

San Romanoway Revitalization Association

Financial Statements

March 31, 2024

June 20, 2024

Independent Auditor's Report

To the Board of Directors of
San Romanoway Association

Opinion

We have audited the financial statements of San Romanoway Revitalization Association (the Association) which comprise the statement of financial position as at March 31, 2024, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of San Romanoway Association as at March 31, 2024 and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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 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 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 the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

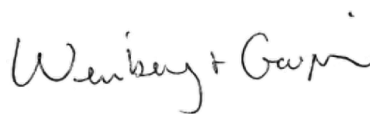
Auditor's Responsibility for the Audit of the Financial Statements

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 Association's internal control.
- Evaluate 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 Association'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. If such disclosures are inadequate, we will 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 Association 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.



CPA LLP
Licensed Public Accountants
Toronto, Ontario, Canada
June 20, 2024


San Romanoway Revitalization Association

Statement of Financial Position As at March 31

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 257,293 | \$ 60,052 |
| Investments (Note 2) | 243,115 | 253,711 |
| HST rebate | 25,275 | 15,905 |
| Sundry receivable | 16,778 | 16,139 |
| Grants receivable | 3,847 | 124,704 |
| Prepays and deposits | <u>48,272</u> | <u>-</u> |
| | 594,580 | 470,511 |
| Investments (Note 2) | 121,504 | 75,668 |
| Capital assets (Note 3) | <u>3,028</u> | <u>3,984</u> |
| | <u>\$ 719,112</u> | <u>\$ 550,163</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 4) | \$ 15,369 | \$ 21,182 |
| Loan payable (Note 5) | - | 10,000 |
| Deferred contributions (Note 6) | <u>179,800</u> | <u>130,000</u> |
| | 195,169 | 161,182 |
| Deferred capital contributions (Note 7) | <u>77,177</u> | <u>-</u> |
| | 272,346 | 161,182 |
| Net Assets | | |
| Unrestricted net assets (Note 11) | <u>446,766</u> | <u>388,981</u> |
| | <u>\$ 719,112</u> | <u>\$ 550,163</u> |
| Commitments (Note 9) | | |

Approved by the Board:

Director 

Director 

San Romanoway Revitalization Association

Statement of Operations and Changes in Net Assets Year Ended March 31

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Revenue | | |
| Grants (Note 6) | \$ 1,025,508 | \$ 1,195,072 |
| Other income | 84,674 | 64,637 |
| Donations (Note 8) | 58,165 | 76,065 |
| Investment income | <u>19,206</u> | <u>13,949</u> |
| | <u>1,187,553</u> | <u>1,349,723</u> |
| Expenses | | |
| Salaries and benefits | 816,814 | 782,631 |
| Professional fees | 146,138 | 238,859 |
| Program supplies | 83,749 | 116,979 |
| Occupancy costs | 50,935 | 72,839 |
| Office supplies | 17,648 | 16,875 |
| Telephone | 8,135 | 7,161 |
| Insurance | 5,393 | 5,175 |
| Amortization | <u>956</u> | <u>4,251</u> |
| | <u>1,129,768</u> | <u>1,244,770</u> |
| Excess of revenue over expenses for the year | 57,785 | 104,953 |
| Unrestricted net assets, beginning of the year | <u>388,981</u> | <u>284,028</u> |
| Unrestricted net assets, end of the year | <u>\$ 446,766</u> | <u>\$ 388,981</u> |

San Romanoway Revitalization Association

Statement of Cash Flows Year Ended March 31

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Excess of revenue over expenses for the year | \$ 57,785 | \$ 104,953 |
| Items not affecting cash | | |
| Amortization | 956 | 4,251 |
| Changes in non-cash working capital | | |
| HST rebates | (9,370) | (5,687) |
| Sundry receivable | (639) | (7,726) |
| Grants receivable | 120,857 | (44,713) |
| Prepays | (48,272) | - |
| Accounts payable and accrued liabilities | (5,813) | 8,282 |
| Loan payable | (10,000) | - |
| Deferred contributions | 49,800 | 2,210 |
| Deferred capital contributions | <u>77,177</u> | <u> </u> |
| | <u>232,481</u> | <u>61,570</u> |
| Cash flows from investing activities | | |
| Purchase of capital assets | - | (4,783) |
| Investments | <u>(35,240)</u> | <u>(180,876)</u> |
| | <u>(35,240)</u> | <u>(185,659)</u> |
| Net increase (decrease) in cash | 197,241 | (124,089) |
| Cash, beginning of year | <u>60,052</u> | <u>184,141</u> |
| Cash, end of year | <u>\$ 257,293</u> | <u>\$ 60,052</u> |

San Romanoway Revitalization Association

Notes to Financial Statements

March 31, 2024

Nature of operations

San Romanoway Revitalization Association is a community based organization, the object of which is to develop and foster community spirit, promote organized athletics, arts, recreation, civic emergency, social services and other community endeavours. In addition promote adult educational, recreational and athletic facilities and equipment for the benefit of the community. The direct focus of the Association is on crime prevention, and health and safety for residents residing in the San Romanoway neighbourhood of Toronto.

