

FINANCIAL STATEMENTS
For
BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE
For the year ended
DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

CITY OF TORONTO AND THE BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

We have audited the accompanying financial statements of the Board of Management for the Central Eglinton Community Centre, which comprise the statement of financial position as at December 31, 2016 and 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.

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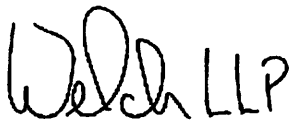
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from fundraising, 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 fundraising revenue, net revenue over expenses and cash flow from operations for the years ended December 31, 2016 and 2015, current assets as at December 31, 2016 and 2015 and net assets as at January 1 and December 31 for both the 2015 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

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, in all material respects, the financial position of the Board of Management for the Central Eglinton Community Centre as at December 31, 2016 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.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 28, 2017.

Welch LLP

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BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE


STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 5,781	\$ 16,190
Investments (note 4)	434,628	410,882
Accounts receivable - City of Toronto	22,804	44,538
Accounts receivable - other	14,706	10,195
Prepaid expenses	<u>-</u>	<u>368</u>
	477,919	482,173
 CAPITAL ASSETS (note 5)	 13,835	 9,940
 ACCOUNTS RECEIVABLE - CITY OF TORONTO (note 8)	 <u>177,788</u>	 <u>178,243</u>
	<u>\$ 669,542</u>	<u>\$ 670,356</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accruals - City of Toronto (note 9)	\$ 27,691	\$ -
Accounts payable and accrued liabilities - other	79,758	122,871
Deferred revenue (note 6)	<u>22,481</u>	<u>18,694</u>
	129,930	141,565
 DEFERRED CAPITAL CONTRIBUTION (note 7)	 13,835	 9,940
 POST-EMPLOYMENT BENEFITS PAYABLE (note 8)	 <u>177,788</u>	 <u>178,243</u>
	<u>321,553</u>	<u>329,748</u>
 NET ASSETS		
Internally restricted (note 4)	42,175	42,175
Unrestricted	<u>305,814</u>	<u>298,433</u>
	<u>347,989</u>	<u>340,608</u>
	<u>\$ 669,542</u>	<u>\$ 670,356</u>

Approved by the Board:

 Chair

 Treasurer

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
Net assets, beginning of year	\$ 42,175	\$ 298,433	\$ 340,608	\$ 360,922
Net revenue over expenses (expenses over revenue)	<u>-</u>	<u>7,381</u>	<u>7,381</u>	<u>(20,314)</u>
Net assets, end of year	<u>\$ 42,175</u>	<u>\$ 305,814</u>	<u>\$ 347,989</u>	<u>\$ 340,608</u>

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	<u>Parent/Child Program</u>	<u>Summer Camp Program</u>	<u>Other Programs</u>	<u>Programs Total</u>	<u>Administration</u>	<u>2016</u>	<u>2015</u>
Revenue							
Grants							
City of Toronto	\$ 28,528	\$ 7,940	\$ 27,275	\$ 63,743	\$ 610,370	\$ 674,113	\$ 713,570
Province of Ontario	-	-	33,717	33,717	-	33,717	29,839
Government of Canada	<u>5,400</u>	<u>8,100</u>	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>6,512</u>
	33,928	16,040	60,992	110,960	610,370	721,330	749,921
Program fees	65,392	39,665	64,675	169,732	-	169,732	165,653
Fundraising	-	4,500	28,466	32,966	-	32,966	24,326
Memberships	13,440	2,600	6,965	23,005	-	23,005	21,201
Other revenue	-	-	5,113	5,113	-	5,113	10,345
Rental fees	<u>-</u>	<u>-</u>	<u>2,413</u>	<u>2,413</u>	<u>-</u>	<u>2,413</u>	<u>2,800</u>
	<u>112,760</u>	<u>62,805</u>	<u>168,624</u>	<u>344,189</u>	<u>610,370</u>	<u>954,559</u>	<u>974,246</u>
Expenses							
Salaries and wages	88,771	50,759	82,344	221,874	402,553	624,427	672,291
Employee benefits	10,471	4,751	15,507	30,729	111,438	142,167	164,805
Materials and supplies	2,611	6,812	25,010	34,433	40,167	74,600	67,290
Purchase of service	17,271	3,034	29,467	49,772	56,212	105,984	90,174
Amortization of capital assets	-	-	-	-	3,370	3,370	1,917
Amortization of deferred capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,370)</u>	<u>(3,370)</u>	<u>(1,917)</u>
	<u>119,124</u>	<u>65,356</u>	<u>152,328</u>	<u>336,808</u>	<u>610,370</u>	<u>947,178</u>	<u>994,560</u>
Net revenue over expenses (expenses over revenue)	<u>\$ (6,364)</u>	<u>\$ (2,551)</u>	<u>\$ 16,296</u>	<u>\$ 7,381</u>	<u>\$ -</u>	<u>\$ 7,381</u>	<u>\$ (20,314)</u>

