FINANCIAL STATEMENTS

For

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

For the year ended

DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

CITY OF TORONTO AND THE BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

We have audited the accompanying financial statements of the Board of Management for Community Centre 55, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and changes in net assets and cash flows 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 public sector accounting standards for government not-for-profit organizations, 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 generally accepted 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Management for Community Centre 55 as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Emphasis of Matter

We draw attention to Note 2 to the financial statements which describes that the Board of Management for Community Centre 55 made a change in accounting policy regarding its reporting and disclosure of controlled not-for-profit organizations effective January 1, 2013. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of the Board of Management for Community Centre 55 for the year ended December 31, 2012, were audited by another auditor who expressed an unmodified opinion on those statements on April 9, 2013.

Welch LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 13, 2014.

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	$ 16,553	$ 6,853
Accounts receivable	14,617	7,068
	31,170	13,921
ACCOUNTS RECEIVABLE - CITY OF TORONTO (note 5)	235,650	224,390
	$ 266,820	$ 238,311
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities - City of Toronto (note 7)	$ 269	$ 134
Accounts payable and accrued liabilities - Other	30,901	13,787
	31,170	13,921
POST-EMPLOYMENT BENEFITS PAYABLE (note 5)	235,650	224,390
	266,820	238,311
NET ASSETS	-	-
	$ 266,820	$ 238,311

Approved by the Board:

[signature] Chair

[signature] Treasurer

(See accompanying notes)

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
Revenues		
City of Toronto	$ 720,354	$ 692,795
Expenses		
Salaries and Wages	485,850	480,692
Employee Benefits	142,334	138,231
Materials and supplies	44,848	28,989
Purchase of services	47,322	44,883
	720,354	692,795
Net revenue over expenses	-	-
Net assets, beginning of year	-	-
Net assets, end of year	$ -	$ -

(See accompanying notes)

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenue over expenses	$ -	$ -
Increase (decrease) resulting from changes in:		
Accounts receivable	(7,549)	(7,068)
Long term account receivable - City of Toronto	(11,260)	(13,146)
Accounts payable and accrued liabilities - City of Toronto	135	(4,495)
Accounts payable and accrued liabilities - Other	17,114	(581)
Post-employment benefits payable	11,260	13,146
Cash flows from (used in) operating activities	9,700	(12,144)
INCREASE (DECREASE) IN CASH	9,700	(12,144)
CASH AT BEGINNING OF YEAR	6,853	18,997
CASH AT END OF YEAR	$ 16,553	$ 6,853

(See accompanying notes)

1. NATURE OF 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 part of the premises at 97 Main Street, Toronto, as a community recreation centre under the authority of the Municipal Act, known as Community Centre 55 (the "Centre"). The Centre is a not-for-profit organization and, as such, is exempt from income tax.

The Municipal Code provides for a Council appointed Board of Management 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. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2013, the Centre changed its accounting policy regarding presentation and disclosure of controlled not-for-profit organizations. The Centre has changed its policy from consolidating the controlled not-for-profit organization, Community Centre 55, a registered charitable organization, to presenting separate financial statements for the Board of Management of Community Centre 55, with disclosure of the controlled not-for profit organization. As a result of the change in accounting policy the comparative figures have been restated to reflect this change.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profits ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB).

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 and are recorded as deferred contributions on the statement of financial position.

Financial instruments

The Centre initially measures its financial assets and financial liabilities at fair value.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Contributed material services

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

Employee related costs

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

(a) The City of Toronto offers a multiemployer defined benefit pension plan to the Centre's employees. Due to the nature of the plan, the Centre does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.

(b) The Centre also offers its employees a defined benefit sick leave plan, a postretirement life, health and dental plan, a long term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Centre recognizes an accrued benefit liability on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains / losses.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining significant accrued liabilities and the post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Centre's financial instruments.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Centre will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities.

The Centre manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Centre believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre's cash earns interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible.

Credit risk

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre's maximum exposure to credit risk represents the sum of the carrying value of its cash and accounts receivable. The Centre's cash is with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote.

Management believes that the Centre's credit risk with respect to accounts receivable is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Changes in risk

There have been no changes in the organization's risk exposures from the prior year.

5. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

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 July 1, 2008, unused sick leave accumulates and eligible retirees 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 can be taken in cash by an 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. Grandfathered management staff remains entitled to payout of frozen, banked time, as described above. Under the new STD plan, management employees are entitled to 130 days annual coverage with salary protection at 100 or 75 percent, depending upon years of service. 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 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 as at December 31, 2012 with projections to December 31, 2013, 2014 and 2015. Assumptions used to project the accrued benefit obligations were as follows:

- long-term inflation rate - 2%
- assumed health care cost trends - range from 3.2% to 6.4 %
- rate of compensation increase - 3%
- discount rates - post-retirement 4.4%, post-employment 3.6 %, sick leave 4.1%

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

	2013	2012
Sick leave benefits	$ 192,363	$ 108,795
Post-retirement benefits	102,556	171,301
Continuation of benefits to disabled employees	128,073	78,049
Income benefits	68,215	150,470
	491,207	508,615
Deduct: Unamortized actuarial loss	(255,557)	(284,225)
Post-employment benefit liability	$ 235,650	$ 224,390

5. **POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY** - Cont'd.

The continuity of the accrued benefit obligation is as follows:

	2013	2012
Balance, beginning of year	$ 224,390	$ 211,244
Current service cost	7,442	7,587
Interest cost	16,889	18,106
Amortization of actuarial loss	32,667	33,894
Expected benefits paid	(45,738)	(46,441)
	$ 235,650	$ 224,390

Expenditures relating to employee benefits are included in administration employee benefits on the statement of operations in the amount of $11,260 (2012 - $13,146) and include the following components:

	2013	2012
Current service cost	$ 7,442	$ 7,587
Interest cost	16,889	18,106
Amortization of actuarial loss	32,667	33,894
Expected benefits paid	(45,738)	(46,441)
Total expenditures related to post-employment benefits	$ 11,260	$ 13,146

A long term receivable of $235,650 (2012 - $224,390) from the City has resulted from the recording of 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.

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 $44,489 in 2013 (2012 - $55,746).

The most recent actuarial valuation of the OMERS plan as at December 31, 2013 indicates the Plan is not fully funded and the plan's December 31, 2013 financial statements indicate a deficit of $8.6 billion (less an additional $341 million of deferred gains that must be recognized over the next four years). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Centre's contributions accounted for 0.0026% of the plan's total employer contributions. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

6. CONTROLLED NOT-FOR-PROFIT

The Centre controls Community Centre 55 (the "Charity"), a charitable organization. The Charity runs the Centre's programs. The Charity is incorporated without share capital under the name Community Centre 55 and is a registered charity under the Income Tax Act. The Centre provides all administrative resources to the Charity and the Charity operates to assist the Centre in achieving its mandates.

The Charity has not been consolidated in the Centre's financial statements. Financial summaries of the Charity as at December 31, 2013 and 2012 and for the years then ended are as follows:

Financial Position

	2013	2012
Total assets	$ 715,129	$ 630,044
Total liabilities	$ 55,639	$ 38,969
Total net assets	659,490	591,075
	$ 715,129	$ 630,044

Results of Operations

	2013	2012
Total revenues	$ 1,294,983	$ 1,192,067
Total expenses	1,226,567	1,104,016
Excess revenue over expenses	$ 68,416	$ 88,051

Cash Flows

	2013	2012
Cash from operating activities	$ 77,186	$ 98,286
Cash from (used in) financing activities	142,909	(202,793)
Increase (decrease) in cash	$ 220,095	$ (104,507)

7. FUNDS PROVIDED BY THE CITY OF TORONTO

Funding for administration expenditures 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.

	2013 Budget (unaudited)	2013	2012
Administration expenses:			
Salaries and Wages	$ 486,532	$ 485,850	$ 480,692
Employee Benefits	139,800	142,334	138,231
Materials and supplies	49,300	44,848	28,989
Purchase of services	33,600	47,322	44,883
	$ 709,232	$ 720,354	$ 692,795
Centre's actual administration revenue:			
Administration budget		$ 709,232	$ 679,783
Centre's actual administration expenses:			
Administration expenses per statement of operations		720,354	692,795
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto		(11,260)	(13,146)
Difference between funding received and budgeted		6	-
		709,100	679,649
Administration expenses under approved budget		$ 132	$ 134

The under expenditure of $132 in 2013 (2012 - $134) is included in the account payable to the City of Toronto.

