Doane Grant Thornton

Financial statements

Central Eglington Community Centre

December 31, 2024

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Date: April 16, 2025

Management's Responsibility for the Financial Statements

The financial statements of the Board of Management (the "Board") for the Central Eglinton Community Centre (the "Centre") are the responsibility of the 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 judgement, 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 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.

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Chairperson

Signed by:
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Doane Grant Thornton

Independent Auditor's Report

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To the Council of the Corporation of the City of Toronto and
the Board of Management of
Central Eglinton Community Centre

Qualified Opinion

We have audited the financial statements of Central Eglinton Community Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the 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 financial statements present fairly, in all material respects, the financial position of Central Eglinton 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 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 fundraising revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the 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 Organization 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.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the 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.

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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 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 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 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
April 16, 2025

Chartered Professional Accountants
Licensed Public Accountants

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Central Eglinton Community Centre
Statement of Financial Position

December 31	2024	2023
Assets		
Current		
Cash	**$ 62,729**	$ 60,621
Investments (Note 4)	**508,745**	432,598
Due from City of Toronto (Note 9)	**45,590**	41,918
Accounts receivable	**28,062**	27,259
	645,126	562,396
Tangible capital assets (Note 5)	**94,478**	36,921
Due from City of Toronto (Note 9)	**132,986**	137,258
	$ 872,590	$ 736,575
Liabilities		
Current		
Due to City of Toronto (Note 9)	**$ 63,399**	$ 63,378
Accounts payable and accrued liabilities	**124,880**	106,195
Deferred contributions (Note 6)	**88,801**	21,143
	277,080	190,716
Deferred capital contributions (Note 7)	**94,478**	36,921
Post-employment benefits liability (Note 8)	**132,986**	137,258
	504,544	364,895
Net Assets		
Unrestricted	**368,046**	371,680
	$ 872,590	$ 736,575

Commitments (Note 10)

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Director

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Director

See accompanying notes to the financial statements.

Central Eglinton Community Centre
Statement of Changes in Net Assets
Year ended December 31

	2024	2023
Net assets, beginning of year	**$ 371,680**	$ 360,250
(Deficiency) excess of revenue over expenses	**(3,634)**	11,430
Interfund transfer (Note 4)	**-**	-
Net assets, end of year	**$ 368,046**	$ 371,680

See accompanying notes to the financial statements.

Central Eglinton Community Centre
Statement of Operations
Year ended December 31

	After-School Program	EarlyON Program	Summer Camp Program	Older Adult Program	March Camp	Other Programs	Program Total	Administration	**Total 2024**	Total 2023
Revenue										
Grants										
City of Toronto	$ -	$ 101,295	$ 7,940	$ 33,974	$ -	$ -	$ 143,209	$ 873,115	**$ 1,016,324**	$ 975,015
Province of Ontario	-	-	-	51,137	-	-	51,137	-	**51,137**	51,438
Government of Canada	-	-	52,859	-	-	12,705	65,564	-	**65,564**	32,705
	-	101,295	60,799	85,111	-	12,705	259,910	873,115	**1,133,025**	1,059,158
Program fees	-	-	76,399	-	-	889	77,288	-	**77,288**	62,830
Fundraising	-	-	4,250	6,451	-	542	11,243	-	**11,243**	15,375
Memberships	15,725	-	-	-	4,273	-	19,998	-	**19,998**	11,650
Other revenue	-	-	-	-	-	25,255	25,255	-	**25,255**	23,653
Rental fees	-	-	-	-	-	2,200	2,200	-	**2,200**	1,050
Amortization of deferred capital contributions (Note 7)	-	502	-	2,408	-	-	2,910	22,741	**25,651**	17,035
	15,725	101,797	141,448	93,970	4,273	41,591	398,804	895,856	**1,294,660**	1,190,751
Expenses										
Salaries and wages	39,023	75,244	86,640	61,226	2,797	-	264,930	526,298	**791,228**	731,706
Employee benefits	6,053	18,123	9,036	16,197	309	-	49,718	126,170	**175,888**	166,670
Materials and supplies	3,906	8,636	14,844	24,421	1,110	2,944	55,861	55,445	**111,306**	66,098
Purchase of services	1,537	1,437	12,894	7,852	299	5,000	29,019	165,202	**194,221**	197,300
Amortization of tangible capital assets	-	502	-	2,408	-	-	2,910	22,741	**25,651**	17,547
	50,519	103,942	123,414	112,104	4,515	7,944	402,438	895,856	**1,298,294**	1,179,321
(Deficiency) excess of revenue over expenses	$ (34,794)	$ (2,145)	$ 18,034	$ (18,134)	$ (242)	$ 33,647	$ (3,634)	$ -	**$ (3,634)**	$ 11,430

