

GREENWAY-CHAPLIN COMMUNITY CENTRE

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

GREENWAY-CHAPLIN COMMUNITY CENTRE

**DECEMBER 31, 2022
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greenway-Chaplin Community Centre

Qualified Opinion

We have audited the accompanying financial statements of **Greenway-Chaplin Community Centre** (the Centre), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and 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 the Centre as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from fundraising, 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 Centre and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenditure and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre 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 the Centre'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 the Board of Directors either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Centre's 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 the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Centre 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.

Carolan Mathew Professional Corporation

Cambridge, Ontario
April 26, 2023

Chartered Professional Accountants, authorized to practise public
accounting by the Chartered Professional Accountants of Ontario

GREENWAY-CHAPLIN COMMUNITY CENTRE

FINANCIAL POSITION DECEMBER 31, 2022

	2022 \$	2021 \$
ASSETS		
Cash	847,195	816,860
Short-term investment (note 8)	51,800	51,800
Accounts receivable	26,728	21,961
Prepaid expenses	16,684	17,474
Current assets	942,407	908,095
Capital assets (note 9)	13,921	13,766
	956,328	921,861
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	26,605	26,025
Deferred revenue (note 6)	319,182	244,230
Current liabilities	345,787	270,255
Deferred capital funding (note 7)	293,636	293,636
Long-term debt (note 10)		60,000
	639,423	623,891
NET ASSETS		
Net assets	316,905	297,970
	956,328	921,861

APPROVED BY THE BOARD:

Director

Director

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF OPERATIONS AND NET ASSETS YEAR ENDED DECEMBER 31, 2022

	2022 \$	2021 \$
Revenue		
Grants		
City of Cambridge	143,265	114,612
Government of Canada	43,855	44,429
Region of Waterloo		58,715
United Way	37,500	50,000
Other Grants	378,629	529,952
	603,249	797,708
Bingo, net of expenses	10,341	7,458
Program fees	36,543	11,797
Donations	758	11,184
	650,891	828,147
Expenditure		
Salaries and benefits	293,580	309,117
Program costs	283,004	355,878
Office and general	13,584	13,746
Professional fees	9,885	9,039
Maintenance, utilities and rent (note 3)	8,332	4,966
Insurance	7,038	6,202
Advertising and promotion	4,320	574
Amortization	3,380	1,593
Staff and volunteer training	3,351	463
Telephone	2,394	3,095
Fees and dues	2,292	1,265
Interest and bank charges	796	526
Fundraising		1,515
	631,956	707,979
Excess of revenue over expenditure before undernoted item	18,935	120,168
Government wage subsidy		18,305
Excess of revenue over expenditure for year	18,935	138,473
Net assets, beginning of year	297,970	159,497
Net assets, end of year	316,905	297,970

The explanatory financial notes form an integral part of these financial statements.

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

	2022 \$	2021 \$
Cash flows from operating activities:		
Excess of revenue over expenditure for year	18,935	138,473
Amortization	3,380	1,593
	22,315	140,066
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	(4,767)	(9,070)
Prepaid expenses	790	(1,677)
Deferred revenue	74,952	(148,754)
Deferred capital funding		(6,364)
Accounts payable and accrued liabilities	580	4,818
	93,870	(20,981)
Cash flows from investment activities:		
Net additions to capital assets	(3,535)	(15,359)
Increase in short-term investment		(360)
	(3,535)	(15,719)
Cash flows from financing activities:		
Increase in (repayment of) long-term debt	(60,000)	60,000
Net increase in cash	30,335	23,300
Cash, beginning of year	816,860	793,560
Cash, end of year	847,195	816,860

The explanatory financial notes form an integral part of these financial statements.

1. Nature of Organization

The Community Centre was incorporated by letters patent dated February 1, 1991 under the laws of the Province of Ontario to promote life quality and well being of families in the neighbourhood by providing opportunities for participation in the development of community life.

The Centre is a registered charity and, accordingly, is exempt from income taxes.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Capital assets

The company amortizes capital assets using the declining-balance method and annual rates which will amortize the assets over their estimated useful lives:

Furniture and equipment	20%
Computer hardware	30%

(b) Recognition of revenue

Contributions are recognized using the deferral method under which restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government wage assistance is recorded in the period in which the related expenditures are incurred and when collection is reasonable assured.

(c) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(d) Financial instruments

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(e) Use of estimates

The preparation of these financial statements in conformity 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

3. Lease Commitment

The Centre operates from a facility provided by Waterloo Region Housing for a nominal rental rate of \$1 per year.

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
4. Accounts Payable and Accrued Liabilities		
Accounts payable and accrued liabilities	15,265	19,753
Government remittances payable	11,340	6,272
	26,605	26,025

5. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk in respect of its accounts payable and accrued liabilities and long-term debt.

Trade accounts payable and accrued liabilities are generally repaid within 30 days.

Credit risk

The entity is exposed to credit risk with respect to its accounts receivable. The entity provides credit to its clients who attend programs in the normal course of its operations. It carries out, on a continuing basis, credit checks on these clients and virtually never has any bad debts.

For grants receivable, the entity assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

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. The entity is not exposed to significant market risks.

6. Deferred Revenue

During the 2017 fiscal year, the Centre was selected to act as an administrator on behalf of community centres in Cambridge for funding received from the Lyle S. Hallman Foundation. This funding is received annually and was approved for the 2022 fiscal year. This funding is to be utilized by these community centres for programs and projects during the 2023 fiscal year.

7. Deferred Capital Funding

In 2017, the Centre received a grant from a charitable foundation in the amount of \$300,000. These funds are to be used exclusively for the expansion of the Centre's recreation space. This is expected to take place in 2023.

8. Short-Term Investment

The short-term investment is comprised of one guaranteed investment certificate bearing interest at 4.5% and maturing in January 2024.

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2022

	2022 \$	2021 \$
9. Capital Assets		
Cost		
Furniture and equipment	14,221	14,221
Computer hardware	4,673	1,138
	18,894	15,359
Accumulated amortization		
Furniture and equipment	3,982	1,422
Computer hardware	991	171
	4,973	1,593
Net Book Value	13,921	13,766
10. Long-Term Debt		
Canada Emergency Business Account Loan, interest free until January 2024. \$20,000 forgivable if repaid by December 2023. Interest at 5% beginning January 2024 and balance due in full by December 2025. Repaid during the year.	NIL	60,000