



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statement

**Board of Management for the
Swansea Town Hall Community Centre**

December 31, 2009

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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
Swansea Town Hall Community Centre

We have audited the statement of financial position of the Board of Management for the Swansea Town Hall Community Centre as at December 31, 2009 and the statements of operations, 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.

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 our opinion, 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.

Budget figures provided in Note 4 have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Toronto, Ontario
March 10, 2010

Grant Thornton LLP

Chartered accountants
Licensed Public Accountants

**Board of Management for the
Swansea Town Hall Community Centre
Statement of Financial Position**

December 31 2009 2008

Assets

Current

Cash and short term investments	\$ 64,452	\$ 45,272
Receivables	970	3,096
Prepays	612	1,194
Inventory	<u>263</u>	<u>174</u>
	66,297	49,736

Long term

Receivable - City of Toronto (Note 3)	<u>75,992</u>	<u>69,491</u>
	\$ 142,289	\$ 119,227

Liabilities

Current

Payables and accruals		
City of Toronto	\$ 2,775	\$ 3,458
Others	40,873	33,934
Deferred revenue	<u>200</u>	<u>-</u>
	43,848	37,392

Long term

Employee benefits payable (Note 3)	<u>75,992</u>	<u>69,491</u>
	119,840	106,883

Capital Campaign Program Reserve (Note 5)

	<u>22,449</u>	<u>12,344</u>
	\$ 142,289	\$ 119,227

Approved on behalf of the Board of Management



Chair



Treasurer

Board of Management for the Swansea Town Hall Community Centre Statement of Operations

Year Ended December 31 2009 2008

Program revenue		
Donation and fundraising	\$ 4,047	\$ 3,377
Event fees	4,033	3,957
Other	<u>4,799</u>	<u>4,455</u>
	<u>12,879</u>	<u>11,789</u>
Program expenditures		
Materials and supplies	444	378
Purchase of service	648	648
Other	<u>1,682</u>	<u>1,690</u>
	<u>2,774</u>	<u>2,716</u>
Excess of program revenue over expenditures	<u>10,105</u>	<u>9,073</u>
Administrative revenue		
Funds provided by City of Toronto	295,667	297,863
Rentals	180,746	162,254
Other	230	1,128
Refreshments	2,644	2,408
Photocopier	<u>2,320</u>	<u>1,728</u>
	<u>481,607</u>	<u>465,381</u>
Administrative expenditures		
Salaries and wages	258,237	244,721
Purchased services	71,473	88,673
Employee benefits	63,569	59,334
Materials and supplies	<u>88,328</u>	<u>72,653</u>
	<u>481,607</u>	<u>465,381</u>
Excess of revenues over expenditures	10,105	9,073
Transfer to Capital Campaign Program Reserve	<u>(10,105)</u>	<u>(9,073)</u>
Net assets, end of year	\$ <u>-</u>	\$ <u>-</u>

**Board of Management for the
Swansea Town Hall Community
Statement of Cash Flows**

Year Ended December 31 2009 2008

Increase (decrease) in cash and short term investments

Operating activities

Excess of revenue over expenditures	\$ 10,105	\$ 9,073
Increase (decrease) resulting in changes in:		
Receivables	2,127	(1,803)
Prepays	582	36
Inventory	(89)	26
Payables - City of Toronto	(684)	3,458
Payables and accruals	6,939	5,568
Deferred revenue	200	(1,076)
Long term accounts receivable - City of Toronto	(6,501)	(7,375)
Long term employee benefits payable	<u>6,501</u>	<u>7,375</u>
	<u>19,180</u>	<u>15,282</u>
Net increase in cash and short term investments	19,180	15,282
Cash and short term investments, beginning of year	<u>45,272</u>	<u>29,990</u>
Cash and short term investments, end of year	\$ <u>64,452</u>	\$ <u>45,272</u>

See accompanying notes to the financial statements.

Board of Management for the Swansea Town Hall 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 of the City of Toronto Municipal Code. Chapter 25 amended all previous by-laws and established part of the premises at 95 Lavinia Avenue, as a community recreation centre known as Swansea Town Hall Community Centre (Centre).

The Municipal Code provides for a Council appointed Committee 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. 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

Revenues and expenses are presented using the accrual basis of accounting.

Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions not expended are included as surplus for the year. Restricted contributions not expended are included as surplus under the specified program for the year. See Note 5 for additional details.