See accompanying notes to the financial statements.

Central Eglington Community Centre
Statement of Cash Flows

Year ended December 31

	2024	2023
Cash flows from (used in) operating activities		
(Deficiency) excess of revenue over expenses	**$ (3,634)**	$ 11,430
Adjustments for non-cash items:		
Post-employment benefits	**(4,272)**	(3,912)
Amortization of tangible capital assets	**25,651**	17,547
Amortization of deferred capital contributions	**(25,651)**	(17,035)
	(7,906)	8,030
Net change in non-cash working capital items		
Due from City of Toronto	**(3,672)**	(12,837)
Accounts receivable	**(803)**	(9,553)
Due to City of Toronto	**21**	(35,813)
Accounts payable and accrued liabilities	**18,685**	33,074
Deferred contributions	**67,658**	12,420
	73,983	(4,679)
Investing Activities		
Purchase of investments	**(522,924)**	(386,977)
Proceeds on sale on investments	**446,777**	408,700
	(76,147)	21,723
Capital Activities		
Purchase of tangible capital assets	**(83,208)**	-
Financing Activities		
Capital contributions received	**83,208**	-
Long-term amount due from City of Toronto	**4,272**	3,912
	87,480	3,912
Increase in cash	**2,108**	20,956
Cash, beginning of year	**60,621**	39,665
Cash, end of year	**$ 62,729**	$ 60,621

See accompanying notes to the financial statements.

Central Eglinton Community Centre
Notes to the financial statements
December 31, 2024

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 Eglington 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-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

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 the deferred capital contribution on the statement of financial position.

Program fees, membership fees and rental income are recognized as the services and provided. Amounts received in advance of services being provided or performance obligations being met are classified as deferred revenue 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 due to City of Toronto.

Contributed material and services

Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Tangible capital assets

Tangible capital assets are recorded at cost and contributed tangible assets are recorded at fair value at the date of contribution. Amortization is provided on straight-line basis over their estimated useful lives, as follows:

Furniture and equipment	5 years straight-line
Leasehold improvements	Straight-line over lease term
Computer software	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 gains / losses.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with PSAS-GNFPO 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 policy

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 with maturity dates ranging from March 11, 2025 to December 10, 2025 (2023 - April 6, 2024 to October 11, 2024) and interest rates ranging from 3.15% to 5.00% (2023 - 4.90% to 5.90%).

5. Tangible capital assets

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	**2024 Net Book Value**	2023 Net Book Value
Furniture and equipment	$ 79,140	$ 72,849	**$ 6,291**	$ 14,086
Leasehold improvements	114,143	35,115	**79,028**	11,845
Computer software	18,317	9,158	**9,159**	10,990
	$ 211,600	$ 117,122	**$ 94,478**	$ 36,921

6. Deferred contributions

	2024	2023
Balance, beginning of year	**$ 21,143**	$ 8,723
Add: contributions received	**314,863**	211,451
Less: recognized as revenue	**(247,205)**	(199,031)
Balance, end of year	**$ 88,801**	$ 21,143

