



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Central Eglinton Community Centre

December 31, 2010

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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.

Basis for qualified opinion

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 net assets.

Qualified Opinion

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, that the financial statements present fairly, in all material respects, the financial position of Central Eglinton Community Centre as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 26, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

**Board of Management for the
Central Eglinton Community Centre
Statement of Financial Position**

December 31

2010

2009

Assets

Current

Cash and short term investments (Note 3)	\$ 272,707	\$ 307,708
Receivables - City of Toronto	31,035	27,095
- Other	<u>7,673</u>	<u>3,105</u>
	311,415	337,908

Long term

Receivable - City of Toronto (Note 4)	<u>157,790</u>	<u>153,246</u>
	\$ <u>469,205</u>	\$ <u>491,154</u>

Liabilities

Current

Payables and accruals - City of Toronto	\$ 9,699	\$ 17,423
- Other	59,203	93,710
Deferred revenue	<u>18,010</u>	<u>11,860</u>
	86,912	122,993

Long term

Employee benefits payable (Note 4)	<u>157,790</u>	<u>153,246</u>
	<u>244,702</u>	<u>276,239</u>

Net Assets

Program funds - Internally restricted	\$ 42,175	\$ 42,175
- Unrestricted	<u>182,328</u>	<u>172,740</u>
	<u>224,503</u>	<u>214,915</u>
	\$ <u>469,205</u>	\$ <u>491,154</u>

Approved on behalf of the Board of Management

Susan Innes Chair

[Signature] Treasurer

See accompanying notes to the financial statements.

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

Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
Net assets, beginning of year	\$ 172,740	\$ 42,175	\$ 214,915	\$ 207,201
Surplus	<u>9,588</u>	<u>-</u>	<u>9,588</u>	<u>7,714</u>
Net assets, end of year	\$ <u>182,328</u>	\$ <u>42,175</u>	\$ <u>224,503</u>	\$ <u>214,915</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre Statement of Operations

Year Ended December 31, 2010

	2010 <u>Actual</u>	2009 <u>Actual</u>
Parent/Child program revenue		
Grants (Note 7)	\$ 32,412	\$ 26,947
Program and membership fees	70,451	63,770
Membership fees	14,940	12,800
Fundraising	-	438
	<u>117,803</u>	<u>103,955</u>
Parent/Child program expenditures		
Salaries and wages	84,839	78,790
Employee benefits	17,505	17,310
Materials and supplies	3,387	3,735
Purchase of services	10,425	9,141
	<u>116,156</u>	<u>108,976</u>
Deficiency - Parent/Child program	<u>1,647</u>	<u>(5,021)</u>
Summer Camp program revenue		
Grants (Note 7)	15,331	14,835
Program and membership fees	40,046	44,322
Membership fees	2,985	2,555
Fundraising	4,500	9,000
	<u>62,862</u>	<u>70,712</u>
Summer Camp program expenditures		
Salaries and wages	48,669	50,731
Employee benefits	4,032	4,307
Materials and supplies	5,238	7,530
Purchase of services	3,790	3,058
	<u>61,729</u>	<u>65,626</u>
Surplus – Summer Camp program	<u>1,133</u>	<u>5,086</u>
Other programs revenue		
Grants (Note 7)	58,249	44,990
Program and membership fees	50,626	49,751
Membership fees	3,885	4,185
Fundraising and donations	26,463	27,003
Rental fees	1,512	1,270
Other	2,269	3,764
	<u>143,004</u>	<u>130,963</u>
Other programs expenditures		
Salaries and wages	79,161	67,038
Employee benefits	13,279	11,552
Materials and supplies	17,210	14,396
Purchase of services	26,546	30,327
	<u>136,196</u>	<u>123,313</u>
Surplus - Other programs	<u>6,808</u>	<u>7,650</u>
Funds provided by City of Toronto		
Administration (Note 6)	<u>593,478</u>	<u>580,296</u>
Administration expenditures		
Salaries and wages	416,844	409,539
Employee benefits	93,132	101,379
Materials and supplies	33,088	25,759
Purchase of services	50,414	43,619
	<u>593,478</u>	<u>580,296</u>
Surplus	<u>\$ 9,588</u>	<u>\$ 7,714</u>

See accompanying notes to the financial statements.

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

Year Ended December 31

2010

2009

Increase (decrease) in cash and short term investments

Operating activities		
Program surplus	\$ 9,588	\$ 7,714
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	(3,940)	(1,663)
- Other	(4,568)	(22)
Payables - City of Toronto	(7,724)	(7,538)
- Other	(34,507)	11,776
Long term account receivable - City of Toronto	(4,544)	(2,827)
Deferred revenue	6,150	(1,486)
Long term employee benefits payable	<u>4,544</u>	<u>(2,827)</u>
Net (decrease) increase in cash and short term investments	(35,001)	8,781
Cash and short term investments, beginning of year	<u>307,708</u>	<u>298,927</u>
Cash and short term investments, end of year	\$ <u>272,707</u>	\$ <u>307,708</u>

See accompanying notes to the financial statements.

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

December 31, 2010

1. Establishment and operations

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

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

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

2. Significant accounting policies

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

Revenue recognition

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

Accrual basis of accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money. In the year, gross revenues from all sources totalled \$912,603 (2009 - \$885,926) and total expenses charged against all funds totalled \$903,015 (2009 - \$878,212).

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

December 31, 2010

2. Significant accounting policies (continued)

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. For example, the employee benefits liabilities and related costs charged to the statement of revenue and expenditures depend on certain actuarial and economic assumptions. Estimates and assumptions are based on the Centre's best information and judgment and may differ significantly from actual results.