REPORT TO THE

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

For the year ended December 31, 2013

Prepared by
Welch LLP

AUDIT STATUS

Our audit of the financial statements of Board of Management for Community Centre 55 for the year ended December 31, 2013 is substantially complete and we expect to release our auditors' report after the following outstanding matters are completed:

- Receipt of the signed management representation letter
- Final subsequent events review

If any significant matters arise between the date of this report and the signing of our audit report we will raise them with you. The following paragraphs provide information we are required to communicate with you in accordance with Canadian generally accepted auditing standards.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided in the financial statements.

There are no matters with respect to the qualitative aspects of accounting practices that we wish to draw to your attention in relation to the financial statements for the 2013 fiscal year.

MANAGEMENT LETTER OF REPRESENTATION

It is necessary for us to obtain written representations from management as an acknowledgement of their responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. We have provided a draft of the letter of representation in Appendix A. Management has committed to provide us with a signed copy of the letter on a date to coincides with the date of our auditors' report.

MISSTATEMENTS

The corrected and uncorrected misstatements identified during our audit are included in Appendix A.

Canadian generally accepted auditing standards require that we request that management and the Board correct all the misstatements that we present to them. The uncorrected misstatements identified are as follows; $1,800 of unaccrued costs and related liability for painting the Centre over Christmas break. Management has decided not to adjust the financial statements for this item due to the small dollar value involved. $5,113 of unused vacation for full time staff as of December 31, 2013 has not been accrued. Management has decided not to adjust the financial statements for this item due to the small dollar value involved and because the vacation is expected to be used in the early part of 2014. And $14,287 of HST rebates for fiscal years 2012 and 2013 which has not been received at the time of the audit fieldwork and are now under audit by CRA. As the outcome of the audit is not determinable management has not adjusted the financial statements for this item.

If you disagree with management, and would like management to make the proposed adjustment(s), we request that you inform management and us accordingly.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

During our audit we did not identify any significant deficiencies in internal control to report to the Board.

However, we identified some areas where there was room for improvement in procedures and internal controls and these have been included in a report to management. We have not provided a comprehensive statement of all weaknesses which may exist in internal control or all improvements which can be made, but have addressed only those matters which have come to our attention as a result of audit procedures we have performed. The areas identified are as follows:

Back-ups of computer records

At present back-ups of the computer records are made on a regular basis to a single computer which is stored in the business manager's office. Having the back-ups stored on-site still creates the risk of loss should there be damage to the business manager's office. We recommend that back-ups be made monthly that can be taken and stored off-site.

HST registration and filings

At present HST rebates are being filed for both Centre 55 (operating) and Centre 55 (programming) using the same business number, registered to Centre 55 (programming) and on the same rebate form. As the two are separate legal entities we recommend that a business number and HST account be obtained for Centre 55 (operating) and that separate HST rebates be filed and claimed going forward.

INDEPENDENCE

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Board of Management for Community Centre 55 and us that, in our professional judgment, may reasonably be thought to bear on our independence.

Prior to the commencement of our year-end audit fieldwork we provided an audit approach letter. In this communication we reported to you that there were no independence issues, as outlined in the Rules of Professional Conduct of the Institute of Chartered Accountants of the Province of Ontario that would prevent us from performing the audit.

Subsequent to the issuance of that letter, no other matters have been identified that would reasonably be thought to bear on our independence. As a result, we reconfirm that we remain independent.

FINANCIAL STATEMENT PRESENTATION

1. Significant Accounting Policies

The organization's significant accounting policies are disclosed in the notes to the financial statements.

a. Controlled not-for-profit organization

Effective January 1, 2013, the Centre changed its accounting policy regarding presentation and disclosure of controlled not-for-profit organizations. The Centre has changed its policy from consolidating the controlled not-for-profit organization, Community Centre 55, a registered charitable organization, to presenting separate financial statements for the Board of Management of Community Centre 55, with disclosure of the controlled not-for profit organization.

No other new policies or significant changes to existing policies were required to comply with new or amended standards implemented by the CICA.

2. Management's Judgments and Accounting Estimates

During the audit we did not encounter any situations that required significant judgements on the part of management or involved significant estimates.

