



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Eastview Neighbourhood Community Centre

December 31, 2012

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 16

Independent auditor's report

Grant Thornton LLP
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, ON
M5J 2P9
T +1 416 366 0100
F +1 416 360 4949
www.GrantThornton.ca

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

We have audited the accompanying financial statements of **Board of Management for the Eastview Neighbourhood Community Centre**, which comprise the statement of financial position as at December 31, 2012, the statements of operations, 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.

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 revenues, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly the financial position of **Board of Management for the Eastview Neighbourhood Community Centre** as at December 31, 2012, 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that the Organization adopted Canadian public sector accounting standards for government not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statement of operations, statement of changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Grant Thornton LLP

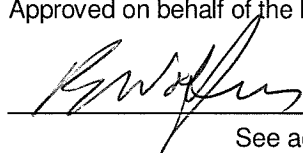
Toronto, Canada
June 5, 2013

Chartered Accountants
Licensed Public Accountant

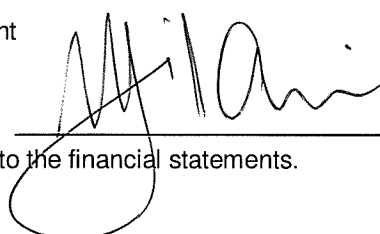
Board of Management for the Eastview Neighbourhood Community Centre Statement of Financial Position

	December 31, 2012	December 31, 2011 (unaudited)	January 1, 2011 (unaudited)
Assets			
Current			
Cash	\$ 137,318	\$ 114,080	\$ 79,976
Short term investments	274,769	270,205	266,108
Receivables - City of Toronto	53,223	12,552	14,648
- Other	10,520	5,962	3,944
Prepaid Expenses	<u>2,290</u>	<u>-</u>	<u>-</u>
	478,120	402,799	364,676
Long term			
Receivable - City of Toronto (Note 5)	116,359	131,303	136,362
Capital assets (Note 6)	10,280	17,310	24,340
Lottery Trust Account (Note 7)	37,228	49,270	48,809
Bursary Trust Account (Note 8)	<u>4,521</u>	<u>5,121</u>	<u>6,376</u>
	<u>\$ 646,508</u>	<u>\$ 605,803</u>	<u>\$ 580,563</u>
Liabilities			
Current			
Payables and accruals - City of Toronto	\$ 266	\$ 343	\$ 311
- Other	<u>107,003</u>	<u>107,892</u>	<u>71,657</u>
	107,269	108,235	71,968
Deferred revenue	<u>165,890</u>	<u>93,099</u>	<u>94,453</u>
	273,159	201,334	166,421
Long term			
Deferred capital contribution (Note 13)	10,280	17,310	24,340
Post-employment benefits payable and compensated absences liability (Note 5)	116,359	131,303	136,362
Lottery trust account (Note 7)	37,228	49,270	48,809
Bursary trust account (Note 8)	<u>4,521</u>	<u>5,121</u>	<u>6,376</u>
	<u>441,547</u>	<u>404,338</u>	<u>382,308</u>
Net Assets			
Invested in capital assets	10,280	17,310	24,340
Unrestricted	61,321	45,795	36,660
Board designated reserve (Note 10)	<u>133,360</u>	<u>138,360</u>	<u>137,255</u>
	<u>204,961</u>	<u>201,465</u>	<u>198,255</u>
	<u>\$ 646,508</u>	<u>\$ 605,803</u>	<u>\$ 580,563</u>

Approved on behalf of the Board of Management



Chair



Treasurer

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, 2012

	Invested in <u>Capital assets</u>	Internally <u>Restricted</u>	<u>Unrestricted</u>	Total <u>2012</u>	Total <u>2011</u> (unaudited)
Net assets, beginning of year	\$ 17,310	\$ 138,360	\$ 45,795	\$ 201,465	\$ 198,255
Excess of revenue over expenses	-	(5,000)	8,496	3,496	3,210
Change in net assets invested in capital assets	<u>(7,030)</u>	<u>-</u>	<u>7,030</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>10,280</u>	\$ <u>133,360</u>	\$ <u>61,321</u>	\$ <u>204,961</u>	\$ <u>201,465</u>

See accompanying notes to the financial statements.

