

WESTON KING NEIGHBOURHOOD CENTRE
Financial Statements
Year Ended December 31, 2023

DRAFT FOR DISCUSSION PURPOSES ONLY



WESTON KING NEIGHBOURHOOD CENTRE
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Weston King Neighbourhood Centre

Qualified Opinion

We have audited the financial statements of Weston King Neighbourhood Centre (the "organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets 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 December 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 revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue 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 donation revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 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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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.



WESTON KING NEIGHBOURHOOD CENTRE
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 60,434	\$ 57,378
Accounts receivable	59,496	15,267
Government remittances	6,813	16,705
Prepaid expenses	1,560	840
	128,303	90,190
PROPERTY AND EQUIPMENT (Note 3)	1,414	3,822
	\$ 129,717	\$ 94,012
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,502	\$ 27,173
Deferred revenue (Note 4)	22,150	6,250
	44,652	33,423
NET ASSETS	85,065	60,589
	\$ 129,717	\$ 94,012

APPROVED BY

_____ Director

_____ Director



WESTON KING NEIGHBOURHOOD CENTRE
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Grant revenue (Note 4)	\$ 513,182	\$ 558,693
Donations	32,057	33,776
Donations in-kind	390,417	403,072
Deferred capital contributions earned	-	7,063
Miscellaneous income	9,985	23,399
	945,641	1,026,003
EXPENDITURES		
Administration	11,719	11,367
Amortization	2,409	10,349
Donations-in-kind	390,417	403,072
Professional fees	35,528	34,227
Program	58,825	111,104
Rental	61,920	59,746
Salaries and benefits	356,457	361,472
Telephone and communication	3,891	3,351
	921,166	994,688
EXCESS OF REVENUES OVER EXPENDITURES	\$ 24,475	\$ 31,315



WESTON KING NEIGHBOURHOOD CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 60,589	\$ 29,274
Excess (deficiency) of revenues over expenditures	24,475	31,315
NET ASSETS - END OF YEAR	\$ 85,064	\$ 60,589

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WESTON KING NEIGHBOURHOOD CENTRE
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 24,475	\$ 31,315
Items not affecting cash:		
Deferred capital contributions earned	-	(7,063)
Amortization	2,409	10,349
	26,884	34,601
Changes in non-cash working capital:		
Accounts receivable	(44,230)	(11,792)
Government remittances	9,892	(12,248)
Prepaid expenses	(720)	685
Accounts payable and accrued liabilities	(4,670)	482
Deferred revenue	15,900	(9,797)
	(23,828)	(32,670)
INCREASE IN CASH FLOW	3,056	1,931
Cash - beginning of year	57,378	55,447
CASH - END OF YEAR	\$ 60,434	\$ 57,378



WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

Weston King Neighbourhood Centre (the "organization") is a non-share capital, not-for-profit corporation, incorporated under the laws of Ontario as a registered charity. As a charity registered under the Income Tax Act (Canada), the organization is not subject to income taxes.

The organization operates to provide assistance to people within its community who struggle to integrate in society due to economic or social barriers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Financial Instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arms's length transactions, which are recorded at the carrying or exchange amount depending on the circumstances. The organization subsequently measures all financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in net earnings.

Financial assets measured at cost or amortized cost include cash, accounts receivable, government remittances.

Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

(b) Revenue Recognition

The organization follows the deferral method accounting for grant revenue. Grants are recognized as revenue in the same period as the related expenditures. Grants received prior to the year to which they apply are deferred.

Donations and donations-in-kind are recognized as revenue when received.

Revenue from capital contribution is deferred and recognized in the year the related assets are amortized.

Other revenue is recognized when earned.

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WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property and equipment

Property and equipment are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Kitchen and other appliances	5 years straight-line method
Furniture and fixtures	5 years straight-line method

Management reviews property and equipment 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 estimated future net cash flows that the assets are expected to generate. Where the carrying amount exceeds estimated net cash flows, the assets are written down to fair value.

(d) Capital management

The organization's objective is to have sufficient resources to continue operations in accordance with its mission. The need for sufficient resources is considered when preparing an annual budget and monitoring its cash flows.

