



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Eastview Neighbourhood Community Centre

December 31, 2009

Contents

	Page
Auditors' Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 13



Grant Thornton

Auditors' Report

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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 statement of financial position of the Board of Management for the Eastview Neighbourhood Community Centre as at December 31, 2009 and the statements of operations, 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 6, 2010

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

**Board of Management for the
Eastview Neighbourhood Community Centre
Statement of Financial Position**

December 31 2009 2008

Assets

Current

Cash	\$ 102,742	\$ 102,762
Short term investments	262,459	259,477
Receivables - City of Toronto	5,662	8,055
- Other	2,315	9,234
Prepaid expenses	<u>1,857</u>	<u>-</u>
	375,035	379,528

Long term

Receivable - City of Toronto (Note 5)	151,590	165,613
Capital assets (Note 6)	15,120	737
Lottery Trust Account (Note 7)	42,659	42,247
Bursary Trust Account (Note 8)	<u>1,960</u>	<u>936</u>
	\$ 586,364	\$ 589,061

Liabilities

Current

Payables and accruals - City of Toronto	\$ 15	\$ 9,230
- Other	<u>95,225</u>	<u>82,025</u>
	95,240	91,255
Deferred revenue	<u>102,992</u>	<u>114,544</u>
	198,232	205,799

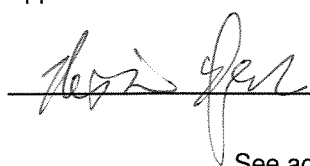
Long term

Deferred capital contribution (Note 14)	15,120	-
Liability for employee benefit obligations (Note 5)	151,590	165,613
Lottery trust account (Note 7)	42,659	42,247
Bursary trust account (Note 8)	<u>1,960</u>	<u>936</u>
	409,561	414,595

Net Assets

Invested in capital assets	15,120	737
Unrestricted	34,654	46,606
Board designated reserve (Note 10)	<u>127,029</u>	<u>127,123</u>
	176,803	174,466
	\$ 586,364	\$ 589,061

Approved on behalf of the Board of Management

 Chair

 Vice Chair

See accompanying notes to the financial statements.

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

Year Ended December 31, 2009

	<u>Invested in Capital assets</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>Total 2009</u>	<u>Total 2008</u>
Net assets, beginning of year	\$ 737	\$ 127,123	\$ 46,606	\$ 174,466	\$ 171,336
Excess of revenue over expenses	-	-	3,862	3,862	3,130
Transfers (Note 10)	-	(94)	(1,431)	(1,525)	-
Change in net assets invested in capital assets	<u>14,383</u>	<u>-</u>	<u>(14,383)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 15,120</u>	<u>\$127,029</u>	<u>\$ 34,654</u>	<u>\$ 176,803</u>	<u>\$ 174,466</u>

See accompanying notes to the financial statements.

**Board of Management for the
Eastview Neighbourhood Community Centre
Statement of Operations**

Year Ended December 31, 2009

	2009	2008
	<u>Actual</u>	<u>Actual</u>
Program revenue		
Grants		
United Way	\$ 335,214	\$ 348,829
City of Toronto (Note 14)	196,799	224,836
Province of Ontario (Note 14)	101,290	98,642
Government of Canada	73,109	66,324
Foundations	<u>51,538</u>	<u>37,993</u>
	757,950	776,624
Donations	16,638	11,972
Funds from Massey Centre	18,083	22,281
Fundraising	43,393	48,467
Program fees	42,004	46,223
Memberships	4,849	4,689
Miscellaneous income	<u>2,982</u>	<u>4,784</u>
	885,899	915,040
Program expenditures		
Salaries and wages	566,731	581,641
Employee benefits	133,246	125,410
Materials and supplies	115,221	115,395
Purchase of services	62,322	88,774
Amortization of program assets	<u>4,517</u>	<u>690</u>
	882,037	911,910
Excess of revenue over expenses - program	<u>3,862</u>	<u>3,130</u>
Administration expenditures		
Salaries and wages	373,796	366,478
Employee benefits	86,626	88,633
Materials and supplies	26,792	20,696
Purchase of services	<u>35,053</u>	<u>32,799</u>
	522,267	508,606
Funds provided by City of Toronto		
Administration (Note 9)	<u>522,267</u>	<u>508,606</u>
Excess of revenue over expenses	\$ 3,862	\$ 3,130

See accompanying notes to the financial statements.

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

Year Ended December 31 2009 2008

Increase (decrease) in cash and short term investments

Operating activities

Excess of revenue over expenses	\$ 3,862	\$ 3,130
Non-cash items		
Amortization of capital assets	<u>4,517</u>	<u>690</u>
	8,379	3,820
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	2,393	728
- Other	6,919	(761)
Prepays	(1,857)	8,000
Payables - City of Toronto	(9,215)	(4,782)
- Other	13,200	20,635
Deferred revenue	(11,552)	37,860
Deferred capital contribution	15,120	-
Liability for long term employee benefit obligations	(14,023)	645
Long term City of Toronto account receivable	<u>14,023</u>	<u>(645)</u>
	<u>23,387</u>	<u>65,500</u>

Investing Activities

Purchase of capital assets	(18,900)	
Donation to the City of Toronto (Note 10)	<u>(1,525)</u>	<u>-</u>
Net increase in cash and short term investments	2,962	65,500
Cash and short term investments, beginning of year	<u>362,239</u>	<u>296,739</u>
Cash and short term investments, end of year	\$ <u>365,201</u>	\$ <u>362,239</u>

See accompanying notes to the financial statements.

Board of Management for the Eastview Neighbourhood Community Centre

Notes to the Financial Statements

December 31, 2009

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.

