

ALBION NEIGHBOURHOOD SERVICES

*REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2023*



WALSH & COMPANY
Professional Corporation
Chartered Professional Accountants



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INDEPENDENT AUDITORS' REPORT

***To the Board of Directors,
Albion Neighbourhood Services***

Qualified opinion

We have audited the financial statements of Albion Neighbourhood Services, which comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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 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 Albion Neighbourhood Services as at December 31, 2023, 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 qualified opinion

As with other similar charitable organizations, Albion Neighbourhood Services derives part of its revenue from the public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues are limited to the amounts recorded in the records of Albion Neighbourhood Services. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, cash flows from operations for the year ended December 31, 2023, current assets as at December 31, 2023, and net assets as at December 31, 2023. The audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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 Albion Neighbourhood Services 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 qualified 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 Albion Neighbourhood Services' 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 Albion Neighbourhood Services or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Albion Neighbourhood Services' financial reporting process.

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 Albion Neighbourhood Services' 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 Albion Neighbourhood Services' 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 Albion Neighbourhood Services 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.

Walsh & Company Professional Corporation

**Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario**

**Toronto, Ontario
June 4, 2024**



WALSH & COMPANY
Professional Corporation
Chartered Professional Accountants

ALBION NEIGHBOURHOOD SERVICES

(Incorporated under the Business Corporations Act - Ontario)

STATEMENT OF FINANCIAL POSITION

As at December 31,

	2023	2022
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 2,479,081	\$ 2,302,197
Accounts receivable (Note 4)	20,091	147,526
Other receivable	21,651	25,036
Prepaid expenses and deposits	34,154	72,151
	2,554,977	2,546,910
Capital assets (Note 5)	39,159	53,196
	\$ 2,594,136	\$ 2,600,106

LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 122,250	\$ 158,204
Funds held in trust	43,233	27,005
Deferred contributions (Note 7)	662,140	454,349
	827,623	639,558

NET ASSETS		
Internally restricted (Note 8)	1,500,000	-
Unrestricted	266,513	1,960,548
	\$ 2,594,136	\$ 2,600,106

On behalf of the Board

_____ Director

_____ Director

ALBION NEIGHBOURHOOD SERVICES

STATEMENT OF OPERATIONS

For the year ended December 31,

	2023	2022
Revenue		
City of Toronto	\$ 2,402,183	\$ 2,562,451
United Way	683,271	806,447
Province of Ontario	418,217	521,215
Foundations	100,269	46,999
Donations in-kind (Note 9)	78,750	78,750
Donations and fundraising	63,382	42,002
Federal contributions	60,909	72,084
User fees	55,261	53,555
Interest income	42,695	13,749
	3,904,937	4,197,252
Expenses		
Salaries, wages and benefits	3,251,541	3,253,784
Programs	321,085	510,007
Occupancy (Note 9)	281,364	281,927
Office supplies and general	101,224	163,234
Automobile and travel	38,158	17,741
Telephone	17,152	21,049
Volunteers	16,150	14,439
Professional fees	19,580	15,082
Amortization	14,037	14,037
Advertising and promotion	2,359	8,955
Training	36,322	29,875
	4,098,972	4,330,130
Excess of expenses over revenues for the year	\$ (194,035)	\$ (132,878)

ALBION NEIGHBOURHOOD SERVICES

STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31,

	2023			2022
	Internally restricted	Unrestricted	Total	Total
Net assets, beginning of year	\$ -	\$ 1,960,548	\$ 1,960,548	\$ 2,093,426
Interfund transfer <i>(Note 8)</i>	1,500,000	(1,500,000)	-	-
Excess of expenses over revenues for the year	-	(194,035)	(194,035)	(132,878)
Net assets, end of year	\$ 1,500,000	\$ 266,513	\$ 1,766,513	\$ 1,960,548

ALBION NEIGHBOURHOOD SERVICES

STATEMENT OF CASH FLOWS

For the year ended December 31,

	2023	2022
Cash and cash equivalents provided by (used in):		
Operating activities		
Excess of expenses over revenues for the year	\$ (194,035)	\$ (132,878)
Add item not affecting cash:		
Amortization	14,037	14,037
	(179,998)	(118,841)
Net change in non-cash working capital amounts:		
Accounts receivable	127,435	228,518
Other receivable	3,385	1,977
Prepaid expenses and deposits	37,997	(64,297)
Accounts payable and accrued liabilities	(35,954)	32,193
Funds held in trust	16,228	4,865
Deferred contributions	207,791	(216,802)
	176,884	(132,387)
Net increase (decrease) in cash during the year	176,884	(132,387)
Cash and cash equivalents, beginning of year	2,302,197	2,434,584
Cash and cash equivalents, end of year	\$ 2,479,081	\$ 2,302,197

ALBION NEIGHBOURHOOD SERVICES

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. Purpose of the Organization

Albion Neighbourhood Services (the "Organization") works in partnership with the community to enhance peoples' lives through the delivery of programs, services and supports that are engaging, accessible and responsive.

