 102,762	\$ 92,042
Short term investments	259,477	204,697
Receivables - City of Toronto	8,055	8,783
- Other	9,234	8,473
Prepaid expenses	-	8,000
	<u>379,528</u>	<u>321,995</u>

### Long term

Receivable - City of Toronto (Note 5)	165,613	164,968
Capital assets (Note 6)	737	1,427
Lottery Trust Account (Note 7)	42,247	52,432
Bursary Trust Account (Note 8)	<u>936</u>	<u>948</u>
	<u>\$ 589,061</u>	<u>\$ 541,770</u>

## Liabilities

### Current

Payables and accruals - City of Toronto	\$ 9,230	\$ 14,012
- Other	<u>82,025</u>	<u>61,390</u>
	91,255	75,402
Deferred revenue	<u>114,544</u>	<u>76,684</u>
	<u>205,799</u>	<u>152,086</u>

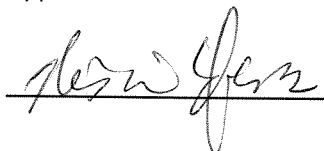
### Long term

Liability for employee benefit obligations (Note 5)	165,613	164,968
Lottery trust account (Note 7)	42,247	52,432
Bursary trust account (Note 8)	<u>936</u>	<u>948</u>
	<u>414,595</u>	<u>370,434</u>

## Net Assets

Invested in capital assets	737	1,427
Unrestricted	46,606	44,351
Board designated reserve (Note 10)	<u>127,123</u>	<u>125,558</u>
	<u>174,466</u>	<u>171,336</u>
	<u>\$ 589,061</u>	<u>\$ 541,770</u>

Approved on behalf of the Board of Management

 Chair

 Vice Chair

See accompanying notes to the financial statements.

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**Board of Management for the  
Eastview Neighbourhood Community Centre  
Statement of Changes in Net Assets**

Year Ended December 31, 2008

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	Invested in <u>Capital assets</u>	Internally <u>Restricted</u>	<u>Unrestricted</u>	<b>Total <u>2008</u></b>	Total <u>2007</u>
Net assets, beginning of year	\$ 1,427	\$ 125,558	\$ 44,351	\$ <b>171,336</b>	\$ 148,108
Excess of revenue over expenses	-	-	3,130	<b>3,130</b>	23,228
Transfers	-	1,565	(1,565)	-	-
Change in net assets invested in capital assets	<u>(690)</u>	<u>-</u>	<u>690</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>737</u>	\$ <u>127,123</u>	\$ <u>46,606</u>	\$ <b><u>174,466</u></b>	\$ <u>171,336</u>

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See accompanying notes to the financial statements.

# Board of Management for the Eastview Neighbourhood Community Centre Statement of Revenue and Expenses

Year Ended December 31, 2008

	2008 <u>Budget</u> (Unaudited)	2008 <u>Actual</u>	2007 <u>Actual</u>
<b>Program revenue</b>			
Grants			
United Way	\$ 351,416	\$ 348,829	\$ 321,900
City of Toronto	205,826	224,836	183,609
Province of Ontario (Note 14)	122,061	98,642	108,169
Government of Canada	68,041	66,324	85,729
Foundations	<u>24,946</u>	<u>37,993</u>	<u>29,834</u>
	772,290	776,624	729,241
Donations	11,137	11,972	14,827
Funds from Massey Centre	22,484	22,281	29,394
Fundraising	53,500	48,467	33,680
Program fees	46,054	46,223	50,179
Memberships	5,500	4,689	5,423
Miscellaneous income	<u>6,200</u>	<u>4,784</u>	<u>6,027</u>
	<u>917,165</u>	<u>915,040</u>	<u>868,771</u>
<b>Program expenditures</b>			
Salaries and wages	598,477	581,641	539,438
Employee benefits	140,412	125,410	119,607
Materials and supplies	118,928	115,395	116,559
Purchase of services	56,787	88,774	68,754
Amortization of program assets	<u>2,561</u>	<u>690</u>	<u>1,185</u>
	<u>917,165</u>	<u>911,910</u>	<u>845,543</u>
<b>Excess of revenue over expenses - program</b>	<u>-</u>	<u>3,130</u>	<u>23,228</u>
<b>Administration expenditures</b>			
Salaries and wages	354,800	366,478	360,681
Employee benefits	89,500	88,633	83,706
Purchase of services	45,521	32,799	14,707
Materials and supplies	<u>17,000</u>	<u>20,696</u>	<u>21,823</u>
	<u>506,821</u>	<u>508,606</u>	<u>480,917</u>
<b>Funds provided by City of Toronto</b>			
Administration (Note 9)	<u>506,821</u>	<u>508,606</u>	<u>480,917</u>
<b>Excess of revenue over expenses</b>	\$ <u>-</u>	\$ <u>3,130</u>	\$ <u>23,228</u>

See accompanying notes to the financial statements.