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

Year Ended December 31, 2012

	<u>Program</u>	<u>Administration</u>	<u>2012</u>	<u>2011</u> (unaudited)
Revenue				
Grants				
City of Toronto -				
Administration	\$	\$ 571,394	\$ 571,394	\$ 579,150
United Way	357,641	-	357,641	356,899
City of Toronto (Note 14)	157,198	-	157,198	195,428
Province of Ontario				
(Note 14)	112,585	-	112,585	97,837
Government of Canada	79,312	-	79,312	90,588
Foundations (Note 14)	33,163	-	33,163	42,328
Donations	44,324	-	44,324	44,183
Funds from Massey Centre	16,029	-	16,029	20,463
Fundraising	38,730	-	38,730	32,261
Program fees	66,359	-	66,359	47,342
Memberships	5,164	-	5,164	5,347
Miscellaneous income	4,565	-	4,565	4,097
	<u>915,070</u>	<u>571,394</u>	<u>1,486,464</u>	<u>1,515,923</u>
Expenditures				
Salaries and wages	602,198	425,221	1,027,419	1,036,019
Employee benefits	153,428	100,748	254,176	238,042
Materials and supplies	88,027	12,188	100,215	137,826
Purchase of services	55,891	33,237	89,128	93,796
Amortization of program				
assets	7,030	-	7,030	7,030
	<u>906,574</u>	<u>571,394</u>	<u>1,477,968</u>	<u>1,512,713</u>
Excess of revenue over expenses	\$ <u>8,496</u>	\$ <u>-</u>	\$ <u>8,496</u>	\$ <u>3,210</u>

See accompanying notes to the financial statements.

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

Year Ended December 31 2012 2011

Increase (decrease) in cash and short term investments

Operating activities		
Excess of revenue over expenses (program)	\$ 8,496	\$ 3,210
Excess of expenses over revenue (unrestricted fund)	(5,000)	-
Non-cash items		
Amortization of capital assets	<u>7,030</u>	<u>7,030</u>
	10,526	10,240
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	(40,671)	2,096
- Other	(4,558)	(2,018)
Prepays	(2,290)	-
Payables - City of Toronto	(77)	32
- Other	(889)	36,235
Deferred revenue	72,791	(1,354)
Deferred capital contribution	(7,030)	(7,030)
Post-employment benefits payable and compensated absences liability	(14,944)	(5,059)
Long term City of Toronto account receivable	<u>14,944</u>	<u>5,059</u>
Net increase in cash and short term investments	27,802	38,201
Cash and short term investments, beginning of year	<u>384,285</u>	<u>346,084</u>
Cash and short term investments, end of year	\$ 412,087	\$ 384,285

See accompanying notes to the financial statements.

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

December 31, 2012

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 Board of Management for the Centre to the City covering the management and control of the premises by the Board. 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, 2012

3. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Public Sector Accounting Standards for government not-for-profits ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB). This is the first time that the Organization has prepared its financial statements in accordance with PSA-GNPO, having previously prepared its financial statements in accordance with Not-For-Profit accounting standards in Part V of the Canadian Institute of Chartered Accountants (CICA) Handbook. On January 1, 2012, the organization early adopted the Public Sector Accounting Handbook Sections 3450 – Financial Instruments. The new standards provide the classification, recognition and measurement requirements for financial instruments and is effective for years beginning on or after April 1, 2012, however, earlier adoption is permitted. This accounting policy change did not result in any adjustments at January 1, 2012.

Details of how the transition has affected the financial position and financial performance are disclosed in Note 15.

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.

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

December 31, 2012

3. Significant accounting policies (continued)

Use of estimates

The preparing of the financial statements in conformity with Canadian generally accepted accounting principles for public sector not-for-profit organizations 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 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 post-retirement 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.

Financial assets and liabilities

During the year, the Centre applied the recommendations of new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, of the CICA *Public Sector Accounting Handbook*. These new sections require prospective application and, accordingly, comparative amounts are presented in accordance with the accounting policies which the Centre applied before adoption of these new sections.