The Association is a registered charity incorporated without share capital under the laws of Ontario and thus exempt from income taxes.

1. Significant accounting policies

Basis of accounting

The financial statements have been prepared by management in accordance with the Canadian accounting standards for not-for-profit organizations, accordingly, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ management's best estimates as additional information becomes available in the future.

Fund accounting

The Unrestricted fund accounts for the Association's administrative activities and program activities funded by grants and donations. This fund reports unrestricted resources in excess of the operating requirements.

The Restricted fund accounts for the Association's program activities where the grantor has specified restrictions as to the use of the funds.

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured.

Donations are recognized when received.

Other income is recognized as revenue when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured.

San Romanoway Revitalization Association

Notes to Financial Statements March 31, 2024

1. Significant accounting policies (*continued*)

Revenue recognition (*continued*)

Investment income is recognized as revenue when earned.

Government assistance is recognized when received.

Externally restricted contributions are recorded as deferred contributions when they are received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured. Deferred contributions are recognized as grants in the appropriate Restricted fund in the year in which the related expenses are incurred.

Donations in kind

The work of the Association is dependent on volunteer services of many individuals. As these services are not normally purchased by the Association and due of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Capital assets

Capital assets are recorded at acquisition cost. Amortization is provided as follows:

| | | |
|------------------------|------------|---------------|
| Equipment | 5 years | Straight line |
| Leasehold Improvements | Lease term | Straight line |

Financial Instruments

The Association initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

| <u>Asset/liability</u> | <u>Measurement</u> |
|--|--------------------|
| Cash | Fair value |
| HST rebate | Amortized cost |
| Sundry receivable | Amortized cost |
| Grants receivable | Amortized cost |
| Deposits | Amortized cost |
| Investments | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Loan payable | Amortized cost |

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations and changes in net assets balance for the period.

The Association recognizes its transaction costs in net income in the period incurred.

San Romanoway Revitalization Association

Notes to Financial Statements March 31, 2024

2. Investments

Investments are comprised of non-redeemable and cashable guaranteed investment certificates (GICs). Investments that are cashable or non-redeemable GICs with maturities within the next fiscal period are categorized as current assets. GICs may be cashed prior to maturity subject to interest penalty. GICs earn interest between 4.60% and 5.71% and mature between May 11, 2024 and February 15, 2025.

3. Capital assets

| | Cost | Accumulated amortization | Net 2024 |
|------------------------|-------------------|-----------------------------|-----------------|
| Equipment | \$ 125,978 | \$ 122,950 | \$ 3,028 |
| Leasehold improvements | <u>562,367</u> | <u>562,367</u> | <u>-</u> |
| | <u>\$ 688,345</u> | <u>\$ 685,317</u> | <u>\$ 3,028</u> |
| | Cost | Accumulated amortization | Net 2023 |
| Equipment | \$ 125,978 | \$ 121,994 | \$ 3,984 |
| Leasehold improvements | <u>562,367</u> | <u>562,367</u> | <u>-</u> |
| | <u>\$ 688,345</u> | <u>\$ 684,361</u> | <u>\$ 3,984</u> |

4. Accounts payable and accrued liabilities

At March 31, 2024, there is \$17,874 (2023 - \$8,817) owing for payroll source deductions and \$1,282 (2023 - \$1,434) owing for WSIB with respect to government remittances. Accounts payable are unsecured and not subject to any terms or covenants.

5. Loan payable

The loan payable of \$10,000 is comprised of the Canadian Emergency Business Account (CEBA) loan of \$60,000 net of prior year repayments of \$30,000 and forgivable portion of \$20,000. The loan was provided by the Government of Canada to provide capital to organizations that have been adversely affected by COVID-19. The loan was unsecured, interest-free and was due on December 31, 2023.

The amount of \$10,000 (2023 - \$NIL) was repaid during the year. The Association has repaid the loan in full, and the forgivable portion of the loan has been previously included in income.

San Romanoway Revitalization Association

Notes to Financial Statements March 31, 2024

6. Deferred contributions

Deferred contributions represents the unspent portion of grants received where the grantor has specified restrictions as to the use of the funds.