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**Board of Management for the  
Eastview Neighbourhood Community Centre  
Statement of Cash Flows**

Year Ended December 31

**2008**

**2007**

Increase (decrease) in cash and short term investments

**Operating activities**

Excess of revenue over expenses	\$ 3,130	\$ 23,228
Non-cash items		
Amortization of capital assets	<u>690</u>	<u>1,185</u>
	<b>3,820</b>	<b>24,413</b>
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	<b>728</b>	(2,289)
- Other	<b>(761)</b>	2,504
Prepays	<b>8,000</b>	(6,563)
Payables - City of Toronto	<b>(4,782)</b>	(4,678)
- Other	<b>20,635</b>	13,942
Deferred revenue	<b>37,860</b>	(22,540)
Liability for long term employee benefit obligations	<b>645</b>	(1,319)
Long term City of Toronto account receivable	<u><b>(645)</b></u>	<u>1,319</u>
	<u><b>65,500</b></u>	<u><b>4,789</b></u>

Net increase in cash and short term investments **65,500** 4,789

Cash and short term investments, beginning of year **296,739** 291,950

Cash and short term investments, end of year **\$ 362,239** **\$ 296,739**

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See accompanying notes to the financial statements.

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# Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements

December 31, 2008

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## 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, Community and Recreation Centres of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous By-laws and established the premises at 86 Blake Street, Toronto, as a community centre under the authority of the Municipal Act, known as Eastview Neighbourhood Community Centre (the "Centre"). The authorities were reaffirmed by City Council with the new Relationship Framework document (approved 2006 09 25-27). Note that Chapter 25 will be updated and re-numbered in the new City of Toronto Act, as of 2007 01.

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 ("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.

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## 2. Financial statements

The Municipal Code requires that audited annual financial statements be submitted by the Committee of Management for the Centre to the City covering the management and control of the premises by the Committee. However, since the revenue and expenditure from programs include the operations of the **East Toronto Family Community Centre**, a registered charitable organization, separate financial statements have not been prepared. Accordingly, the financial statements reflect the operations of the Centre and the **East Toronto Family Community Centre** as a whole.



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# **Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements**

December 31, 2008

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## **3. 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

### **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. The employee benefits liabilities and related costs charged to the statement of revenue and expenses depend on certain actuarial and economic assumptions. These estimates and assumptions are based on the Centre's best information and judgement and may change significantly with the next detailed evaluation.

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# **Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements**

December 31, 2008

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## **3. Significant accounting policies (continued)**

### **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 actuarially determined 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.

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## **4. Short term investments**

Short term investments include short term deposits with original maturities of twelve months or less.

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## **5. Employee benefits**

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 may be entitled to a cash payment upon leaving 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. This sick bank plan was replaced by a Short Term Disability Plan (STD) effective March 1, 2008, for all non-union employees of the City of Toronto. Upon the effective date, individual sick banks were locked with no further accumulation. Non-management employees continue to receive sick bank time as stipulated in the applicable Collective Agreement, which specifies no financial conversion of unused sick leave.

The Centre also provides health, dental, accidental death & disability, life insurance and long-term disability benefits to eligible employees. Depending on length of service and individuals' 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 2007, and has been extrapolated to provide the accrued benefit obligation as at December 31, 2008. The actuarial valuation has resulted in an actuarial loss of \$17,940 which is being amortized on a straight-line basis over 9 years.

# Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements

December 31, 2008

## 5. Employee benefits (continued)

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	\$ 40,846	\$ 35,617
Income benefits	104,767	113,269
Continuation of benefits to disabled employees	36,205	37,204
Post-retirement benefits	<u>1,735</u>	<u>1,540</u>
	183,553	187,630
Less: Unamortized actuarial loss	<u>17,940</u>	<u>22,662</u>
Employee benefit liability	\$ <u>165,613</u>	\$ <u>164,968</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 164,968	\$ 166,287
Current service cost	25,309	24,725
Interest cost	9,148	9,291
Amortization of actuarial loss	4,722	2,266
Expected benefits paid	<u>(38,534)</u>	<u>(37,601)</u>
Balance, end of year	\$ <u>165,613</u>	\$ <u>164,968</u>

A long term receivable from the City has resulted from the recording of management staff benefit costs such as sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of management staff that may be incurred by the Centre. This amount is not included as employee benefit expenses on the Statement of Revenue and Expenditure.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its employees. This plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$47,144 in 2008, (2007 - \$44,770).