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 **East Toronto Family Community Centre** as a whole, including the Eastview Neighbourhood Community Centre.

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

December 31, 2009

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 as provided by the most recent actuarial valuation. These estimates and assumptions are based on the Centre's best information and judgement and may change significantly with the next detailed evaluation.

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

December 31, 2009

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.

Financial instruments

The Centre adopted Canadian Institute of Chartered Accountants issued Handbook Section 3855, "*Financial Instruments – Recognition and Measurement*", and Section 3862, "*Financial Instruments – Disclosure and Section 3862 - Presentation*", which prescribe the criteria for recognition and presentation of financial instruments on the statement of financial position and the measurement of financial instruments according to prescribed classifications.

The Centre is required to designate its financial instruments into one of the following five categories: held for trading, available for sale, held to maturity, loans and receivables, and other financial liabilities. All financial instruments are to be initially measured at fair value.

Financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost using the effective interest method.

The Centre has classified its cash and short term investments, receivables and payables and accruals as held-for-trading.

It is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

4. Short term investments

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

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

December 31, 2009

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 February, 2010, and provides the accrued benefit obligation as at December 31, 2009. The actuarial valuation has resulted in an actuarial loss of \$80,691 which is being amortized on a straight-line basis over 16 years. The City has acknowledged inaccuracies in the information it provided to calculate long-term benefits for some individuals, and has stated an intention to correct this in 2010. Therefore, the Board of Management cannot comment on the figures related to long-term benefits.

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

	<u>2009</u>	<u>2008</u>
Sick leave benefit plan	\$ 27,914	\$ 40,846
Income benefits	59,484	104,767
Continuation of benefits to disabled employees	28,491	36,205
Post-retirement benefits	<u>116,392</u>	<u>1,735</u>
	<u>232,281</u>	183,553
Less: Unamortized actuarial loss	<u>80,691</u>	<u>17,940</u>
Employee benefit liability	<u>\$ 151,590</u>	<u>\$ 165,613</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 165,613	\$ 164,968
Current service cost	2,317	25,309
Interest cost	8,991	9,148
Amortization of actuarial loss	7,910	4,722
Expected benefits paid	<u>(33,241)</u>	<u>(38,534)</u>
Balance, end of year	<u>\$ 151,590</u>	<u>\$ 165,613</u>

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

December 31, 2009

5. Employee benefits (continued)

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 \$46,476 in 2009, (2008 - \$47,144).

6. Capital assets			<u>2009</u>	<u>2008</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers	\$ 7,650	\$ 7,650	\$ -	\$ 737
Furniture and equipment	<u>76,739</u>	<u>61,619</u>	<u>15,120</u>	<u>-</u>
	<u>\$ 84,389</u>	<u>\$ 69,269</u>	<u>\$ 15,120</u>	<u>\$ 737</u>

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, 2009 the surplus funds on hand amounted to \$42,659 (2008 - \$42,247). 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.

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 East Toronto Family Community Centre**. The unexpended balance was \$1,960 (2008 - \$936) at December 31, 2009.

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

December 31, 2009

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>2009</u> <u>Budget</u> (Unaudited)	<u>2009</u>	<u>2008</u>
Administration expenditure:			
Salaries and wages	\$ 364,200	\$ 373,796	\$ 366,478
Employee benefits	92,500	86,626	88,633
Materials and supplies	21,550	26,792	20,696
Purchase of services	<u>44,050</u>	<u>35,053</u>	<u>32,799</u>
	<u>\$ 522,300</u>	<u>522,267</u>	<u>508,606</u>
Actual administration revenue:			
Centre's actual administration revenue from City		522,282	506,896
Add: Retroactive management salary and benefits		-	1,067
		<u>522,282</u>	<u>507,963</u>
Administration expenditure (over) under approved budget		\$ <u>15</u>	\$ <u>(643)</u>

The under expenditure of \$15 (over expenditure in 2008 - \$643) is included in accounts (receivable from) payable to the City.

	<u>2009</u>	<u>2008</u>
10. Reserves		
Capital / Project Reserve	\$ 63,192	\$ 64,171
Administrative Contingency Reserve	<u>63,837</u>	<u>62,952</u>
	<u>\$ 127,029</u>	<u>\$ 127,123</u>

The Capital / Project Reserve is restricted to expenditures of a capital/project nature as approved by the Committee of Management/Board of Directors. During 2009, donation of \$1,525 for Commemorative Tree & Bench was made to City of Toronto from this fund.

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.

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

December 31, 2009

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 2009 the Centre received \$210,463 (2008 - \$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:

	<u>2009</u>	<u>2008</u>
Eastview Neighbourhood Community Centre	\$ 58,451	\$ 54,378
Regent Park CHC	47,024	41,680
June Callwood Centre for Women & Families	33,455	28,934
Hincks-Dellcrest Centre	36,407	34,913
Applegrove Community Complex	30,885	27,315
Staff costs shared	<u>4,241</u>	<u>3,440</u>
	<u>\$ 210,463</u>	<u>\$ 190,660</u>

During the year the Centre distributed \$210,463 (2008 - \$190,660) to the Coalition partners. The Centre, as a partner, records only its share of revenue and staff costs in these financial statements.

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, 2009, the Centre has not used any of the operating line of credit.

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.

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

December 31, 2009

14. Grants

Included in Grants - Province of Ontario is a Newcomers Program Grant for \$53,701 (2008 - \$52,169). In addition, the Centre used a grant for \$24,193 for the purchase of capital assets which had been deferred from 2008. The contribution relating to the purchase of the program assets is being deferred and amortized over the life of the asset (5 years).

Included in Grants - City is \$89,488 from Children's Services to support Family Resource Centre (2008 - \$87,488).

15. Comparative figures

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