

**TAMIL COMMUNITY CENTRE**

***Financial Statements***

***March 31, 2024***

**TAMIL COMMUNITY CENTRE**  
**Index to Financial Statements**  
**Year Ended March 31, 2024**

---

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Change in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

---

## **INDEPENDENT AUDITORS' REPORT**

---

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, 2024 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, 2024, 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.

### **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 27, 2024

**TAMIL COMMUNITY CENTRE**  
**Statement of Financial Position**  
**March 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 91,794	\$ 137,700
HST recoverable	1,123	24,060
Prepaid expenses	2,889	-
	95,806	161,760
<b>CAPITAL ASSETS UNDER CONSTRUCTION (Note 2)</b>	<b>490,851</b>	<b>465,787</b>
	<b>\$ 586,657</b>	<b>\$ 627,547</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 13,914	\$ 17,042
Due to related parties	21,070	24,270
	34,984	41,312
<b>FUND BALANCES</b>		
General Fund	60,822	120,448
Capital Fund	490,851	465,787
	<b>\$ 586,657</b>	<b>\$ 627,547</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, 2024**

	2024		2023	
	General	Capital	Total	Total
	Fund	Fund		
<b>RECEIPTS</b>				
Donation	\$ 229	\$ -	\$ 229	\$ 312,658
Interest income	203	-	203	-
Government Grant (Note 3)	-	-	-	350,397
Government Hiring Grant (Note 3)	-	-	-	9,854
	432	-	432	672,909
<b>DISBURSEMENTS</b>				
Professional fees	32,106	-	32,106	53,517
Management fees	1,228	-	1,228	22,329
Advertising and Promotion	825	-	825	980
Interest and Bank Charges	483	-	483	416
Advertising and Promotion	352	-	352	-
Design and architecture	-	25,064	-	-
Transfer to capital assets under construction	-	( 25,064)	-	-
	34,994	-	34,994	77,242
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$( 34,562)	\$ -	( 34,562)	595,667
FUND BALANCES - BEGINNING OF YEAR	120,448	465,787	586,235	( 9,432)
INTER FUND TRANSFER	( 25,064)	25,064	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 60,822</b>	<b>\$ 490,851</b>	<b>\$ 551,673</b>	<b>\$ 586,235</b>

See accompanying notes to financial statements.

**TAMIL COMMUNITY CENTRE****Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023
<b>OPERATING ACTIVITY</b>		
Excess (deficiency) of receipts over disbursements	\$( 34,562)	\$ 595,667
Items not affecting cash:		
Amortization	-	-
Changes in non-cash working capital items:		
Accounts receivable	-	12,500
Prepaid expenses	( 2,889)	-
HST recoverable	22,937	( 24,060)
Accounts payable and accrued liabilities	( 3,128)	13,841
	<b>16,920</b>	<b>2,281</b>
Cash flow from (used by) operating activity	( 17,642)	597,948
<b>INVESTING ACTIVITY</b>		
Capital asset under construction	( 25,064)	( 465,787)
<b>FINANCING ACTIVITY</b>		
(Repayment) Advances (to) from a related party	( 3,200)	3,200
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>( 45,906)</b>	<b>135,361</b>
CASH - Beginning of year	<b>137,700</b>	<b>2,339</b>
<b>CASH - End of year</b>	<b>\$ 91,794</b>	<b>\$ 137,700</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 there from to charitable organizations that are also registered under registered charities under the income tax act, Canada.
- 

## 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:

### 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.

---



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*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 and accounts payable and accrued liabilities.

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.

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.

## 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
March 31, 2024	Engineering, Design and Architecture	25,064
		<u>\$ 490,851</u>

**3. GOVERNMENT GRANTS**

- i) The centre receives federal and provincial funding under the Investing in Canada Infrastructure Program (ICIP) for the design and construction of a non-denominational facility in Northeast Scarborough. The facility will serve local residents and the Canadian Tamil community in the Greater Toronto Area. As per the terms of the agreement, the centre must ensure that the project is completed by March 31, 2027. The Province of Ontario has committed to funding 33.30% of eligible expenditures up to a maximum of \$11,987,844 while the Government of Canada has committed to funding 40% of eligible expenditure up to a maximum of \$14,399,813. Any funding received is fully recognized as revenue under Capital Asset Fund and General Fund. No funding was received in the year under the Canada Infrastructure Program (ICIP) (\$350,397 in 2023).
- 

**4. ECONOMIC DEPENDENCE**

The centre derives a significant portion of revenues in the form of grants from the Government of Canada and the Province of Ontario as stated in (Note 3). No grants were received in 2024 whereas 53% of revenues in 2023 were derived from grants.

---

**5. COMMITMENT**

The centre entered into an agreement with City of Toronto to lease 180,000 square feet (4.13 acres) of land space at 311 Staines Road for development. The land space will be used for the construction of a not-for-profit Community Centre. A basic annual rent of \$1 plus applicable taxes is payable to the City of Toronto for thirty years. At the end of thirty years, the lease provides an option to extend the lease for an additional period of ten years. The centre will be responsible for operational 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
- 

**6. PRIOR PERIOD ADJUSTMENT**

Management identified unrecorded expenses of \$21,070 dating back to fiscal year 2022. As a result, the opening general fund balance and amount owing to related parties were understated in both the current and prior fiscal years. An adjustment was made to decrease the opening general fund and increase the opening amount due to related party by \$21,070. A similar adjustment was made to restate corresponding balances in 2023.

---