Rental and similar revenues are recognized on the date of the performance or event.

Capital assets

Major capital expenditures are financed by the City of Toronto, which owns the facility, and are not reported in these financial statements. In accordance with the accounting recommendations for small not-for-profit organizations, the Centre expenses capital assets on acquisition. During 2009, capital assets expensed totalled \$ 17,351.

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.

Board of Management for the Swansea Town Hall Community Centre

Notes to the Financial Statements

December 31, 2009

2. Significant accounting policies (continued)

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.

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.

Board of Management for the Swansea Town Hall Community Centre Notes to the Financial Statements

December 31, 2009

3. 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 non-union management staff, unused sick leave accumulates and employees become 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 an employee on retirement or termination. The Centre also provides health, dental, life insurance, accidental death or descendent and long-term disability benefits to employees. (The same health, dental and life insurance benefits are provided to administration retirees until age 65 and reduced benefits thereafter.)

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed during 2009 and has been extrapolated to provide the accrued benefit obligation as of December 31, 2009. This actuarial valuation has resulted in an actuarial loss of \$41,050 which is being amortized on a straight-line basis over 16 years, being the expected average remaining service life of the employees.

Information about the Complex'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	\$ 31,145	\$ 5,866
Post-retirement benefits	<u>41,311</u>	<u>18,130</u>
	72,456	23,996
Add: Unamortized actuarial gain	<u>3,536</u>	<u>45,495</u>
Employee benefit liability	\$ <u>75,992</u>	\$ <u>69,491</u>

**Board of Management for the
Swansea Town Hall Community Centre
Notes to the Financial Statements**

December 31, 2009

3. Employee benefits (continued)

The continuity of the accrued benefit obligation is as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 69,491	\$ 62,116
Current service cost	5,666	9,459
Interest cost	1,744	1,109
Amortization of actuarial (gain)	(909)	(2,182)
Expected benefits paid	<u>-</u>	<u>(1,011)</u>
Balance, end of year	\$ <u>75,992</u>	\$ <u>69,491</u>

Expenditures relating to employee benefits are included as employee benefit expenses for administration on the Statement of Revenue and Expenses and include the following components:

	<u>2009</u>	<u>2008</u>
Current service cost	\$ 5,666	\$ 9,459
Interest cost	1,744	1,109
Amortization of actuarial (gain)	(909)	(2,182)
Expected benefits paid	<u>-</u>	<u>(1,011)</u>
Total expenditures related to post-retirement and post-employment benefits	\$ <u>6,501</u>	\$ <u>7,375</u>

A long term receivable has resulted from recording sick leave and post retirement benefits for administration staff benefit. Funding for these costs are provided by the City as benefit costs are paid and the City is responsible for the City approved administration 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 most of its employees. The 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 \$14,731 in 2009 (2008 - \$15,560).

**Board of Management for the
Swansea Town Hall Community Centre
Notes to the Financial Statements**

December 31, 2009

4. Funds provided by the City of Toronto

Funding for administration is provided by the City according to Council approved budgets. Surplus amounts in administration are payable back to the City. Deficits, other than long term employee benefits, are to be funded by the Centre unless Council approval has been obtained for additional funding.

	<u>2009</u>	<u>2008</u>
Budgeted administration expenditure:		
Centre's approved budget for 2009 administration expenses		
Salaries and benefits	\$ 337,400	\$ 324,000
Materials and supplies	51,100	49,100
Purchase of services	<u>40,576</u>	<u>49,653</u>
	429,076	422,753
Less: Budgeted revenue	<u>(138,900)</u>	<u>(130,500)</u>
Budgeted net City funding	<u>290,176</u>	<u>292,253</u>
Actual administration expenditure:		
Centre's actual administration expenses	481,607	465,381
Post retirement benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto	(6,501)	(7,375)
Deduct: Revenue earned	<u>(185,940)</u>	<u>(167,518)</u>
Funding allowed by City	<u>289,166</u>	<u>290,488</u>
Administration expenditure under approved budget	\$ <u>1,010</u>	\$ <u>1,765</u>

The under expenditure of \$1,010 (2008 - \$1,765) is included in accounts payable to the City of Toronto.

5. Capital campaign program

The Board of Management created a Capital Campaign Program in October of 2007. These funds are earmarked for City approved project CCA 078-01 Phase II of basement expansion, and as such are not core administrative funds.