Employee related costs

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

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

New accounting standards for Government not-for-profits organizations (GNFPOs)

The Public Sector Accounting Board has issued revised standards for GNPOs which are effective for fiscal years beginning on or after January 1, 2012. GNPOs will be required to adopt CICA Public Sector handbook with or without the addition of sections PS 4200 to PS4270. These are as follows, PS 4200 – Financial statement presentation by not-for-profit organizations, PS 4210 Contributions – revenue recognition, PS 4220 Contributions receivable, PS 4230 Capital assets held by not-for-profit organizations, PS 4240 Collections held by not-for-profit organizations, PS 4250 Reporting controlled and related entities by not-for-profit organizations, PS 4260 Disclosure of related party transactions by not-for-profit organizations and PS 4270 Disclosure of allocated expenses by not-for-profit organizations. The organization has commenced assessing the impact of these new standards and does not expect them to have a significant impact on the financial statements.

Board of Management for the Central Eglinton Community Centre

Notes to the Financial Statements

December 31, 2010

3. Cash and short term investments

Cash and short term investments include \$42,175 (2009 - \$42,175) specifically reserved for expenditures relating to the 50+ Program only.

4. 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 July 1, 2008, unused sick leave accumulates and eligible employees are entitled to a cash payment when they leave the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the employee upon termination, retirement or death. The Centre also provides health, dental, accidental death and disability, life insurance and long term disability benefits to eligible employees. Depending upon length of service and an individual's election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed in 2009. The actuarial valuation has resulted in an actuarial loss in 2002 of \$6,600, in 2006 a gain of \$79,765, a loss in 2009 of \$46,947, and a loss in 2010 of \$1,350 which are being amortized on a straight-line basis over 15 years, 12.8 years, 16 years, and 16 years respectively, being the expected average remaining service life of the employees

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

	<u>2010</u>	<u>2009</u>
Sick leave benefit plan	\$ 60,262	\$ 56,833
Income benefits	-	-
Continuation of benefits to disabled employees	-	-
Post-retirement benefits	<u>102,102</u>	<u>82,875</u>
	<u>162,364</u>	<u>139,708</u>
Add: Unamortized actuarial (gain) loss	<u>(4,574)</u>	<u>13,536</u>
Employee benefit liability	\$ <u>157,790</u>	\$ <u>153,246</u>

The continuity of the accrued benefit obligation during 2010 is as follows:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 153,246	\$ 150,419
Current service cost	1,144	971
Interest cost	8,363	4,709
Amortization of actuarial loss	(2,773)	(2,853)
Expected benefits paid	<u>(2,190)</u>	<u>-</u>
Balance, end of year	\$ <u>157,790</u>	\$ <u>153,246</u>

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

December 31, 2010

4. Employee benefits (continued)

Expenditures in 2010 relating to employee benefits amounting to \$4,544 (2009 - \$2,827) are included in administrative employee benefit expenses on the Statement of Revenue and Expenditure and include the following components:

	<u>2010</u>	<u>2009</u>
Current service cost	\$ 1,144	\$ 971
Interest cost	8,363	4,709
Amortization of actuarial loss	(2,773)	(2,853)
Expected benefits paid	<u>(2,190)</u>	<u>-</u>
Total expenditures related to post-retirement and Post-employment benefits	<u>\$ 4,544</u>	<u>\$ 2,827</u>

A long term receivable of \$157,790 (2009 - \$153,246) has resulted from recording sick leave and post retirement benefits for management staff. Funding for these costs are provided by the City as benefit costs are paid and the City is responsible for the City approved management staff benefit liabilities that may be incurred by the Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of management and union employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$36,791 in 2010 (2009 - \$35,343).

5. Lease Commitments

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

2011	\$ 11,608
2012	9,497
2013	9,305
2014	294

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

December 31, 2010

6. Funds provided by the City of Toronto - administration

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

	<u>2010</u>	<u>2009</u>
Budgeted administration expenditure:		
Centre's approved budget for administration expense was:		
Interim administration budget	\$ 589,320	\$ 577,478
Retroactive administration salary and benefits (COLA)	<u>4,360</u>	<u>-</u>
	<u>593,680</u>	<u>577,478</u>
Actual administration expenditure:		
Centre's actual 2010 administration expense was		
	589,118	580,296
Add: Retroactive administration salary and benefits (COLA)	4,360	
Deduct: Post retirement benefits, not funded by the City until Paid, that is included in long term accounts Receivable - City of Toronto	<u>(4,544)</u>	<u>(2,827)</u>
	<u>588,934</u>	<u>577,469</u>
Administration expenditure under approved budget	\$ <u>4,746</u>	\$ <u>9</u>

A credit for the under expenditure of \$4,746 is included (2009 - \$9) in the accounts payable to the City of Toronto.

Additional funding of \$7,996 was provided by the City of Toronto for retroactive salary and benefits (COLA) to program staff. These funds were redistributed to the approved staff in 2010.

7. Detail of grant revenue

	<u>2010</u>	<u>2009</u>
Parent/Child program		
Grants		
Government of Canada	\$ 2,224	\$ 1,995
City of Toronto	<u>30,188</u>	<u>24,952</u>
	\$ <u>32,412</u>	\$ <u>26,947</u>
Summer Camp program		
Grants		
Government of Canada	\$ 4,448	\$ 3,990
Province of Ontario	2,944	2,906
City of Toronto	<u>7,939</u>	<u>7,939</u>
	\$ <u>15,331</u>	\$ <u>14,835</u>
Other program		
Grants		
Government of Canada	\$ 2,225	\$ 1,995
Province of Ontario – EPC	25,400	19,052
City of Toronto	<u>27,859</u>	<u>23,943</u>
	\$ <u>58,249</u>	\$ <u>44,990</u>

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

December 31, 2010

8. 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.

9. Comparative figures

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