Initial measurement

The Centre recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

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

December 31, 2012

3. Significant accounting policies (continued)

Subsequent measurement

At each reporting date, the Centre measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

The Centre determines whether there is any objective evidence of impairment of the financial assets, for financial assets subsequently measured at amortized cost. Any financial asset impairment is recognized in the statement of operations.

4. Short term investments

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

5. Post-employment benefits payable 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 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.

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

December 31, 2012

5. Post-employment benefits payable and compensated absences liability (continued)

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 obligation were as follows:

- long-term inflation rate - 2%
- assumed health care cost trends – range from 3.4% to 6.8 %
- rate of compensation increase - 3%
- discount rates – post-retirement 3.8%, post-employment 3.1%, sick leave 3.5%

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

	December 31, 2012	December 31, 2011 (unaudited)	January 1, 2011 (unaudited)
Sick leave benefit plan	\$ 53,039	\$ 40,528	\$ 39,889
Income benefits	372,584	20,356	40,423
Continuation of benefits to disabled employees	217,370	10,511	20,114
Post-retirement benefits	<u>131,008</u>	<u>148,160</u>	<u>124,691</u>
	774,001	219,555	225,117
Less: Unamortized actuarial loss	<u>657,642</u>	<u>88,252</u>	<u>79,459</u>
Employee benefit liability	\$ 116,359	\$ 131,303	\$ 145,658

The continuity of the accrued benefit obligation is as follows:

	December 31, 2012	December 31, 2011 (unaudited)
Balance, beginning of year	\$ 131,303	\$ 145,658
Current service cost	5,885	5,207
Interest cost	7,586	9,469
Amortization of actuarial loss	9,469	8,419
Expected benefits paid	<u>(37,910)</u>	<u>(37,450)</u>
Balance, end of year	\$ 116,359	\$ 131,303

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.

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

December 31, 2012

5. Post-employment benefits payable and compensated absences liability (continued)

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 \$67,775 in 2012 (2011 - \$58,540).

6. Capital assets

			<u>2012</u>	<u>2011</u> (unaudited)
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers (administrative)	\$ 7,650	\$ 7,650	\$ -	\$ -
Furniture and equipment (program)	<u>92,989</u>	<u>82,709</u>	<u>10,280</u>	<u>17,310</u>
	<u>\$ 100,639</u>	<u>\$ 90,359</u>	<u>\$ 10,280</u>	<u>\$ 17,310</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, 2012 the surplus funds on hand amounted to \$ 37,228 (2011 - \$49,270). 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 is distributed to the East Toronto Family Community Centre and is 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 \$4,521 (2011 - \$5,121) at December 31, 2012.

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

December 31, 2012

9. Funds provided by City of Toronto - administration

Funding for administration 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. Included in the funding from the City is \$32,800, received to pay the retired Executive Director's sick leave credit.

	2012 Budget (Unaudited)	2012	2011
Administration expenditure:			
Salaries and wages	\$ 397,800	\$ 425,221	\$ 430,905
Employee benefits	94,500	100,748	93,981
Materials and supplies	12,900	12,188	21,823
Purchase of services	<u>32,400</u>	<u>33,237</u>	<u>32,441</u>
	\$ 537,600	\$ 571,394	\$ 579,150
Actual administration revenue:			
Centre's actual administration revenue from City		529,400	551,814
Add: Employee's Voluntary Separation Payment		-	27,383
Add: 2012 Cola Payment		<u>8,186</u>	<u>-</u>
		<u>537,586</u>	<u>579,197</u>
Administration expenditure (over) under approved budget		\$ (33,808)	\$ 47

The over expenditure of \$33,808 (under expenditure in 2011 - \$47) is included in accounts receivable from the City.

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

December 31, 2012

10. Reserves	<u>2012</u>	<u>2011</u>
Capital / Project Reserve	\$ 63,192	\$ 63,192
Administrative Contingency Reserve	<u>67,116</u>	<u>75,168</u>
	\$ 130,308	\$ 138,360

The Capital/Project Reserve is restricted to expenditures of a capital/project nature as approved by the Committee of Management/Board of Directors.