Deferred contributions are comprised as follows:

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Deferred contributions, beginning of year | \$ 130,000 | \$ 127,790 |
| Add: contributions received during the year | 1,075,308 | 1,197,282 |
| Less: grants recognized in revenue | <u>(1,025,508)</u> | <u>(1,195,072)</u> |
| Deferred contributions, end of year | <u>\$ 179,800</u> | <u>\$ 130,000</u> |

Deferred contributions are comprised of:

| | 2024 | 2023 |
|-------------------------------------|-------------------|-------------------|
| Black Creek Community Health Centre | \$ 128,000 | \$ 130,000 |
| City of Toronto | 30,000 | - |
| New Horizons for Seniors | <u>21,800</u> | <u>-</u> |
| | <u>\$ 179,800</u> | <u>\$ 130,000</u> |

Contributions received during the year are comprised of:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Public Safety Canada | \$ 331,775 | \$ 452,723 |
| Black Creek Community Health Centre | 222,200 | 220,000 |
| City of Toronto | 159,124 | 142,784 |
| Ministry of Sports, Recreations and Culture | 107,046 | 102,000 |
| Toronto Catholic District School Board | 91,960 | 108,111 |
| Jane Finch Community and Family Centre | 44,463 | 44,463 |
| Toronto Foundation for Student Success | 37,561 | 26,454 |
| HRDC - Summer Student Grant | 23,136 | 37,402 |
| New Horizons for Seniors | 21,800 | 24,000 |
| Aubrey & Marla Dan Foundation | 12,100 | 11,000 |
| City of Toronto - Investing in Neighbourhoods | 10,643 | 15,452 |
| Canadian Women's Foundation | 5,500 | - |
| Toronto Star Fresh Air Fund | 4,000 | 4,000 |
| Show Kids You Care | 4,000 | - |
| Aging at Home | <u>-</u> | <u>8,893</u> |
| | <u>\$ 1,075,308</u> | <u>\$ 1,197,282</u> |

San Romanoway Revitalization Association

Notes to Financial Statements March 31, 2024

7. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of restricted contributions received for the purchase of capital assets. The deferred capital contributions are amortized to revenue in the statement of operations at rates corresponding to those applied to record amortization expense for the related capital assets. The changes in the deferred capital contributions balance are as follows:

| | 2024 | 2023 |
|--|------------------|-------------|
| Balance, beginning of year | \$ - | \$ - |
| Add: amounts received per agreements | 77,177 | - |
| Less: amortization of deferred capital contributions | <u>-</u> | <u>-</u> |
| Balance, end of year | <u>\$ 77,177</u> | <u>\$ -</u> |

8. Donations

Included in donations received during the year is a donation from The Barry & Laurie Green Charitable Trust of \$25,000 (2023 - \$25,000) and the Ontario Bar Association of \$NIL (2023 - \$25,000).

9. Commitments

The Association has entered into an agreement to lease premises until September 30, 2026. The Association has entered into a commitment to purchase a vertical lift for the premises for \$93,672. During the year, a deposit of \$43,081 was paid towards the purchase. The Association is committed to the following future minimum annual lease payments:

| Fiscal Year | Commitment |
|-------------|------------------|
| 2025 | \$ 19,956 |
| 2026 | 20,580 |
| 2027 | <u>10,290</u> |
| | <u>\$ 50,826</u> |

San Romanoway Revitalization Association

Notes to Financial Statements March 31, 2024

10. Financial instruments and risk management

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at the balance sheet date. There has been no change in risk exposure from the prior year.

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 Association's credit risk is primarily attributable to its cash, investments and account receivable. The balance of cash, investments and accounts receivable in the balance sheet represents the Association's maximum exposure at the balance sheet date. This risk is mitigated by the fact that cash and investments are deposited with a Schedule A Canadian bank and most of the accounts receivable are from various levels of government.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. These risks are mitigated by the fact that the Association holds a large balance in cash and current investments to meet these financial liabilities.

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. Association is not exposed to market risk as the investments are in Canadian guaranteed investment certificates, held in Canadian dollars, with fixed interest rates therefore they are not exposed to currency risk or interest rate risk and the GICs are not traded on the open market therefore they are not exposed to other price risk.

It is management's opinion that the Association is not exposed to significant risk arising from its financial instruments.

11. Unrestricted net assets

The Board of Directors established a reserve for salaries and benefits to pay up to three months salaries and employer payroll remittances in the event that there are insufficient funds available from current operating revenues. It is the Board's intention to contribute \$1,200 annually to the reserve from unrestricted resources until the amount required is reached.

During the year the Association transferred from unrestricted net assets \$1,200 (2023 - \$1,200) to the reserve fund. The salaries and benefits reserve fund balance at March 31, 2024 is \$9,284 (2023 - \$8,084).

San Romanoway Revitalization Association

Notes to Financial Statements

March 31, 2024

12. Guarantees

In the normal course of business, the Association enters into agreements that meet the definition of a guarantee. Indemnity has been provided to all directors and officers of the Association for various items including, but not limited to, all costs to settle suits or actions due to involvement with the Association, subject to certain restrictions.

Directors' and officers' liability insurance has been purchased to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnification party served as a director or officer of the Association.

There are no lawsuits or potential lawsuits or actions pending and therefore the maximum amount of any potential future payment cannot be reasonably determined.