The Organization was incorporated, without share capital, under the Business Corporations Act - Ontario on July 27, 1971. The Organization is exempt from income taxes and is registered as a charitable organization under the Canadian Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

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

Investment income is recognized as revenue when earned.

Cash and cash equivalents

The Organization's policy is to present cash balances including cash on hand, balances with the bank, term deposits, temporary investments with a maturity period of one year or less from the date of acquisition and funds held in trust.

Capital assets

Capital assets are recorded at cost and amortized over their useful lives using the straight line method at the following rate:

Vehicles - 5 years

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

2. Summary of significant accounting policies (continued)

Donations in-kind

The Organization receives some items at no cost. The items include donations of a secondary office space and other goods at no cost. These items are recorded at management's best estimate of fair market value and included in donations in-kind revenue and expense.

Contributed services and materials

Volunteers contribute significant time and materials to assist the Organization in carrying out its mandate. Because these services are not normally purchased by the Organization and due to the difficulty in determining their fair value, donated services and materials are not recognized in these statements.

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 amount of assets and liabilities, and the reported amounts of revenue and expenses during the reported period. Such estimates include donations in-kind, in-kind expenditures and useful lives of capital assets. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those known.

Financial instruments

Measurement

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include accounts receivable and other receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred contributions.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

ALBION NEIGHBOURHOOD SERVICES

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

3. *Cash and cash equivalents*

Cash and cash equivalents consists of cash on hand, balances with banks, investments in term deposits and investments in guaranteed investment certificates (GICs).

	2023	2022
Cash	\$ 922,278	\$ 1,266,847
Term deposits	1,012,995	1,008,345
GICs	500,575	-
Funds held in trust	43,233	27,005
	\$ 2,479,081	\$ 2,302,197

The Organization holds funds in trust as part of its housing trusteeship program. Trust funds are not the assets of the Organization and are held on the behalf of clients, therefore, are not available to the Organization for any operational purpose.

4. *Accounts receivable*

Accounts receivable are presented net of the allowance for doubtful accounts of \$Nil (2022 - \$Nil).

5. *Capital assets*

	2023		2022	
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value
Vehicles	\$ 72,035	\$ 32,876	\$ 39,159	\$ 53,196

ALBION NEIGHBOURHOOD SERVICES

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

6. *Government remittances*

Accounts payable and accrued liabilities includes \$39,462 (2022 - \$37,555) for government remittances.

7. *Deferred contributions*

	Balance, January 1, 2023	Amount received in the year	Recognized as revenue in the year	Balance, December 31, 2023	Balance, December 31, 2022
Programs	\$ 368,653	\$ 3,941,938	\$(3,720,110)	\$ 590,481	\$ 368,683
Vehicles	85,696	-	(14,037)	71,659	85,696
	\$ 454,349	\$ 3,941,938	\$(3,734,147)	\$ 662,140	\$ 454,379

8. *Interfund transfer*

The Board of Directors approved a transfer from the unrestricted fund to the internally restricted fund. The internally restricted funds have been set aside for future contingencies or projects.

9. *Donations in-kind*

The Organization receives donations of goods and services which are used to provide key programming and administration. The Organization received in-kind donations of \$78,750 (2022 - \$78,750) in the form of occupancy costs.

ALBION NEIGHBOURHOOD SERVICES

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

10. *Summer camp program revenue and expenses*

The following revenue and expenses for the summer camp programs have been requested to be disclosed by the City of Toronto:

	2023	2022
Revenues		
Government of Canada	\$ 60,909	\$ 36,555
City of Toronto	27,000	27,000
Foundations	1,822	13,145
Other agencies	-	10,949
User fees	7,863	393
	97,594	88,042
Expenses		
Salaries, wages and benefits	65,829	54,314
Programs	14,240	29,130
Administration	16,564	3,500
Training	195	598
Office	750	500
	97,594	88,042
Revenues over expenses	\$ -	\$ -

11. *Lease commitments*

The Organization is committed to minimum annual payments on operating leases as follows:

	Total	Premise	Equipment
2024	\$ 50,529	\$ 47,559	\$ 2,970

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

12. *Financial instruments*

Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of risk exposure and concentrations at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that an 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.

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 the board's opinion that the Organization is not exposed to these risks.