

**Neighbourhood Information Centre Inc.**

**Financial Statements**

**December 31, 2012**



## **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, 2012**, December 31, 2011 and January 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 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.

### **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, 2012**, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*Clarkson Rouble LLP*

Mississauga, Ontario  
June 25, 2013

**Clarkson Rouble LLP**  
Chartered Accountants  
Licensed Public Accountants

# Neighbourhood Information Centre Inc.

## Statement of Financial Position

December 31, 2012, with comparative figures for December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
<b>Assets</b>			
<b>Current</b>			
Cash (Note 3)	\$ 22,178	\$ 27,903	\$ -
Short term investments (Note 3)	35,900	49,900	25,000
Accounts receivable	40,649	8,476	24,116
Prepaid expenses	2,694	3,763	3,729
	<u>\$ 101,421</u>	<u>\$ 90,042</u>	<u>\$ 52,845</u>
<b>Liabilities</b>			
<b>Current</b>			
Bank indebtedness (Note 3)	\$ -	\$ -	\$ 11,613
Accounts payable and accrued charges	7,467	16,229	31,886
Deferred contributions (Note 4)	60,157	32,914	3,051
	<u>67,624</u>	<u>49,143</u>	<u>46,550</u>
<b>Net Assets</b>			
<b>Unrestricted net assets</b>	<u>33,797</u>	<u>40,899</u>	<u>6,295</u>
	<u>\$ 101,421</u>	<u>\$ 90,042</u>	<u>\$ 52,845</u>

On behalf of the Board:

per:



Director



Director

# Neighbourhood Information Centre Inc.

## Statement of Operations and Changes In Net Assets Year Ended December 31

	2012	2011
<b>Revenue</b>		
City of Toronto		
Community services partnership (Note 5)	\$ 141,092	\$ 161,092
Children's Services - resource centre (Note 5)	52,392	51,288
Wage subsidy and pay equity (Note 5)	14,780	16,130
Snow shoveling program	-	27,216
Recreation and other grants	44,652	23,236
Rent in kind	5,000	5,000
Province of Ontario	53,133	54,027
Government of Canada - Accessibility and Summer Students	55,283	29,734
United Way	117,329	119,638
Ontario Trillium Foundation	37,100	-
Membership fees	2,630	1,003
TTC Metro Pass program	275,094	13,595
Donations	22,190	15,987
Fundraising	-	1,192
Rebates and expense recovery and other	123	2,503
	<u>820,798</u>	<u>521,641</u>
<b>Expenses</b>		
Personnel costs	330,939	312,257
Professional fees	75,762	52,065
Programs / events	44,368	51,839
TTC Metro Pass program	274,419	13,843
Office	25,757	16,291
Training and travel	3,097	6,855
Publicity	1,310	471
Accessibility and repairs	55,965	10,969
Telecommunications	5,609	9,849
Insurance	5,527	7,160
Rents	5,060	5,337
Fundraising	87	101
	<u>827,900</u>	<u>487,037</u>
<b>(Deficiency) excess of revenue over expenses</b>	<b>(7,102)</b>	<b>34,604</b>
<b>Unrestricted net assets, beginning of year</b>	<b>40,899</b>	<b>6,295</b>
<b>Unrestricted net assets, end of year</b>	<b>\$ 33,797</b>	<b>\$ 40,899</b>

# Neighbourhood Information Centre Inc.

## Statement of Cash Flows Year Ended December 31

	2012	2011
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	\$ (7,102)	\$ 34,604
Net change in working capital items		
Operating working capital		
Account receivable	(32,173)	15,640
Prepaid expenses	1,069	(34)
Accounts payable	(8,762)	(15,657)
Deferred revenues	27,243	29,863
<b>(Decrease) increase from operating activities</b>	<b>(19,725)</b>	<b>64,416</b>
<b>Investing activity</b>		
Redemption (purchase) of short term investment	14,000	(24,900)
<b>Increase (decrease) from investing activity</b>	<b>14,000</b>	<b>(24,900)</b>
<b>(Decrease) increase in cash</b>	<b>(5,725)</b>	<b>39,516</b>
<b>Cash, beginning of year</b>	<b>27,903</b>	<b>(11,613)</b>
<b>Cash, end of year</b>	<b>\$ 22,178</b>	<b>\$ 27,903</b>

# Neighbourhood Information Centre Inc.

Notes to Financial Statements  
December 31, 2012

---

## 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.

### 1. Adoption of Accounting Standards for Not-for-profit Organizations

Effective January 1, 2012, the Organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations (ASNFPPO). These are the Organization's first financial statements prepared in accordance with ASNFPPO and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information for the year ended December 31, 2011 and the opening ASNFPPO balance sheet at January 1, 2011 (the Organization's date of transition).

The Organization issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles for not-for-profit organizations. The adoption of ASNFPPO had no impact on the previously reported assets, liabilities and equity of the Organization, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations, changes in net assets and the cash flow statement. Certain of the Organization's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPPO.

### 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:

# Neighbourhood Information Centre Inc.

## Notes to Financial Statements December 31, 2012

---

### 2. Summary of significant accounting policies (continued)

#### 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 2012 and 2011 contributed rent valued at \$5,000 has been recognized in the statement of operations.

#### 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 of \$75,000 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. The balance on the line at year end is Nil.



# Neighbourhood Information Centre Inc.

## Notes to Financial Statements December 31, 2012

---

### 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.

	2012	2011
Balance, beginning of year	\$ 32,914	\$ 3,051
Deferred revenue taken into income in the year	(32,914)	(3,051)
Revenue received during the year, not spent at year end	60,157	32,914
<b>Balance, end of year</b>	<b>\$ 60,157</b>	<b>\$ 32,914</b>

### 5. City of Toronto Program Funding

Funding and costs for programs operated by the Organization for the City of Toronto purposes are as follows:

#### Community Service Partnership

Program funding	141,092
Expenses	
Personnel costs	101,353
Professional fees	20,133
Program supplies and other expenses	12,458
Telecommunications	7,178
	<u>141,122</u>
<b>Deficiency of revenue over expenses supported by Centre</b>	<b>\$ (30)</b>

#### Children's Services

Program funding	\$ 52,392
Wage subsidy	2,379
Pay equity	12,401
	<u>67,172</u>
Expenses	
Personnel costs	65,290
Professional fees	2,367
Program supplies and other expenses	7,553
	<u>75,210</u>
<b>Deficiency of revenue over expenses supported by Centre</b>	<b>\$ (8,038)</b>