Doane Grant Thornton

Consolidated Financial Statements

Board of Management for the Eastview Neighbourhood Community Centre

December 31, 2024

Contents

Management's responsibility for the financial statements

The financial statements of the Board of Management for the Eastview Neighbourhood Community Centre (the "Centre") are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Centre's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the Centre's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Centre's financial statements.

Signed by:
Rebecca Heersink
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Chairperson

DocuSigned by:
Abas Barra
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Treasurer

Doane Grant Thornton

Independent Auditor's Report

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To the Board of Management of
Eastview Neighbourhood Community Centre

Qualified Opinion

We have audited the consolidated financial statements of Eastview Neighbourhood Community Centre (the "Centre"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Eastview Neighbourhood Community Centre as at December 31, 2024, and its results of operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, deficiency of revenue over expenses, and cash flows from operations for the year ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. Notes 8, 15 and, 16 are presented for purposes of additional information and are not required parts of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards for government not-for-profits , 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.

In preparing the consolidated financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Toronto, Canada
May 30, 2025

Chartered Professional Accountants
Licensed Public Accountants

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

December 31	2024	2023
Assets		
Current		
Cash	**$ 285,970**	$ 233,574
Investments (Note 4)	**104,540**	99,915
Accounts receivable	**64,870**	65,916
Due from City of Toronto (Note 5)	**65,529**	49,917
	520,909	449,322
Tangible capital assets (Note 6)	**77,307**	53,700
Due from City of Toronto (Note 7)	**150,703**	153,306
	$ 748,919	$ 656,328
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	**$ 176,532**	$ 105,778
City trusteeship payable (Note 9)	**-**	1,692
Deferred contributions (Note 10)	**116,020**	102,152
	292,552	209,622
Deferred capital contributions (Note 11)	**93,876**	46,416
Post-employment benefits liability (Note 7)	**150,703**	153,306
	537,131	409,344
Net assets		
Invested in tangible capital assets, internally restricted (Note 12)	**20,024**	21,745
Board designated reserves, internally restricted (Note 13)	**167,034**	167,034
Unrestricted	**24,730**	58,205
	211,788	246,984
	$ 748,919	$ 656,328

Approved by the Board:

Signed by:
Rebecca Heersink
DE3147300D844A4 Chair

DocuSigned by:
Abas Barra
B3C29E830D224EA Treasurer

See accompanying notes to the financial statements.

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

Year ended December 31

	Program	Administration	**2024**	2023
Revenue				
Grants				
City of				
Toronto (Notes 5 and 15)	$ 300,783	$ 782,218	**$ 1,083,001**	$ 999,057
United Way	303,582	-	**303,582**	327,716
Foundations	420,524	-	**420,524**	542,049
Province of Ontario (Note 15)	126,434	-	**126,434**	122,688
Government of Canada	135,548	-	**135,548**	168,911
Amortization of deferred capital contributions	22,540	-	**22,540**	25,991
	1,309,411	782,218	**2,091,629**	2,186,412
Program income	295,767	-	**295,767**	262,397
Donations	177,325	-	**177,325**	159,975
Fundraising	47,402	-	**47,402**	24,255
Memberships	7,840	-	**7,840**	8,400
Interest income	4,641	-	**4,641**	1,857
	1,842,386	782,218	**2,624,604**	2,643,296
Expenses				
Salaries and wages	1,135,735	521,373	**1,657,108**	1,636,901
Employee benefits	260,304	155,909	**416,213**	385,792
Materials and supplies	274,266	10,334	**284,600**	313,883
Purchase of services	176,025	94,602	**270,627**	284,052
Amortization of tangible capital assets	31,252	-	**31,252**	34,004
	1,877,582	782,218	**2,659,800**	2,654,632
Deficiency of revenue over expenses	$ (35,196)	$ -	**$ (35,196)**	$ (11,336)

See accompanying notes to the financial statements.