DIFFICULTIES ENCOUNTERED DURING THE AUDIT

During the course of our audit we received the full co-operation of management and did not encounter any difficulties during our audit. There were no limitations on the scope of our audit work and we did not have any disagreements with management.

MATTERS SPECIFICALLY REQUIRED BY OTHER CANADIAN AUDITING STANDARDS TO BE COMMUNICATED

Other sections of Canadian Auditing Standards require us to communicate with those charged with governance in a number of specific circumstances:

- Where we encounter unusual related party transactions or significant matters related to related party transactions;
- Where we encounter other transactions that were unusual or not in the normal course of business;
- Where we suspect or detect fraud;
- Where there is inconsistency between the financial statements and other information in documents containing the financial statements; and
- Where we believe there may be non-compliance with legislative or regulatory requirements.

We did not encounter any such matters during the course of our audit.

ACKNOWLEDGEMENTS

During the course of our audit, we received considerable assistance from the organization's staff and management. We would like to take this opportunity to thank them for efforts and for their constructive approach to the audit.

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

97 Main Street
Toronto, Ontario
M4E 2V6

Date to be determined

Welch LLP
36 Toronto Street
Suite 530
Toronto, ON
M5C 2C5

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of the Board of Management for Community Centre 55 as of December 31, 2013 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Board of Management for Community Centre 55 in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations and for the design and implementation of internal controls to prevent and detect fraud and error.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 25, 2013, for the preparation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
2. The significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Information Provided

1. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

   (b) Additional information that you have requested from us for the purpose of the audit; and

   (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence

2. All transactions have been recorded in the accounting records and are reflected in the financial statements

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed this risk as low.

4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:

   (a) Management;

   (b) Employees who have significant roles in internal control; or

   (c) Others where the fraud could have a material effect on the financial statements.

5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Accounts Receivable

1. Accounts receivable are correctly described in the records and represent valid claims as at the year-end against the persons or companies indicated. These accounts are expected to be collected within twelve months, except for those amounts presented as long term.

2. The accounts receivable are free from hypothecation or assignment except as disclosed in the notes to the financial statements.

3. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses that may be incurred with respect to services rendered prior to the year-end.

4. Accounts receivable represent valid claims relating to transactions made before the end of the fiscal year and do not include any amount relating to goods shipped on consignment. Adequate provision has been made for losses which may be sustained in the collection of receivables.

Liabilities and Commitments

1. At the year end, with the exception of relatively immaterial obligations for which invoices had not been received or which otherwise could not readily be determined or estimated, all known liabilities of the organization are included and fairly stated on the balance sheet.

2. At the year-end there were no contingent liabilities (e.g., discounted receivables or drafts, guarantees, pending or unsettled suits, matters in dispute).

3. The organization has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

4. At the year-end, the organization had no unusual commitments or contractual obligations of any sort that were not in the ordinary course of business or that might have an adverse effect upon the organization.

5. All claims outstanding against the organization or possible claims have been disclosed to you and, where appropriate, reflected in the financial statements or notes thereto.

6. We understand that any illegal or possibly illegal act could damage the organization or its reputation or give rise to a claim or claims against the organization. We are not aware of any violations or possible violations of law or regulations the effects of which should be considered for disclosure in the financial statements or as the basis for recording a contingent loss.

Statement of Operations

1. All of the revenues of the organization for the year has been recorded in the books of account and disclosed in the financial statements.

2. The statement of operations contains no extraordinary or non-recurring items of material amount except as shown thereon.

Restrictions

1. All restrictions on the use of the organization's funds or assets, as well as all requirements or conditions imposed by third parties, have been brought to your attention and are appropriately disclosed in the financial statements. The organization complied with all restrictions, requirements or conditions which, in the event of non-compliance could have a significant effect on the financial statements.

2. All assets subject to a lien, pledged or assigned as security or guarantee for liabilities were brought to your attention and are appropriately disclosed in the financial statements.

Corporate Minutes

The minute books of the organization contain an accurate record of all of the business transacted at meetings of board of directors up to the date of this letter.

Controlled and Related Entities

1. All subsidiaries and controlled not-for-profit organizations have been accurately reflected in the financial statements.

