San Romanoway Revitalization Association

Financial Statements

March 31, 2023

Weinberg & Gaspirc
CPA LLP

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June 19, 2023

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, 2023, 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, 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 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.

Weinberg + Gaspirc

CPA LLP
Licensed Public Accountants
Toronto, Ontario, Canada
June 19, 2023

San Romanoway Revitalization Association

Statement of Financial Position
As at March 31

		2023		2022
Assets				
Current assets				
Cash	$	60,052	$	184,141
Investments (Note 2)		253,711		118,464
HST rebate		15,905		10,218
Sundry receivable		16,139		8,413
Grants receivable		124,704		79,991
		470,511		401,227
Investments (Note 2)		75,668		30,039
Capital assets (Note 3)		3,984		3,452
	$	550,163	$	434,718
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 4)	$	21,182	$	12,900
Loan payable (Note 5)		10,000		10,000
Deferred contributions (Note 6)		130,000		127,790
		161,182		150,690
Net Assets				
Unrestricted net assets (Note 10)		388,981		284,028
	$	550,163	$	434,718

Commitments (Note 8)

Approved by the Board:

Director ______________________

Director ______________________
Kevin Klayman

San Romanoway Revitalization Association

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

	2023	2022 (Note 12)
Revenue		
Grants (Note 6)	$ 1,195,072	$ 613,576
Donations (Note 7)	76,065	27,545
Other income	64,637	46,711
Investment income	13,949	955
Government assistance	-	47,284
	1,349,723	736,071
Expenses		
Salaries and benefits	782,631	376,845
Professional fees	238,859	151,858
Program supplies	116,979	109,574
Occupancy costs	72,839	34,983
Office supplies	16,875	17,810
Telephone	7,161	6,216
Insurance	5,175	4,983
Amortization	4,251	3,451
	1,244,770	705,720
Excess of revenue over expenses for the year	104,953	30,351
Unrestricted net assets, beginning of the year	284,028	253,677
Unrestricted net assets, end of the year	$ 388,981	$ 284,028

San Romanoway Revitalization Association

Statement of Cash Flows
Year Ended March 31

	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses for the year	$ 104,953	$ 30,351
Items not affecting cash		
Amortization	4,251	3,451
Changes in non-cash working capital		
HST rebates	(5,687)	(6,664)
Sundry receivable	(7,726)	(2,331)
Grants receivable	(44,713)	(43,469)
Accounts payable and accrued liabilities	8,282	6,400
Loan payable	-	(30,000)
Deferred contributions	2,210	127,790
	61,570	85,528
Cash flows from investing activities		
Purchase of capital assets	(4,783)	-
Investments	(180,876)	10,162
	(185,659)	10,162
Net increase in cash	(124,089)	95,690
Cash, beginning of year	184,141	88,451
Cash, end of year	$ 60,052	$ 184,141

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, promote adult educational, recreational and athletic facilities and equipment for benefit to the community. The direct focus of the Association is on crime prevention, 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.

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:

Office 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:

Asset/liability	Measurement
Cash	Fair value
HST rebate	Amortized cost
Sundry receivable	Amortized cost
Grants receivable	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.

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 1.09% and 4.85% and mature between April 6, 2023 and July 24, 2024. Interest income for the year included in other income on the statement of operations was $13,949 (2022 - $955).

3. Capital assets

	Cost	Accumulated amortization	Net 2022
Equipment	$ 125,978	$ 121,994	$ 3,984
Leasehold improvements	562,367	562,367	-
	$ 688,345	$ 684,361	$ 3,984

	Cost	Accumulated amortization	Net 2021
Equipment	$ 121,195	$ 117,743	$ 3,452
Leasehold improvements	562,367	562,367	-
	$ 683,562	$ 680,110	$ 3,452

4. Accounts payable and accrued liabilities

At March 31, 2023, there is $8,817 (2022 - $9,183) owing for payroll source deductions and $1,434 (2022 - $746) 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 net of prior year repayments and grant recognition. The Company received a $60,000 CEBA loan. The loan was provided by the Government of Canada to provide capital to organizations that have been adversely affected by COVID-19.

The amount of $NIL (2022 - $30,000) was paid during the year. The loan is unsecured, interest-free and due on December 31, 2023. If the loan is repaid when due, $20,000 of the loan is forgiven. It is anticipated that the Company will be able to repay the loan when due, and the forgivable portion of the loan has been included in income. If the loan is not repaid by December 31, 2023, the unpaid balance plus the forgivable portion of the loan will be repayable over three years with a 5% annual interest rate.

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:

	2023	2022
Deferred contributions, beginning of year	$ 127,790	$ -
Add: contributions	1,197,282	741,366
Less: grants recognized in revenue	(1,195,072)	(613,576)
Deferred contributions, end of year	$ 130,000	$ 127,790

Deferred contributions are comprised of:

	2023	2022
Black Creek Community Health Centre	$ 130,000	$ 35,395
Government of Canada Economic and Social Development	-	42,395
Second Harvest	-	50,000
	$ 130,000	$ 127,790

Contributions are comprised of:

	2023	2022
Public Safety Canada	$ 452,723	$ 49,391
Black Creek Community Health Centre	220,000	160,000
City of Toronto	142,784	103,979
Toronto Catholic District School Board	108,111	-
Ministry of Sports, Recreations and Culture	102,000	102,000
Jane Finch Community and Family Centre	44,463	57,905
HRDC - Summer Student Grant	37,402	34,707
Toronto Foundation for Student Success	26,454	36,557
New Horizons for Seniors	24,000	-
City of Toronto - Investing in Neighbourhoods	15,452	21,814
Aubrey & Marla Dan Foundation	11,000	10,000
Aging at Home	8,893	-
Toronto Star Fresh Air Fund	4,000	4,000
Government of Canada Economic and Social Development	-	75,475
Second Harvest	-	67,500
Ministry of Small Business	-	18,038
	$ 1,197,282	$ 741,366

7. Donations

Included in donations received during the year is a donation from The Barry & Laurie Green Charitable Trust of $25,000 (2022 - $25,000) and the Ontario Bar Association of $25,000 (2022 - $NIL).

8. Commitments

The Association has entered into an agreement to lease premises until September 30, 2023. The Association is committed to the following future minimum annual lease payments:

Fiscal Year	Commitment
2024	$ 9,199

9. 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 mee 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.

10. 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 (2022 - $1,200) to the reserve fund. The salaries and benefits reserve fund balance at March 31, 2023 is $8,084 (2021 - $6,884).

11. 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.

12. Comparative figures

Certain figures have been restated to conform with the presentation in the current year.