Board of Management for the Eastview Neighbourhood Community Centre
Consolidated Statement of Change in Net Assets

Year ended December 31	Internally restricted: Invested in tangible capital assets	Internally restricted: Board designated reserves	Unrestricted	**Total 2024**	Total 2023
	(Note 12)	(Note 13)			
Net assets, beginning of year	$ 21,745	$ 167,034	$ 58,205	**$ 246,984**	$ 258,320
Deficiency of revenue over expenses	(8,712)	-	(26,484)	**(35,196)**	(11,336)
Acquisition of tangible capital assets	54,859	-	(54,859)	**-**	-
Deferred capital contributions received	(70,000)	-	70,000	**-**	-
Deferred capital contributions received not utilized	22,132	-	(22,132)	**-**	-
Net assets, end of year	$ 20,024	$ 167,034	$ 24,730	**$ 211,788**	$ 246,984

See accompanying notes to the financial statements.

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

Year ended December 31	2024	2023
Increase (decrease) in cash		
Operating		
Deficiency of revenue over expenses	**$ (35,196)**	$ (11,336)
Items not affecting cash		
Amortization of tangible capital assets	**31,252**	34,004
Amortization of deferred capital contributions	**(22,540)**	(25,991)
	(26,484)	(3,323)
Change in non-cash working capital items		
Due from City of Toronto	**(15,612)**	(38,160)
Accounts receivable	**1,046**	12,540
Prepaid expenses	**-**	7,846
Accounts payable and accrued liabilities	**70,754**	(32,086)
City trusteeship payable	**(1,692)**	(10,882)
Deferred contributions	**13,868**	(36,737)
Post-employment benefits payable	**(2,603)**	(770)
	39,277	(101,572)
Investing		
Purchase of investments, net	**(4,625)**	(45,440)
Financing		
Long-term amount due from City of Toronto	**2,603**	770
Capital		
Acquisition of tangible capital assets	**(54,859)**	-
Deferred capital contributions received	**70,000**	-
	15,141	-
Increase (decrease) in cash	**52,396**	(146,242)
Cash, beginning of year	**233,574**	379,816
Cash, end of year	**$ 285,970**	$ 233,574

See accompanying notes to the financial statements.

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 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 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 saccordance with its approved annual budget, but may retain any surplus from program activities.

2. Significant accounting policies

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations ("PSAS-GNFPO"), including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The Centre controls East Toronto Family Community Centre, a charitable organization. The Centre has chosen to account for the controlled not-for-profit organization by consolidating the controlled organization in its financial statements.

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 tangible capital assets are deferred and amortized over the life of the related tangible capital assets. Externally restricted contributions for tangible capital assets that have not been expended are recorded as part of deferred capital contribution on the statement of financial position.

2. Significant accounting policies (continued)

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, accounts receivable and due from City of Toronto. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Contributed material and services

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

Tangible capital assets

Tangible capital assets are recorded at cost and contributed tangible 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
Automotive equipment	5 years

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 consolidated statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains/ losses.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with PSAS-GNPO 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 tangible 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.

3. Change in accounting policies

Effective January 1, 2024, the Centre adopted PS3400 *Revenues* retroactively with no restatement required.

PS 3400 *Revenues* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

4. Investments

Investments consist of guaranteed investment certificates maturing between August 2025 and December 2025 (2023 - July 2024 and October 2024) with fixed interest rate between 2.00% and 3.40% (2023 - 4.00% and 5.35%).

5. Due from City of Toronto - Administration

Funding for administration expenses is provided by the City according to Council approved budgets. Surplus amounts in administration are repayable 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.