(e) 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 date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring the use of estimates include measurement of accrued liabilities, revenue recognition, deferred revenue and amortization. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenue over expenditures in the period in which they become known.

(f) Contributed Services

Due to the difficulty of determining the fair value of services provided by volunteers, contributed services are not recognized in these financial statements.



WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Kitchen and other appliances	\$ 74,210	\$ 72,796	\$ 1,414	\$ 3,677
Furniture and fixtures	8,050	8,050	-	145
	\$ 82,260	\$ 80,846	\$ 1,414	\$ 3,822

4. DEFERRED REVENUE

The continuity of deferred revenue is as follows:

	2023	2022
Balance, beginning of year	\$ 6,250	\$ 16,047
Grants received in the year	529,082	548,896
Grants recognized in year (Note 5)	(513,182)	(558,693)
Balance, end of year	22,150	6,250

Deferred revenue is summarized as follows:

Service Canada - New Horizons for Seniors	6,250	6,250
Ontario Trillium Foundation	15,900	-
	\$ 22,150	\$ 6,250



WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

5. GRANT REVENUE

Grant revenue recognized in the year is as follows:

	2023	2022
City of Toronto - CHPI Housing Support	\$ -	\$ 68,348
City of Toronto - SSHA Drop-in Services	308,484	200,514
City of Toronto - Investing in Neighbourhood (IIN)	25,013	14,068
City of Toronto - COVID-19 Pandemic Relief	-	9,071
Service Canada - New Horizons for Seniors	25,000	18,750
Canada Summer Jobs	24,294	46,498
Shining Waters Regional Council (Southwest Presbytery of United Church of Canada)	57,000	57,000
City of Toronto - Vaccine Engagement	-	57,706
City of Toronto - Indoor Spacing Drop-in	-	59,454
F.E.E.T. (Frontlines)	11,770	27,284
Canada Training Institute	1,721	-
Ontario Trillium Fund	59,900	-
	\$ 513,182	\$ 558,693

6. DONATION-IN-KIND

The organization is in receipt of donations-in-kind with respect to food and other goods. Donated food and meals are recognized as revenue when distributed. 112,742 pounds (118,221 pounds - 2022) of donated food has been valued based on national standards recommended by Food Banks Canada, which management believes to be a reasonable reflection of fair market value.

	2023	2022
Food	\$ 390,417	\$ 403,072

During the year, 3,120 (3,120 - 2022) meals have been received from Salaam Foundation, which were valued at \$10,920 (\$10,920 - 2022).



WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

7. LEASE OBLIGATIONS

The organization has two operating lease agreements with respect to its premises. One expires on March 31, 2024 and the other expires on December 31, 2026. The required annual minimum lease payments for each of the next three years are as follows:

	1269 Weston Rd	2017 Weston Rd.	Total
2024	\$ 6,000	\$ 34,800	\$ 40,800
2025	-	34,800	34,800
2026	-	34,800	34,800
	\$ 6,000	\$ 104,400	\$ 110,400

8. ECONOMIC DEPENDENCE

The organization relies primarily on grants and donations to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The organization is not subject to externally imposed capital requirements.

9. COMMITMENTS AND CONTINGENCIES

The organization has agreed to indemnify its past, present and future directors, officers, employees and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interests of the organization.

The nature of the indemnity prevents the organization from reasonably estimating the maximum exposure. The organization has purchased directors' and officers' liability insurance with respect to this indemnification. Historically, the organization has not made any payments under such or similar indemnification agreements. At this time, the organization is not aware of any claims under these guarantees and, therefore, no amount has been accrued in the financial statements with respect to these guarantees.



WESTON KING NEIGHBOURHOOD CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

10. FINANCIAL RISK MANAGEMENT

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable. The organization believes there is minimal risk associated with these accounts. No allowance for doubtful accounts provision recorded in these financial statements.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and deferred revenue. The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liabilities maturities. Accounts payable and accrued liabilities are normally paid within the payment terms and other current liabilities are satisfied within the next fiscal year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the organization is not exposed to any of these risks.

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