

**TAMIL COMMUNITY CENTRE**  
**Financial Statements**  
**March 31, 2023**

**TAMIL COMMUNITY CENTRE**

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**Year Ended March 31, 2023**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Members of Tamil Community Centre,

### **Opinion**

We have audited the accompanying financial statements of Tamil Community Centre, which comprise the statement of financial position as at March 31, 2023 and the statement of operations and change in fund balances and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the centre as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 of our qualified audit opinion.

### **Other Matter**

The financial statements of Tamil Community Centre for the year ended March 31, 2022 were not audited nor reviewed.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for 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.

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

Those charged with governance are responsible for overseeing centres financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 through out the audit. We also:

- *Identify and assess the risk of material misstatement of the 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 centre's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 auditors' 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 auditors' report. However, future events or conditions may cause centre to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the 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.*

*Senathi & Associates*

**Senathi & Associates**  
professional corporation

**CHARTERED PROFESSIONAL ACCOUNTANTS**

*(Authorized to practise public accounting by the Chartered Professional Accountants of Ontario)*

Toronto, Ontario  
September 25, 2023

**TAMIL COMMUNITY CENTRE**  
**Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 137,700	\$ 2,338
Accounts receivable	-	12,500
HST recoverable	24,060	-
	<b>161,760</b>	14,838
<b>CAPITAL ASSETS UNDER CONSTRUCTION (Note 2)</b>	<b>465,787</b>	-
	<b>\$ 627,547</b>	<b>\$ 14,838</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 17,042	\$ 3,200
Due to a related party (Note 6)	3,200	-
	<b>20,242</b>	3,200
<b>FUND BALANCES</b>		
General Fund	141,518	11,638
Capital Fund	465,787	-
	<b>\$ 627,547</b>	<b>\$ 14,838</b>

**APPROVED BY THE DIRECTOR:**

  
 \_\_\_\_\_ Director

See accompanying notes to financial statements.

**TAMIL COMMUNITY CENTRE**  
**Statement of Operations and Change in Fund Balances**  
**Year Ended March 31, 2023**

	2023			2022
	General	Capital	Total	Total
	Fund	Fund		
<b>RECEIPTS</b>				
Government Grant <i>(Note 3)</i>	\$ 16,837	\$ 333,560	\$ 350,397	\$ -
Donations	180,431	132,227	312,658	12,500
Government Hiring Grant <i>(Note 3)</i>	9,854	-	9,854	-
	207,122	465,787	672,909	12,500
<b>DISBURSEMENTS</b>				
Professional Fees	53,517	-	53,517	18,137
Management fees	22,329	-	22,329	-
Advertising and Promotion	980	-	980	-
Interest and Bank Charges	416	-	416	25
Salaries and benefits	-	-	-	6,700
Design and architecture	-	465,787	-	-
Transfer to capital assets under construction	-	( 465,787)	-	-
	77,242	-	77,242	24,862
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 129,880	\$ 465,787	595,667	( 12,362)
FUND BALANCES - BEGINNING OF YEAR	11,638	-	11,638	24,000
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 141,518</b>	<b>\$ 465,787</b>	<b>\$ 607,305</b>	<b>\$ 11,638</b>

See accompanying notes to financial statements.

**TAMIL COMMUNITY CENTRE****Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITY</b>		
Excess (deficiency) of receipts over disbursements	\$ 595,667	\$( 12,362)
Items not affecting cash:		
Amortization	-	-
Changes in non-cash working capital items:		
Accounts receivable	12,500	( 12,500)
Accounts payable and accrued liabilities	13,842	3,200
HST recoverable	( 24,060)	-
	<b>2,282</b>	<b>( 9,300)</b>
Cash flow from (used by) operating activity	<b>597,949</b>	<b>( 21,662)</b>
<b>INVESTING ACTIVITY</b>		
Capital asset under construction	<b>( 465,787)</b>	-
<b>FINANCING ACTIVITY</b>		
Advances from a related party	<b>3,200</b>	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>135,362</b>	<b>( 21,662)</b>
CASH - Beginning of year	<b>2,338</b>	24,000
<b>CASH - End of year</b>	<b>\$ 137,700</b>	<b>\$ 2,338</b>

See accompanying notes to financial statements.

DESCRIPTION OF OPERATIONS

Tamil Community Centre (the "centre") was incorporated under the laws of the Province of Ontario as a non-profit organization without share capital. The centre is a registered charitable organization and is exempt from income tax.

Its primary activities are:

- i) To provide amenities by establishing, administrating and maintaining a multi-use recreational and cultural facility in Northeast Scarborough, Ontario for use by members and the general public.
  - ii) To provide a public amenity by establishing and maintaining a library, archive and museum for the public about the Tamil community and its history.
  - iii) To receive and maintain funds to apply, all or part of the principal and income therefrom from to charitable organizations that are also registered under registered charities under the income tax act, Canada.
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Tamil Community Centre are in accordance with Canadian accounting standards for not-for-profit organizations. The following describes the more significant accounting policies:

Impact of first - time adoption of Canadian accounting standards for not-for-profit organizations (ASNPO).