	Budget 2024 (unaudited)	**2024**	2023
Administration expenses			
Salaries and wages	$ 517,044	**$ 521,373**	$ 456,896
Employee benefits	131,280	**155,909**	139,703
Materials and supplies	39,541	**10,334**	16,474
Purchase of services	74,695	**94,602**	93,017
	$ 762,560	**$ 782,218**	$ 706,090
Centre's actual administration revenue			
Administration budget		**$ 762,560**	$ 668,700
Centre's actual administration expenses			
Administration expenses		**782,218**	706,090
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long-term amount due from City of Toronto		**2,603**	770
Vacation pay liability, not funded by the City until paid, that is included in due from City of Toronto		**(757)**	778
		784,064	707,638
Administration expenses over approved budget		**$ (21,504)**	$ (38,938)

The due from City of Toronto balance is comprised of:	**2024**	2023
2019 surplus payable	**$ (1,226)**	$ (1,226)
2021 surplus payable	**-**	(7,293)
2022 deficit receivable	**-**	13,942
2023 deficit receivable	**38,938**	38,938
2024 deficit receivable	**21,504**	-
	59,216	44,361
Vacation pay receivable	**6,313**	5,556
	$ 65,529	$ 49,917

The Centre operates from a City of Toronto owned property at 86 Blake Street, Toronto. The costs associated with operating and maintaining the property (rent, heating, hydro, insurance, repairs, maintenance and cleaning) are provided at no cost by the City of Toronto and have not been recorded in these consolidated financial statements.

6. Tangible capital assets

	Cost	Accumulated Amortization	**2024** Net Book Value	2023 Net Book Value
Furniture and equipment	$ 215,571	$ (192,632)	**$ 22,939**	$ 44,600
Music studio equipment	47,868	-	**47,868**	-
Automotive equipment	25,000	(18,500)	**6,500**	9,100
	$ 288,439	$ (211,132)	**$ 77,307**	$ 53,700

Included in music studio equipment are equipment with cost values totalling $47,868 as at December 31, 2024 (2023 - $Nil). The subject equipment were not utilized as of year end and therefore have not been amortized.

7. Post-employment benefits payable and long-term account 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 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, the sick banks were locked with no further accumulation. Grandfathered management staff remain 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 of unused sick leave.

The Centre also provided 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, 2024 with projections to December 31, 2027. 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 4.3%, post-employment 3.8%, sick leave 4.1%

7. Post-employment benefits payable and long-term account receivable (continued)

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

	2024	2023
Post-retirement benefits	**$ 362,382**	$ 203,557
Post-employment income benefits	**190,859**	190,305
Continuation of benefits to disabled employees	**108,662**	139,089
	661,903	532,951
Unamortized actuarial loss	**(511,200)**	(379,645)
Post-employment benefits liability	**$ 150,703**	$ 153,306

The continuity of the accrued benefit obligation is as follows:

	2024	2023
Balance, beginning of year	**$ 153,306**	$ 154,076
Current service cost	**3,509**	3,035
Interest cost	**20,067**	22,695
Amortization of actuarial loss	**31,992**	31,029
Benefits paid	**(58,171)**	(57,529)
Balance, end of year	**$ 150,703**	$ 153,306

A long-term receivable from the City of $150,703 in 2024 (2023 - $153,306) has resulted from the recording of post-retirement benefits, post-employment income benefits and continuation of benefits to disabled employees. 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 eligible employees. The OMERS plan (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 $108,502 in 2024 (2023 - $99,956).

The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the Plan is in a deficit position and the Plan's December 31, 2024 financial statements indicate a net deficit of $4,319 million (a deficit of $2,913 million plus adjustment of $1,406 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Centre's contributions accounted for an insignificant portion 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.

8. Prenatal and nutrition support program

The Centre acts as trustee for the distribution of funds received from the Government of Canada to the five partners of the Toronto South East Coalition of Prenatal Nutrition and Support Programs (the "Coalition"). During year, the Centre received $217,393 (2023 - $177,867) of funds to be distributed. The allocation of funds to be distributed to each partner is approved by the Coalition. The Centre, as a partner and agent, records only its share of revenue and staff costs in these consolidated financial statements.