2. All enterprises and not for profit organizations where the organization has control, exerts significant influence or has an economic interest have been appropriately reflected in the financial statements.

Related Party Transactions

1. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards for government not-for-profit organizations.

2. There have been no exchanges of goods or services with any related parties for which appropriate accounting recognition and financial statement disclosure has not been given.

Recognition, Measurement and Disclosure

1. Significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

2. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

3. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

4. The actuarial assumptions and methods used to measure the pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Going Concern

We confirm that we have assessed the entity's ability to continue as a going concern, taking into account all information which is at least twelve months from the year-end date, and we conclude that the entity is able to continue as a going concern for the foreseeable future.

General

1. We are unaware of any frauds or possible frauds having been committed by the organization, its employees or any of its directors and officers and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

2. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements.

3. We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error.

4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

6. In the course of your audit of our financial statements for the year ended December 31, 2013, you have recommended certain journal entries and adjustments to our books and records as attached to this letter. We hereby acknowledge that we understand, agree with and approve of the attached journal entries which have been considered necessary to present fairly the financial position and operating results of our organization.

Events Subsequent to the Year-end

All events subsequent to the date of these financial statements and for which Canadian public sector accounting standards for government not-for-profit organizations require adjustment or disclosures have been adjusted or disclosed.

Yours very truly,

BOARD OF MANAGEMENT FOR COMMUNITY CENTRE 55

Per____

Debbie Visconti

Board of Management for Community Centre 55
Year End: December 31, 2013
Adjustments
Rev. 10/10/01
Date: 01/01/2013 To 31/12/2013

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	31/12/2013	Accum. Due to City	508000-141	JJ		133.45		
1	31/12/2013	Accum. Due to City	508000-141	JJ		135.50		
1	31/12/2013	Retained Earnings - Operating	508021-141	JJ	133.45			
1	31/12/2013	Miscellaneous Revenue	608010-141	JJ	135.50			
		To reclassify 2012F surplus to owing to City of Toronto and adjust 2013F surplus to other revenue and owing to City of Toronto						
					268.95	**268.95**		

Net Income (Loss) **0.00**

Prepared by	Reviewed by	Reviewed by
VL 27/02/2014		

Board of Management for Community Centre 55

Period ending: December 31, 2013
Summary of unadjusted errors
Rev. 2012-1

Preliminary overall materiality is $15,000; Final overall materiality is $15,000.
All misstatements over $nil are to be recorded on this summary. Misstatements below this threshold are considered trivial.
The tax rate used in this schedule is nil%.

		INCOME STATEMENT Overstated or (Understated)			BALANCE SHEET Overstated or (Understated)				
Description of Possible Misstatement	**WP Ref.**	**Identified Mis-statement**	**Likely Aggregate Mis-statement**	**Likely Aggregate Mis-statement After Tax**	**Assets**	**Liabilities**	**Closing Equity**	**F/S Disclosures**	**Corr-ected?**
Unaccrued AP		1,800	1,800	1,800		(1,800)	1,800		No
Unaccrued vacation owing		5,113	5,113	5,113		(5,113)	5,113		No
HST rebates for 2012 and 2013 provision		14,287	14,287	14,287	14,287		14,287		No
Understated AR from City of TO for deficit based on the above unadjusted misstatements		(21,200)	(21,200)	(21,200)	(21,200)		(21,200)		No

	Likely Aggregate Mis-statement	Likely Aggregate Mis-statement After Tax	Assets	Liabilities	Closing Equity	F/S Disclosures
Total			(6,913)	(6,913)		
Effect of Unadjusted Errors From Prior Years	(10,851)	(10,851)		10,851		
Aggregate Likely Misstatements	(10,851)	(10,851)	(6,913)	3,938		
Further Possible Misstatements						
Maximum Possible Misstatements	(10,851)	(10,851)	(6,913)	3,938		
Corrected Misstatements						
Uncorrected Misstatements	(10,851)	(10,851)	(6,913)	3,938		
Materiality	15,000	15,000	15,000	15,000	15,000	15,000
Margin Remaining For Further Possible Misstatements	4,149	4,149	8,087	11,062	15,000	15,000

Prepared by	Reviewed by	Reviewed by
VL 07/04/2014		BH 01/05/2014

Document is up to date

05/02/14
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