(See accompanying notes)

Welch LLP

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenue over expenses (expenses over revenue)	\$ 7,381	\$ (20,314)
Adjustments for non-cash items:		
Amortization of capital assets	3,370	1,917
Amortization of deferred capital contributions	<u>(3,370)</u>	<u>(1,917)</u>
	7,381	(20,314)
Increase (decrease) resulting from changes in:		
Accounts receivable - City of Toronto	21,734	(8,259)
Accounts receivable - other	(4,511)	(1,509)
Prepaid expenses	368	(368)
Long-term accounts receivable - City of Toronto	455	(644)
Accounts payable and accruals - City of Toronto	27,691	(5,071)
Accounts payable and accrued liabilities - other	(43,113)	39,442
Deferred revenue	3,787	(1,238)
Deferred contributions	-	(18,246)
Post-employment benefits payable	<u>(455)</u>	<u>644</u>
Cash flows from (used in) operating activities	<u>13,337</u>	<u>(15,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of investments	(23,746)	(50,553)
Net purchase of capital assets	<u>(7,265)</u>	<u>-</u>
Cash flows used in investing activities	<u>(31,011)</u>	<u>(50,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of deferred capital contributions	<u>7,265</u>	<u>-</u>
Cash flows from financing activities	<u>7,265</u>	<u>-</u>
DECREASE IN CASH	(10,409)	(66,116)
CASH AT BEGINNING OF YEAR	<u>16,190</u>	<u>82,306</u>
CASH AT END OF YEAR	<u>\$ 5,781</u>	<u>\$ 16,190</u>

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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 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 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. 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. 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 statement of financial position.

Program fees, membership fees and rental income are recognized as the services are provided. Amounts received in advance of services being provided are classified as deferred revenue 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, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Contributed material and 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.

Capital assets

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:

Furniture and equipment	- 5 years straight line
Leasehold improvements	- 10 years straight line

Employee related costs

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

- (a) The City of Toronto offers a multi-employer 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 multi-employer 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.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profits 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 the useful life of its capital assets, significant accrued liabilities, 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.

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

3. 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 and investments earn 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, investments and accounts receivable. The Centre's cash and investments are with Canadian chartered banks and as a result management believes the risk of loss on these items 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 significant changes in the Centre's risk exposures from the prior year.

4. INVESTMENTS

The investments consist of GICs with maturity dates ranging from January 22, 2017 to November 27, 2017 and interest rates ranging from 1.25% to 1.60%. Investments include \$42,175 (2015 - \$42,175) specifically reserved for expenses related to the 50+ program.

5. CAPITAL ASSETS

Capital assets consist of the following:

	2016		2015	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Furniture and equipment	\$ 26,619	\$ 20,111	\$ 19,354	\$ 17,962
Leasehold improvements	<u>12,211</u>	<u>4,884</u>	<u>12,211</u>	<u>3,663</u>
	38,830	\$ 24,995	31,565	\$ 21,625
Accumulated amortization	<u>24,995</u>		<u>21,625</u>	
	<u>\$ 13,835</u>		<u>\$ 9,940</u>	

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

6. DEFERRED CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 18,694	\$ 18,246
Add: Funds received	725,117	750,369
Less: Amounts recognized as revenue	<u>(721,330)</u>	<u>(749,921)</u>
Balance, end of year	<u>\$ 22,481</u>	<u>\$ 18,694</u>

7. DEFERRED CAPITAL CONTRIBUTION

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 9,940	\$ 11,857
Add: Capital contributions received	7,265	-
Less: Amortization recognized as revenue	<u>(3,370)</u>	<u>(1,917)</u>
Balance, end of year	<u>\$ 13,835</u>	<u>\$ 9,940</u>

8. POST-EMPLOYMENT BENEFITS PAYABLE AND LONG TERM ACCOUNTS RECEIVABLE

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 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, 2015 with projections to December 31, 2016, 2017 and 2018. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase 3.0% to 3.5%
- discount rates - post-retirement 3.5%, post-employment 2.7%; sick leave 3.1%