During the year, the funds received were distributed to the five partners, as follows:

	2024	2023
Eastview Neighbourhood Community Centre	**$ 56,012**	$ 100,817
SickKids Centre for C.M.H.	**34,547**	32,852
Jessie’s The June Callwood C. for Y.W.	**30,786**	28,471
Regent Park Community Health Centre	**30,251**	31,680
Applegrove Community Complex	**23,951**	26,074
	$ 175,547	$ 219,894

At December 31, 2024, there was $56,738 of undistributed funds included in accounts payable and accrued liabilities (2023 - $14,892).

9. City trusteeship payable

In 2019, the Centre received a one-time allocation of funding for the delivery of additional supports and services for youth who reside along the Danforth in partnership with Eastminster (a campus of the East End United Regional Ministry). At December 31, 2024, the Centre had $Nil (2023 - $1,692) of this funding remaining, included in City Trusteeship Payable.

10. Deferred contributions

	2024	2023
Balance, beginning of year	**$ 102,152**	$ 138,889
Contributions received	**569,593**	441,563
Revenue recognized	**(555,725)**	(478,300)
Balance, end of year	**$ 116,020**	$ 102,152

11. Deferred capital contributions

	2024	2023
Balance, beginning of year	**$ 46,416**	$ 72,407
Capital contributions received	**70,000**	-
Amortization of deferred capital contributions	**(22,540)**	(25,991)
Balance, end of year	**$ 93,876**	$ 46,416

12. Invested in tangible capital assets

Investment in tangible capital assets is calculated as follows:

	2024	2023
Tangible capital assets	**$ 77,307**	$ 53,700
Amounts financed by deferred capital contributions	**(93,876)**	(46,416)
Deferred capital contributions for assets not yet acquired	**36,593**	14,461
	$ 20,024	$ 21,745

Deficiency of revenue over expenses attributable to investment in tangible capital assets is as follows:

	2024	2023
Amortization of deferred capital contributions	**$ 22,540**	$ 25,991
Amortization of tangible capital assets	**(31,252)**	(34,004)
	$ (8,712)	$ (8,013)

13. Board designated reserves

	2024	2023
Capital / Project Reserve	**$ 63,192**	$ 63,192
Administrative Contingency Reserve	**103,842**	103,842
	$ 167,034	$ 167,034

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

The Administrative Contingency Reserve consists of Board of Management approved transfers of monies from the Centre's program surplus to provide a contingency fund for essential administrative costs. In 2019, the Board of Management approved a reserve fund policy that directs 50% of any fiscal year's surplus to be transferred from Unrestricted to the Board designated Administrative Contingency Reserve. There was no interfund transfer in 2024 (2023 - $Nil). Interest earned on the reserve balance is recorded as program revenue.

14. Line of credit

The Centre has a $50,000 operating line of credit with Alterna Savings at prime plus 1%. As security, the Centre has granted a security interest in all personal property of the Centre as well as pledging a Term Deposit with a value of $50,000. At year-end, the operating line of credit has a $Nil balance (2023 - $Nil).

15. Grants

The grants revenue recognized from the City of Toronto and Province of Ontario for programs are comprised of the following:

	2024	2023
City of Toronto		
Children's Services – Family Resource Centre	**$ 206,633**	$ 198,099
Community Funding Programs – Community Service Partnerships Programs	**80,150**	76,920
Children's Services – Summer Day Program	**1,750**	14,000
Other	**12,250**	3,948
	$ 300,783	$ 292,967

	2024	2023
Province of Ontario		
Ministry of Citizenship and Immigration – Newcomer Settlement Program	**$ 71,097**	$ 70,000
Ministry of Health and Long Term Care – Senior Resources	**55,337**	51,591
Other	**-**	1,097
	$ 126,434	$ 122,688

16. Family Resources and Summer Camp Eastview

The Centre operates various programs supervised by the City of Toronto's Children's Services Division, as follows:

