

Neighbourhood Information Centre Inc.

Financial Statements

December 31, 2015



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 **December 31, 2015** which comprise the statement of financial position as at **December 31, 2015** 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 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.

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Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2015 and 2014, current assets as at December 31, 2015 and 2014, and net assets as at January 1 and December 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **December 31, 2015** and the results of its operations and the changes in its financial position for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

Mississauga, Ontario
April 18, 2016

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Neighbourhood Information Centre Inc.

Statement of Financial Position

As at December 31

	2015	2014
Assets		
Current		
Cash (Note 2)	\$ 84,398	\$ 17,791
Short term investments (Note 2)	36,839	36,367
Accounts receivable	31,980	37,828
Prepaid expenses	3,621	3,346
	\$ 156,838	\$ 95,332

Liabilities

Current		
Accounts payable and accruals	\$ 20,299	\$ 37,015
Deferred contributions (Note 3)	114,109	47,238
	134,408	84,253

Net Assets

Unrestricted net assets	22,430	11,079
	\$ 156,838	\$ 95,332

See accompanying notes to the financial statements

On behalf of the Board:

 Director  Director

Neighbourhood Information Centre Inc.

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

	2015	2014
Revenue		
City of Toronto		
Community services partnership	\$ 66,041	\$ 135,300
Children's Services (Note 4)	76,092	70,516
Recreation and other grants	32,860	38,096
Rent in kind	5,000	5,000
Province of Ontario	51,098	55,781
Government of Canada - Summer Students and New Horizons	21,083	8,126
United Way	125,084	117,333
Ontario Trillium Foundation	24,231	32,155
Donations, fundraising and other income	26,032	23,057
	<u>427,521</u>	<u>485,364</u>
Expenses		
Personnel costs	333,331	334,140
Professional fees	10,910	50,806
Programs and events	31,368	46,915
Office	13,855	12,671
Rents	13,351	5,582
Training and travel	700	1,019
Publicity and fundraising	2,337	130
Minor repairs and equipment	-	2,146
Telecommunications	5,765	9,293
Insurance	4,553	4,254
	<u>416,170</u>	<u>466,956</u>
Excess of revenue over expenses	11,351	18,408
Unrestricted net assets, beginning of year	11,079	(7,329)
Unrestricted net assets, end of year	\$ 22,430	\$ 11,079

See accompanying notes to the financial statements

Neighbourhood Information Centre Inc.

Statement of Cash Flows Year Ended December 31

	2015	2014
Operating activities		
Excess of revenue over expenses	\$ 11,351	\$ 18,408
Net change in working capital items		
Operating working capital		
Account receivable	5,848	(15,701)
Prepaid expenses	(275)	(203)
Accounts payable	(16,716)	18,702
Deferred contributions	66,871	(28,686)
Increase (decrease) from operating activities	67,079	(7,480)
Investing activity		
Reinvestment of short term investment	(472)	(467)
Decrease from investing activity	(472)	(467)
Increase (decrease) in cash	66,607	(7,947)
Cash, beginning of year	17,791	25,738
Cash, end of year	\$ 84,398	\$ 17,791

See accompanying notes to the financial statements

Neighbourhood Information Centre Inc.

Notes to Financial Statements December 31, 2015

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. 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 2015 and 2014 contributed rent valued at \$5,000 respectively, has been recognized in the statement of operations.

Neighbourhood Information Centre Inc.

Notes to Financial Statements

December 31, 2015

1. Summary of significant accounting policies (continued)

e) Financial Instruments

The organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The organization subsequently measures all its financial assets and liabilities at amortized cost, with the exception investments which are measured at fair value without adjustment for transaction costs that would be incurred on the disposal and changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and sales tax receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and deferred contributions.

2. Bank indebtedness

The bank operating line of \$80,000 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 \$36,839 are held as security for the bank debt. The balance on the line at year end is Nil.

3. Deferred contributions

Deferred contributions represent unspent externally restricted donations received by the organization relating to activities beyond the current year.

	2015	2014
Balance, beginning of year	\$ 47,238	\$ 75,924
Deferred contributions taken into income in the year	(47,238)	(75,924)
Amounts received during the year, not spent at year end	114,109	47,238
Balance, end of year	\$ 114,109	\$ 47,238

Neighbourhood Information Centre Inc.

Notes to Financial Statements

December 31, 2015

4. City of Toronto Program Funding

Funding and costs for programs operated by the Organization on behalf of the City of Toronto for Children's Services are as follows:

Children's Services	
Program funding	\$ 61,312
Wage subsidy	11,788
Pay equity	2,992
	<hr/>
	76,092
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Expenses	
Personnel costs	63,361
Professional fees	1,838
Program supplies and other expenses	11,657
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	76,856
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Deficiency of revenue over expenses supported by Centre	\$ (764)

5. City of Toronto - Community Services Funding

The funding received in 2015 from the City of Toronto includes Snow Removal Program (for seniors) funding of \$24,215. This satisfies the 20% minimum municipal government contribution as required by the Ontario Seniors' Secretariat.