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

	<u>2016</u>	<u>2015</u>
Post-retirement benefits	\$ 90,294	\$ 87,484
Sick leave benefits	<u>72,569</u>	<u>73,138</u>
	162,863	160,622
Add: unamortized actuarial gain	<u>14,925</u>	<u>17,621</u>
Post-employment benefit liability	<u>\$ 177,788</u>	<u>\$ 178,243</u>

Welch LLP

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

8. POST-EMPLOYMENT BENEFITS PAYABLE AND LONG TERM ACCOUNTS RECEIVABLE - Cont'd.

The continuity of the accrued benefit obligation is as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 178,243	\$ 177,599
Current service cost	4,392	6,070
Interest cost	5,161	6,471
Amortization of actuarial gain	(4,881)	(2,070)
Expected benefits paid	<u>(5,127)</u>	<u>(9,827)</u>
Balance, end of year	\$ <u>177,788</u>	\$ <u>178,243</u>

Expenditures (recovery) relating to employee benefits are included in administration employee benefits on the statement of operations in the amount of \$(455) (2015 - \$644) and include the following components:

	<u>2016</u>	<u>2015</u>
Current service cost	\$ 4,392	\$ 6,070
Interest cost	5,161	6,471
Amortization of actuarial gain	(4,881)	(2,070)
Expected benefits paid	<u>(5,127)</u>	<u>(9,827)</u>
Total expenditures (recovery) related to post-retirement and post-employment benefits	\$ <u>(455)</u>	\$ <u>644</u>

A long-term receivable of \$177,788 (2015 - \$178,243) has resulted from recording 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 administrative 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 \$48,994 in 2016 (2015 - \$50,264).

The most recent actuarial valuation of the OMERS plan as at December 31, 2016 indicates the Plan is not fully funded and the plan's December 31, 2016 financial statements indicate a deficit of \$5.72 billion (less an additional \$3.379 billion 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 0.0027% of the Plan's total employer contribution. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

BOARD OF MANAGEMENT FOR THE CENTRAL EGLINTON COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2016

9. FUNDS PROVIDED BY THE 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.

	2016 <u>Budget</u> (unaudited)	<u>2016</u>	<u>2015</u>
Administration expenses:			
Salaries and wages	\$ 464,312	\$ 402,553	\$ 441,999
Employee benefits	139,430	111,438	128,743
Materials and supplies	17,302	40,167	36,798
Purchase of services	<u>46,470</u>	<u>56,212</u>	<u>43,121</u>
	<u>\$ 667,514</u>	<u>\$ 610,370</u>	<u>\$ 650,661</u>
Centre's actual administration revenue:			
Administration budget		\$ 667,514	\$ 632,100
Section 37 funding		<u>-</u>	<u>9,309</u>
		<u>\$ 667,514</u>	<u>\$ 641,409</u>
Centre's actual administration expenses:			
Administration expenses		\$ 610,370	\$ 650,661
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto		455	(644)
Vacation pay liability, not funded by the City until paid, that are included in accounts receivable - City of Toronto		10,044	3,431
Capital asset acquisitions (administration)		7,265	-
Difference between funding received and budgeted		<u>-</u>	<u>(98)</u>
		<u>628,134</u>	<u>653,350</u>
Administration expenses under (over) approved budget		<u>\$ 39,380</u>	<u>\$ (11,941)</u>

The net under (over) expenditure of \$39,380 (2015 - \$(11,941)) is included in accounts payable to the City of Toronto.

10. LEASE COMMITMENTS

The centre has entered into agreements to lease office equipment which expire in 2019 and 2022. Minimum amounts payable for the office equipment, in aggregate for each of the remaining years are as follows:

2017	\$ 5,560
2018	5,560
2019	3,338
2020	1,117
2021 and subsequent years	1,187

April 03, 2017

Board of Management for the Central Eglinton Community Centre
160 Eglinton Avenue East
Toronto, Ontario
M4P 3B5

PRIVATE AND CONFIDENTIAL

Dear Sir:

Re: Audit of the December 31, 2016 Financial Statements

During the course of our audit of the financial statements for the year ended December 31, 2016, we did not identify matters which would be of interest to management.

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have discussed our findings, which were minor matters, verbally with your staff and provided some suggestions for their consideration. We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from management and their staff.

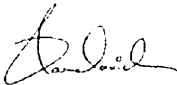
This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours very truly,

Welch LLP



Kathy Steffan, CPA, CA
Partner



Bryan Haralovich, CPA, CA, CPA (Illinois)
Partner