

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE  
FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2023**

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
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**YEAR ENDED AUGUST 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Directors 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, 2023, and the statements of changes in net assets, revenues and expenditures and cash flows 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 the organization as at August 31, 2023, 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 a portion of its revenue from the community in the form of registration fees and fundraising events which are 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 unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and August 31, 2022, current assets and net assets as at August 31, 2023 and August 31, 2022.

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 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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*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 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

Racolta Jensen LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 84,640	\$ 109,670
Short-term deposits <i>(Note 4)</i>	30,000	120,192
Grants receivable	40,760	27,376
Government remittances recoverable	24,326	15,115
Prepaid expenses	7,941	8,843
	187,667	281,196
<b>PROPERTY AND EQUIPMENT</b> <i>(Note 5)</i>	1,159	3,905
	<b>\$ 188,826</b>	<b>\$ 285,101</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts, payable and accrued	\$ 15,237	\$ 23,580
Deferred revenue <i>(Note 6)</i>	61,014	76,039
	76,251	99,619
<b>NET ASSETS</b>		
<b>NET ASSETS</b>	112,575	185,482
	<b>\$ 188,826</b>	<b>\$ 285,101</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2023**

	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 185,483	\$ 281,011
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(72,908)</u>	<u>(95,529)</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 112,575</u>	<u>\$ 185,482</u>

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**YEAR ENDED AUGUST 31, 2023**

	2023	2022
<b>REVENUES</b>		
Grants <i>(Note 6)</i>		
City of Cambridge	\$ 109,196	\$ 104,306
Lyle S Hallman Children's Initiatives	112,892	88,119
Ministry of Tourism	31,987	39,840
Red Cross	34,803	10,970
Employment and Social Development Canada	68,368	64,627
Other grants	26,765	40,964
	<u>384,011</u>	<u>348,826</u>
Registration fees	52,925	40,704
Fundraising and other	22,120	21,338
Interest	1,324	1,001
	<u>460,380</u>	<u>411,869</u>
<b>EXPENDITURES</b>		
Administration	9,567	9,000
Advertising and promotion	757	1,596
Amortization	2,746	2,594
Insurance	5,912	5,267
Interest and bank charges	3,834	5,217
Office	28,022	37,705
Professional fees	26,504	20,821
Programs	75,237	69,849
Salaries and benefits	378,775	356,370
Utilities	1,378	1,323
Vehicle	556	671
	<u>533,288</u>	<u>510,413</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	(72,908)	(98,544)
<b>CANADA EMERGENCY WAGE SUBSIDY</b>	<u>-</u>	<u>3,015</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>\$ (72,908)</u>	<u>\$ (95,529)</u>

**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures	\$ (72,908)	\$ (95,529)
Item not affecting cash:		
Amortization of property and equipment	2,746	2,594
	<u>(70,162)</u>	<u>(92,935)</u>
Changes in non-cash working capital:		
Grants receivable	(13,384)	(24,563)
Prepaid expenses	902	(6,170)
Government remittances recoverable	(9,211)	(8,635)
Accounts, payable and accrued	(8,342)	(5,878)
Deferred revenue	(15,025)	28,034
	<u>(45,060)</u>	<u>(17,212)</u>
Cash flow used by operating activities	<u>(115,222)</u>	<u>(110,147)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	-	(1,260)
	<u>(115,222)</u>	<u>(111,407)</u>
<b>DECREASE IN CASH FLOW</b>	<u>(115,222)</u>	<u>(111,407)</u>
<b>CASH - BEGINNING OF THE YEAR</b>	<u>229,862</u>	<u>341,269</u>
<b>CASH - END OF YEAR</b>	<u>\$ 114,640</u>	<u>\$ 229,862</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 84,640	\$ 109,670
Short-term deposits	30,000	120,192
	<u>\$ 114,640</u>	<u>\$ 229,862</u>



**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2023**

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**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

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.

Property and equipment

Property and equipment is recorded at cost. Amortization is provided using the declining balance basis at the following rates:

Office furniture and equipment	20%
Computer hardware	55%

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

Property and equipment 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 program is completed or the event has occurred.

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**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2023**

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

Interest revenue is recognized using the effective interest method.

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.

**4. SHORT-TERM DEPOSITS**

The organization has a cashable guaranteed investment certificate in the amount of \$30,000 as at August 31, 2023, bearing interest at 2.25%, and maturing August 2024.

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 6,759	\$ 6,759	\$ -	\$ 2,456
Office furniture and equipment	7,220	6,061	1,159	1,449
	\$ 13,979	\$ 12,820	\$ 1,159	\$ 3,905

**6. DEFERRED REVENUE**

Deferred revenue represents designated contributions for which the organization has not yet spent the money on the specific expenditure. Red Cross, and registration fees received before August 31, 2023 for events in the next fiscal year. This revenue is deferred and recognized as revenue in the year in which related expenses are incurred.

	2023	2022
Deferred revenue, beginning	\$ 76,039	\$ 48,005
Add: funds received in advance	172,444	237,884
Less: funds recognized in revenue during the year	(187,469)	(209,850)
Deferred revenue, ending	\$ 61,014	\$ 76,039

**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, 2023.

(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.

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**ALISON NEIGHBOURHOOD COMMUNITY CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2023**

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**7. FINANCIAL INSTRUMENT RISKS *(continued)***

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 subsequent to year-end.

The extent of the organization's exposure to credit risk decreased in 2023.

**(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 increased in 2023.

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