

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
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YEAR ENDED AUGUST 31, 2025

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RACOLTA JENSEN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Alison Neighbourhood Community Centre

Qualified Opinion

We have audited the financial statements of Alison Neighbourhood Community Centre (the "organization"), which comprise the statement of financial position as at August 31, 2025, and the statements of revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

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 the organization as at August 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2025, current assets and net assets as at August 31, 2025. Our audit opinion on the financial statements for the year ended August 31, 2024 was modified accordingly because of the possible effects of this limitation of 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 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 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 ASNPO, 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 organization'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 the organization or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of Alison Neighbourhood Community Centre (*continued*)

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 organization'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 organization'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 organization 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.

Cambridge, Ontario
January 16, 2026




Racolta Jensen LLP
Chartered Professional Accountants
Licensed Public Accountants

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 111,066	\$ 28,516
Short-term deposits (note 4)	150,455	90,455
Grants receivable	13,519	24,635
Government remittances recoverable	3,101	16,131
Prepaid expenses	5,584	5,702
	283,725	165,439
CAPITAL ASSETS (note 5)	5,974	4,281
	<u>\$ 289,699</u>	<u>\$ 169,720</u>
LIABILITIES		
CURRENT		
Accounts, payable and accrued	\$ 14,990	\$ 22,324
Deferred revenue (note 6)	98,292	74,164
	113,282	96,488
NET ASSETS	176,417	73,232
	<u>\$ 289,699</u>	<u>\$ 169,720</u>

APPROVED ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

(See accompanying notes to financial statements)

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED AUGUST 31, 2025

	2025	2024 <i>Restated</i>
REVENUES		
Grants (<i>note 6</i>)		
City of Cambridge	\$ 121,208	\$ 111,641
Lyle S Hallman Children's Initiatives	25,000	50,000
Employment and Social Development Canada	47,202	41,775
Other grants	53,850	54,634
Ministry of Tourism	30,750	30,750
Red Cross	-	24,551
	<u>278,010</u>	<u>313,351</u>
Registration fees	94,614	93,001
Fundraising and other	46,860	35,023
Interest	3,370	985
	<u>422,854</u>	<u>442,360</u>
EXPENDITURES		
Administration	3,750	7,500
Advertising and promotion	14,210	830
Amortization	252	2,320
Insurance	6,618	6,288
Interest and bank charges	3,417	4,416
Office	13,320	22,090
Professional fees	12,917	19,703
Programs	21,443	44,729
Salaries and benefits	241,137	355,336
Utilities	1,706	1,736
Vehicle	899	83
	<u>319,669</u>	<u>465,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 103,185</u>	<u>\$ (22,671)</u>

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 103,185	\$ (22,671)
Item not affecting cash:		
Amortization of capital assets	252	2,320
	<u>103,437</u>	<u>(20,351)</u>
Changes in non-cash working capital:		
Grants receivable	11,116	(547)
Accounts, payable and accrued	(7,335)	7,088
Deferred revenue	24,128	13,150
Prepaid expenses	118	2,239
Government remittances payable	13,030	8,195
	<u>41,057</u>	<u>30,125</u>
Cash flow from operating activities	<u>144,494</u>	<u>9,774</u>
INVESTING ACTIVITY		
Purchase of capital assets	(1,944)	(5,443)
INCREASE IN CASH FLOW	142,550	4,331
CASH - BEGINNING OF YEAR	<u>118,971</u>	<u>114,640</u>
CASH - END OF YEAR	<u>\$ 261,521</u>	<u>\$ 118,971</u>

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

1. PURPOSE OF THE ORGANIZATION

The organization is incorporated under the name Alison Neighbourhood Community Centre by letters patent dated April 30, 2001 under the laws of the Province of Ontario to promote life quality and well being of families in the neighbourhood by providing opportunities for participation in the development of community life.

As Alison Neighbourhood Community Centre is a not-for-profit organization under the Income Tax Act, its income is not taxable.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Short-term deposits

Short-term deposits consist of a cashable guaranteed investment certificate. The term deposits are recognized initially at fair value on the date the investment is made and subsequently measured at amortized cost.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the declining balance basis at the following rates:

Office furniture and equipment	20%
Computer hardware	55%
Program equipment	20%

Amortization is calculated at one-half of the normal rate in the year of acquisition.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows that the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value. No impairment has been recognized on long-lived assets.

Measurement of financial instruments

The organization initially recognized its financial assets and liabilities at fair value. Financial assets subsequently measured at amortized cost include bank, short-term deposits, and grants receivable. Financial liabilities subsequently measured at amortized cost include accounts payable.

Revenue recognition

The organization's activities are supported through grants, registration fees, donations, and fundraising activities.

Alison Neighbourhood Community Centre follows the deferral method of accounting for contributions.

Grants, registration fees, and fundraising revenue are recognized as deferred revenue when received, then recognized as revenue when the programming is completed or the event has occurred.

Interest revenue is recognized using the effective interest method.

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ALISON NEIGHBOURHOOD COMMUNITY CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services and materials

The work of the organization is dependent on volunteer services of the Board of Directors, various committees, and other volunteers. The nature of other volunteer services provided is not verifiable and therefore is not recognized in these financial statements.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are the estimated useful life of property and equipment. These estimates are reviewed periodically, and adjustments are made, as appropriate, in the statement of operations in the year they become known.

4. SHORT-TERM DEPOSITS

The organization holds four cashable guaranteed investment certificates totaling the amount of \$150,000 as at August 31, 2025, bearing interest at 2.5%, and maturing August 2026.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 8,952	\$ 7,810	\$ 1,142	\$ 429
Office furniture and equipment	10,470	7,388	3,082	3,852
Program equipment	1,944	194	1,750	-
	<u>\$ 21,366</u>	<u>\$ 15,392</u>	<u>\$ 5,974</u>	<u>\$ 4,281</u>

6. DEFERRED REVENUE

Deferred revenue represents designated contributions for which the organization has not yet spent the money on the specific expenditure. Annual City of Cambridge grant and registration fees received before August 31, 2025 for events in the next fiscal year account for deferred revenue. This revenue is deferred and recognized as revenue in the year in which related expenses are incurred.

	2025	2024
Deferred revenue, beginning	\$ 74,164	\$ 61,014
Add: funds received in advance	184,486	150,791
Less: funds recognized in revenue during the year	(160,358)	(137,641)
Deferred revenue, ending	<u>\$ 98,292</u>	<u>\$ 74,164</u>

ALISON NEIGHBOURHOOD COMMUNITY CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

7. FINANCIAL INSTRUMENT RISKS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2025.

(a) Credit risk

Credit risk refers to the risk that other parties may default on their financial obligations.

The organization is exposed to credit risk on its bank and short-term deposits balance.

Credit risk associated with bank and short-term deposit investments is minimized substantially by ensuring that these assets are invested in a major financial institution.

The organization is exposed to credit risk on grants receivable which consist of amounts due from grants applied for prior to year-end. These grants were all received subsequent to year-end.

The extent of the organization's exposure to credit risk decreased in 2025.

(b) Liquidity risk

Liquidity risk refers to the risk that the company will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the company not being able to liquidate assets in a timely manner at a reasonable price.

The company meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. The company maintains term deposits to ensure that there is adequate liquidity.

The extent of the organization's exposure to liquidity risk decreased in 2025.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.