7. Deferred capital contributions

	2024	2023
Balance, beginning of year	**$ 36,921**	$ 53,956
Add: Contributions received	**83,208**	-
Less: Amortization recognized as revenue	**(25,651)**	(17,035)
Balance, end of year	**$ 94,478**	$ 36,921

8. Post-employment benefits liability 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 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%

8. Post-employment benefits liability and long-term accounts receivable (continued)

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

	2024	2023
Post-retirement benefits actuarial liability	**$ 89,244**	$ 115,060
Add: unamortized actuarial gain	**43,742**	22,198
Post-retirement benefit liability	**$ 132,986**	$ 137,258

The continuity of the accrued benefit obligation is as follows:

	2024	2023
Balance, beginning of year	**$ 137,258**	$ 141,170
Current service cost	**2,933**	2,715
Interest cost	**4,745**	5,157
Amortization of actuarial gain	**(1,903)**	(2,240)
Benefits paid	**(10,047)**	(9,544)
Balance, end of year	**$ 132,986**	$ 137,258

A long-term receivable from the City of $132,986 in 2024 (2023 - $137,258) 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. 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 $66,635 in 2024 (2023 - $63,340).

The most recent actuarial valuation of the Plan as at December 31, 2024 indicated that 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 contribution. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

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 the administration fund 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.

	2024 Budget (unaudited)	**2024**	2023
Administration expenses:			
Salaries and wages	$ 590,893	**$ 526,298**	$ 528,893
Employee benefits	179,920	**126,170**	123,752
Purchase of services	151,349	**165,202**	180,022
Materials and supplies	34,782	**55,445**	24,790
Amortization of tangible capital assets	-	**22,741**	14,636
	$ 956,944	**$ 895,856**	$ 872,093
Centre's actual administration revenue:			
Administration budget		**$ 956,944**	$ 848,749
Adjustments for:			
Deferred capital contributions		**(83,208)**	-
		$ 873,736	848,749
Centre's actual administration expenses:			
Administration expenses		**$ 895,856**	$ 872,093
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long-term amount due from City of Toronto		**4,272**	3,912
Amortization of tangible capital assets funded by deferred capital contribution		**(22,741)**	(14,636)
Vacation pay liability, not funded by the City until paid, that are included in due from City of Toronto		**(3,672)**	(12,837)
		873,715	848,532
Administration expenses under approved budget		**$ 21**	$ 217

The Due from the City of Toronto balance is comprised of $45,590 (2023 - $41,918) for administrative staff cumulative vacation accrual payable.

The Due to the City of Toronto balance is comprised of:

	2024	2023
2022 surplus payable	**$ 63,161**	$ 63,161
2023 surplus payable	**217**	217
2024 surplus payable	**21**	-
	$ 63,399	63,378

10. Lease commitments

The Centre has entered into agreements to lease office equipment. Minimum annual payments for the office equipment, in aggregate for each of the remaining years are as follows:

2025	$ 2,265
2026	776
	$ 3,041

11. 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.

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 to be remote. The Centre provides credit to its customers in the normal course of operations. Management believes that the Centre's credit risk with respect to accounts receivable is limited. The Centre manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

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 Due to City of Toronto and accounts payable and accrued liabilities. The Centre manages liquidity risk by monitoring its cash flow requirements on a regular basis. Management believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid. The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Due to City of Toronto	$ 63,399	$ -	$ -	$ -	$ 63,399
Accounts payable and accrued liabilities	$ 124,880	$ -	$ -	$ -	$ 124,880

11. Financial instruments (continued)

Market risk

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

It is management's opinion that unless otherwise noted, the Centre is not exposed to significant market risk arising from its financial instruments.

i) 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.

ii) 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 management believes the interest rate exposure related to these financial instruments is negligible.

iii) Other price risk

Other price risk refers to 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 those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management believes that the Centre is not 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.