Effective April 1, 2022, the centre adopted the requirements of the CICA handbook and has adopted the Canadian accounting standards for not-for-profit organizations (ASNPO). These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in the accounting policy note have been applied in preparing the financial statements for the period ended March 31, 2023, the comparative information presented in these financial statements for the period ended March 31, 2022 and in the preparation of an opening balance sheet at April 1, 2021 which is the centre's date of transition.

The adoption of ASNPO had no impact on the previously reported assets, liabilities and unrestricted net assets of the centre, and accordingly, no adjustments have been recorded in the comparative statement of financial position and the statements of operations and change in fund balances and cash flows.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund Accounting

The accounts of the centre are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into funds. For financial reporting purposes, the accounts have been classified into the following funds:

General Fund

The General Fund accounts for the centre's general administrative activities. The General Fund reports unrestricted resources available for immediate purposes.

Capital Fund

The Capital Fund reports revenues and expenses related to capital assets.

Revenue recognition

The centre follows the restricted fund method of accounting for contributions.

Donations are recorded when the amount can be reasonably estimated and collection is reasonably assured. Donor-restricted donations for capital asset purposes are presented as revenues in the Capital Asset Fund. Unrestricted donations are recognized as revenue in the General Fund.

Grants are recognized when approved and the centre has met all conditions.

All other contributions are recognized when income is earned.

Contributed Services and Materials

Services and materials contributed in carrying out the activities of the centre have not been recognized in the financial statements due to the difficulty in determining their fair values.

Financial Instruments

Financial instruments consists of cash, accounts payable and accrued liabilities and due to a related party.

The centre initially measures its financial assets and liabilities at fair value and subsequently measures them at amortized cost less any discovered impairment.

Capital assets under construction

Capital assets under construction comprises of building and development costs, and other direct cost related to the construction of the building. No amortization is recorded until construction is substantially complete and the assets are ready for use.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*
Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for year end accruals. Actual results could differ from these estimates.

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## 2. CAPITAL ASSETS UNDER CONSTRUCTION

Capital assets under construction includes the following costs:

<u>Year Ended:</u>	<u>Expenditure</u>	<u>Value</u>
March 31, 2023	Engineering, Design and Architecture	\$ 465,787

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## 3. GOVERNMENT GRANTS

During the year, the centre received the following grants:

- i) \$350,397 under the Investing in Canada Infrastructure Program (ICIP) funded by the Government of Canada and Province of Ontario to assist the centre in designing and constructing a non-denominational facility in Northeast Scarborough to help address the needs of local residents and the diverse Canadian Tamil Community of the Greater Toronto Area. As per the terms of the agreement the centre will ensure that the Project is completed before March 31, 2027. The provincial contribution towards this project is 33.30% of the eligible expenditure up to a maximum of \$11,987,844 and the federal contribution is 40% of the eligible expenditure up to a maximum of \$14,399,813. The funding received during the year has been fully recognized as revenue under Capital Asset Fund and General Fund.
  - ii) \$9,854 received from Government of Canada through the 2021 Canada Summer Jobs Program. The amount received during the year has been fully recognized as income under General Fund.
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## 4. ECONOMIC DEPENDENCE

The centre derives a significant portion of revenues in the form of grants from Government of Canada and Province of Ontario as stated in *(Note 3)*. Grants accounted for 53% of revenues in 2023 (nil in 2022).

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5. COMMITMENT

The centre entered into an agreement with City of Toronto for lease of the land at 311 Staines Road comprising approximately 180,000 square feet (4.13 acres) which will be used to construct and operate a not-for-profit Community Centre accessible to the public. A basic annual rent of \$1 plus applicable taxes is payable to the City of Toronto for thirty years, with an option to extend for an additional period of ten years. The centre is responsible for all additional expenses including property taxes, insurance and maintenance. The commencement date as per the agreement shall be the earlier of the following:

- i) the date of application for any planning approvals for the Property;
  - ii) the date of application for any building permit for the Property; and
  - iii) December 1, 2023
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6. DUE TO A RELATED PARTY

Due to a related party is an amount due to a director. The amount due to a related party is unsecured and have no set repayment terms. As the management intends to repay the loan within a year, this amount has been classified as current.

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**TAMIL COMMUNITY CENTRE**

**Opening Balance Sheet**

**As at April 1, 2021**

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**ASSETS**

**CURRENT**

Cash 24,000

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**\$ 24,000**

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**LIABILITIES AND SHAREHOLDER'S EQUITY**

**CURRENT**

Accounts payable and accrued liabilities -

**FUND BALANCES**

General Fund 24,000

Capital Fund -

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**24,000**

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**\$ 24,000**

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