	Family Resources	Summer Camp Eastview	**2024**	2023
Revenue				
Grants				
City of Toronto	$ 206,633	$ 14,000	**$ 220,633**	$ 216,047
United Way	5,589	-	**5,589**	7,888
Foundations	13,779	39,359	**53,138**	52,309
Government of Canada	56,012	63,217	**119,229**	150,579
Fundraising	3,900	-	**3,900**	-
Program income	-	61,694	**61,694**	67,090
Memberships	30	-	**30**	90
Donations	330	-	**330**	11,247
	286,273	178,270	**464,543**	505,250
Expenses				
Salaries and wages	163,742	108,105	**271,847**	278,098
Employee benefits	51,683	10,726	**62,409**	52,378
Materials and supplies	51,757	20,609	**72,366**	96,480
Purchase of services	25,310	23,828	**49,138**	64,010
	292,492	163,268	**455,760**	490,966
(Deficiency) excess of revenue over expenses	$ (6,219)	$ 15,002	**$ 8,783**	$ 14,284

17. Financial instruments

The Centre is exposed to and manages various financial risks resulting from operations. 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 Centre's main financial risk exposures and its financial risk management policies are as follows:

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 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.

17. Financial instruments (continued)

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.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Centre's financial instruments are all denominated in Canadian dollars and the Centre transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

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.

Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management does not believe the Centre is exposed to significant other price risk.

Changes in risk

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

Doane Grant Thornton

Management and the Board of Management

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May 30, 2025

In connection with our audit of the financial statements of Eastview Neighbourhood Community Centre (the "Centre") as of December 31, 2024 and for the year then ended, we considered internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures. The purpose of our audit was to express an opinion on the financial statements, not to identify internal control matters. Therefore, we express no opinion on the effectiveness of internal control and it would be inappropriate to conclude that no internal control matters, including significant control deficiencies, exist beyond those included in this communication.

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

Significant control deficiencies

Lack of segregation duties

In common with other organizations with a small accounting team, we noted an issue surrounding segregation of duties. We noted that the Director, Finance & Operations has the ability to post and approve journal entries in the accounting software. Also, there is no formal review of manual journal entries. Segregation of duties is a key control designed to prevent employees from both being able to commit and conceal errors or irregularities in the normal course of their duties. The ideal segregation of duties occurs when different employees initiate, authorize, record, verify, and report transactions, and have custody of assets. Adequate segregation of duties is required in order to ensure that the Centre’s assets are properly safeguarded.

Management comments

Management believes that the current controls in place are sufficient given the size and complexity of the entity. The Director, Finance & Operations is the primary individual within the organization with the expertise to post manual journal entries accurately and in accordance with accounting principles. Management welcomes extensive substantive audit testing to be performed over such entries during the audit fieldwork. Based on the Report to the Board of Management for the year ended December 31, 2024 dated May 30, 2025, the auditors tested a sample of journal entries based on characteristics deemed unusual, and no matters of concern were noted. The Board of Management also meet regularly to review financial results with the budget which allows them to notice any irregularities or issues, if any.

Other deficiencies

Formal process to monitor internal controls

We noted that there is no formal process to monitor internal controls in place. It is best practice to have a formal process whereby the Board of Management monitors key internal controls to ensure they are functioning properly.

Management comments

Management has a mitigating control in place whereby members of the Board perform regular review of the financial package. This review would assisting in identifying a breakdown in internal controls and allow the Board to investigate and remedy the breakdown.

Conclusion

The matters reported in this communication are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate to management and, in the case of significant deficiencies, those charged with governance. Had we performed more extensive procedures on internal control, including procedures subsequent to May 30, 2025, we might have identified more deficiencies or reached different conclusions about the deficiencies included in this communication.

This communication is intended solely for the information and use of management, those charged with governance, and others within the Centre and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely,

Doane Grant Thornton LLP

Doane Grant Thornton LLP

David Fioretti, CPA, CA
Principal