The Administrative Contingency Reserve consists of Committee of Management/Board of Directors approved transfers of monies from the Centre's program surplus to provide a contingency fund for essential administrative costs. Interest earned on the reserve balance is recorded as program revenue. During 2012, the Centre charged \$5,000 to the unrestricted fund for a donation of \$5,000 to Boys & Girls Club Canada to support "Race for Kids".

11. Perinatal and Nutrition Support Program

The Centre acts as trustee for the allocation of funds received from the Government of Canada to the five partners of the Toronto South East Coalition of Perinatal Nutrition and Support Programs. During 2012, the Centre received \$148,223 (2011 - \$219,098) from the Federal Government. The allocation of funds to each partner is approved by the coalition. In 2012, \$16,469 for October was received but not yet distributed. Funding of \$32,938 for November and December 2012 was not received until February, 2013 and was distributed upon receipt. Therefore, Eastview set up \$5,496 receivable for its share only to reflect breakeven at yearend.

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

	<u>2012</u>	<u>2011</u>
Eastview Neighbourhood Community Centre	\$ 36,692	\$ 59,620
Regent Park Community Health Centre	28,937	47,022
June Callwood Centre for Women & Families	19,945	32,409
Hincks-Dellcrest Centre	24,315	39,521
Applegrove Community Complex	18,861	30,653
Staff costs shared	<u>3,004</u>	<u>9,873</u>
	\$ 131,754	\$ 219,098

During the year the Centre distributed \$131,754 (2011 - \$219,098) to the Coalition partners. The Centre, as a partner, records only its share of revenue and staff costs in these financial statements.

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

December 31, 2012

12. Operating line of credit

The Centre has a \$50,000 operating line of credit at prime plus .50%. As security, the Centre has granted a security interest in all personal property of the Centre as well as pledging a GIC with a value of \$50,000. The operating line of credit has a \$ nil balance at the year end.

13. Grants

Included in Grants - Province of Ontario is a Newcomer Settlement Program (NSP) Grant for \$60,109.34 (2011 - \$59,457), including \$3,781 of the deferral of the capital asset contribution from 2009.

Included in Grants – Foundation – In 2010, the Centre received a grant from Boys & Girls Club Canada of \$16,250 for the purchase of capital assets. The contribution relating to the purchase of the program asset is being deferred and amortized over its 5 year life at \$3,250 per year (two years remaining at the yearend).

Included in Grants – City of Toronto - \$95,688 from Children's Services to support Family Resource Centre (2011 - \$93,748) and \$3,500 (2011 - \$7,530) to support Summer Day Camp Program. \$58,010 from Community Resources Section to support Community Service Partnerships (CSP) Programs.

14. Financial Instruments

Credit Risk

Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due. The entity is exposed to this risk relating to its accounts receivable.

There have been no significant changes from the previous year in the exposure to risk or in methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the entity will not be able to meet its cash flow obligations as they come due. The entity mitigates this risk by maintaining a committed credit facility and monitoring cash activities and expected outflows through budgeting and maintaining short term investments that may be converted to cash in the near-term if unexpected cash outflows arise. Payables due within 30 days total \$106,241.

There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.

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

December 31, 2012

15. Conversion to Public Sector Accounting Standards

These financial statements are the Organization's first financial statements prepared using the new Canadian Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-GNPO). The date of transition to the new accounting standards is January 1, 2011. The accounting policies presented in Note 2 to the financial statements were used to prepare the financial statements for the year ended December 31, 2012, the comparative information and the opening statement of financial position as at the date of transition.

The adoption of PSA-GNPO resulted in adjustments to the previously reported assets and liabilities related to the post-employment benefits payable and compensated absences liability (Note 4). The transition to PSAS-NPO also resulted in changes to the statement of cash flows. On the statement of cash flows the change in long term account receivable from the City of Toronto and the long term employee benefits payable both were restated to \$5,059 from \$15,564 to reflect the change in this liability and long term receivable under PSA-GNPO.