

Neighbourhood Information Centre Inc.

Financial Statements

December 31, 2011



Independent Auditor's Report

To the Members of

Neighbourhood Information Centre Inc.

Report of the financial statements

We have audited the accompanying financial statements of **Neighbourhood Information Centre Inc.**, which comprise the statement of financial position as at **December 31, 2011** and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Neighbourhood Information Centre Inc.

Independent Auditor's Report

Page 2

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of such adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **December 31, 2011** and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Clarkson Rouble LLP

Mississauga, Ontario
June 20, 2012

Clarkson Rouble LLP
Chartered Accountants
Licensed Public Accountants



Neighbourhood Information Centre Inc.

Balance Sheet As at December 31

	2011	2010
Assets		
Current		
Cash	\$ 27,903	\$ -
Short term investments (Note 3)	49,900	25,000
Accounts receivable	8,476	24,116
Prepaid expenses	3,763	3,729
	\$ 90,042	\$ 52,845

Liabilities

Current		
Bank indebtedness (Note 3)	\$ -	\$ 11,613
Accounts payable and accruals	16,229	31,886
Deferred contributions (Note 4)	32,914	3,051
	49,143	46,550

Net Assets

Unrestricted net assets	40,899	6,295
	\$ 90,042	\$ 52,845

On behalf of the Board:


Director


Director

Neighbourhood Information Centre Inc.

Statement of Operations Year Ended December 31

	2011	2010
Revenue		
City of Toronto		
Community services partnership	\$ 161,092	\$ 95,712
Resource centre (Children's Services)	51,288	49,996
Snow shoveling program	27,216	67,807
Wage subsidy and pay equity	16,130	17,084
Recreation and other grants	23,236	26,089
Rent in kind	5,000	5,000
Province of Ontario	54,027	45,853
Government of Canada - Summer Students and Accessibility	29,734	-
United Way	119,638	130,721
Membership fees	1,003	-
TTC Metro Pass program	13,595	-
Donations	15,987	9,560
Fundraising	1,192	2,246
Rebates and expense recovery and other	2,503	7,100
	<u>521,641</u>	<u>457,168</u>
Expenses		
Personnel costs	312,257	365,879
Professional fees	52,065	24,863
Programs / events	51,839	41,014
TTC Metro Pass program	13,843	-
Office	16,291	19,157
Training and travel	6,855	14,459
Publicity	471	6,853
Accessibility and repairs	10,969	1,873
Telecommunications	9,849	21,368
Insurance	7,160	5,596
Rents	5,337	5,687
Fundraising	101	2,142
	<u>487,037</u>	<u>508,891</u>
Excess (deficiency) of revenue over expenses	34,604	(51,723)
Unrestricted net assets, beginning of year	6,295	58,018
Unrestricted net assets, end of year	\$ 40,899	\$ 6,295

Neighbourhood Information Centre Inc.

Statement of Cash Flows Year Ended December 31

	2011	2010
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 34,604	\$ (51,723)
Net change in working capital items		
Operating working capital		
Account receivable	15,640	(17,289)
Prepaid expenses	(34)	1,969
Accounts payable	(15,657)	12,505
Deferred revenues	29,863	(17,811)
Increase (decrease) from operating activities	64,416	(72,349)
Investing activity		
Purchase of short term investments	(24,900)	(25,000)
Decrease from investing activity	(24,900)	(25,000)
Increase (decrease) in cash	39,516	(97,349)
Cash, beginning of year	(11,613)	85,736
Cash, end of year	\$ 27,903	\$ (11,613)

Neighbourhood Information Centre Inc.

Notes to Financial Statements

December 31, 2011

1. Organization

Neighbourhood Information Centre Inc. is a multi-service agency addressing individual and family needs in a community setting including information and referral services which is the founding service delivery model. Supporting youth, families and seniors from diverse backgrounds in a "priority neighbourhood", they address general improvement of the quality of life of local residents. Neighbourhood Information Centre Inc. was incorporated without share capital by letters patent in the province of Ontario on March 14, 1974 and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. Outlined below are those policies considered to be particularly significant:

a) Basis of presentation

The preparation of financial statements 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, expenses and changes in net assets during the year. Actual results could differ from those estimates.

b) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Capital assets

Capital assets are expensed in the year of acquisition. Capital assets owned by the organization include program equipment, office equipment and computers.

d) Donated materials and services

Contributed services and goods have been recognized on the financial statements where the market value can be reasonably estimated or where a donation receipt has been issued for the market value. In the years 2011 and 2010 contributed rent valued at \$5,000 has been recognized in the statement of operations.

Neighbourhood Information Centre Inc.

Notes to Financial Statements

December 31, 2011

2. Summary of significant accounting policies (continued)

e) Financial Instruments

Cash is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and deferred revenue are classified as other financial liabilities, which are measured at amortized cost.

3. Bank indebtedness

The bank operating line bears interest at prime plus 2.85% is payable on demand and is secured by a general security agreement covering all assets. The short term investments in the amount of \$25,000 are held as security for the bank debt.

4. Deferred contributions

Deferred contributions represent unspent externally restricted donations received by the organization relating to activities of the subsequent year specific projects that extend beyond the current fiscal year.

	2011	2010
Balance, beginning of year	\$ 3,051	\$ 20,862
Deferred revenue taken into income in the year	(3,051)	(17,811)
Revenue received during the year, not spent at year end	32,914	-
Balance, end of year	\$ 32,914	\$ 3,051