## 6. Capital assets

			<u>2008</u>	<u>2007</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers	\$ 7,650	\$ 6,913	\$ 737	\$ 1,282
Furniture and equipment	<u>57,839</u>	<u>57,839</u>	<u>-</u>	<u>145</u>
	\$ <u>65,489</u>	\$ <u>64,752</u>	\$ <u>737</u>	\$ <u>1,427</u>

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# Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements

December 31, 2008

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## 7. Lottery Trust Account

In February 1998, the Centre introduced a program of licensed weekly bingo games to provide funding for charitable work with children, youth, seniors and families. At December 31, 2008 the surplus funds on hand amounted to \$42,247 (2007 - \$52,432). Revenues were provided to the Kennedy Road Bingo Sponsors Association for accounting and distribution to all member charities in equal amounts determined from the overall proceeds. The Centre's share of proceeds are distributed to the **East Toronto Family Community Centre** and are maintained in a separate bank account.

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## 8. Bursary Trust Account

A special trust account to assist students in pursuing post secondary school education was created in 1982 by the senior citizens' group affiliated with the **Eastview Neighbourhood Community Centre**. The unexpended balance was \$936 (2007 - \$948) at December 31, 2008.

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## 9. Funds provided by City of Toronto - administration

Funding for administrations expenses is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits, excluding those accruals for long term employee benefits, are funded by the Centre unless Council approval has been obtained for additional funding.

	<u>2008</u>	<u>2007</u>
<b>Budgeted administration expenditure:</b>		
Centre's approved budget for 2008 administration expenses	\$ 506,897	\$ 452,500
Retroactive management salary and benefits	<u>1,067</u>	<u>35,299</u>
	<b>507,964</b>	<b>487,799</b>
<b>Actual administration expenditure:</b>		
Centre's actual administration expenses	<u>508,607</u>	<u>480,917</u>
Administration expenditure (over) under approved budget	\$ <u>(643)</u>	\$ <u>6,882</u>

The over expenditure of \$643 (under expenditure in 2007 - \$6,882) is included in accounts (receivable from) payable to the City. Included in the amount payable to the City of Toronto in 2007 is the reversal of vacation pay accrued prior to 2003 of \$10,672. Actual administration salary and wages for 2007 were \$371,353 before the vacation accrual adjustment referred to above.

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# Board of Management for the Eastview Neighbourhood Community Centre Notes to the Financial Statements

December 31, 2008

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<b>10. Reserves</b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Capital / Project Reserve	\$ 64,171	\$ 64,171
Administrative Contingency Reserve	<u>62,952</u>	<u>61,387</u>
	<b>\$ <u>127,123</u></b>	<b>\$ <u>125,558</u></b>

The Capital / Project Reserve is restricted to expenditures of a capital/project nature as approved by the Committee of Management/Board of Directors. The Administrative Contingency Reserve consists of Committee of Management/Board of Directors approved transfers of monies from the Centre's program surplus to provide a contingency fund for essential administrative costs. Interest earned on the reserve balance is recorded as program revenue.

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## 11. Perinatal and Nutrition Support Program

The Centre acts as co-ordinator for the allocation of funds received from the Government of Canada to the five partners of the City of Toronto South East Coalition of Perinatal Nutrition and Support Program. During 2008 the Centre received \$190,660 from the Federal Government. The allocation of funds to each partner is approved by the coalition.

The partners, including the Centre, were allocated the following amounts:

	<b><u>2008</u></b>	<b><u>2007</u></b>
Eastview Neighbourhood Community Centre	\$ 54,378	\$ 54,530
Parents for Better Beginnings (Regent Park CHC)	41,680	44,606
Jessie's Centre for Teenagers/June Callwood	28,934	30,817
St. Jamestown (Hincks-Dellcrest Centre)	34,913	26,180
Applegrove Community Complex	27,315	30,779
Staff costs shared	<u>3,440</u>	<u>4,318</u>
	<b>\$ <u>190,660</u></b>	<b>\$ <u>191,230</u></b>

During the year the Centre distributed \$190,660 (2007 - \$191,230) to the Coalition partners. The Centre, as a partner, records only its share of revenue and staff costs in these financial statements.

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## 12. Operating line of credit

The Centre has a \$25,000 operating line of credit at prime plus .50%. As security, the Centre has provided all personal property of the Centre and as at December 31, 2008, the Centre has not used any of the operating line of credit.

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**Board of Management for the  
Eastview Neighbourhood Community Centre  
Notes to the Financial Statements**

December 31, 2008

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**13. 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.

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**14. Grants - Province of Ontario**

Included in Grants - Province of Ontario is a Newcomers Program Grant for \$52,169 (2007 - \$54,567). In addition, the Centre received a grant for \$24,193 for the purchase of capital assets which has been deferred to 2009.

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**15. Comparative figures**

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