
**ST. LAWRENCE NEIGHBOURHOOD
ASSOCIATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members,
St. Lawrence Neighbourhood Association

We have audited the accompanying financial statements of St. Lawrence Neighbourhood Association which comprise the statement of financial position as at December 31, 2016, and the statements of operations and 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 from material misstatement.

An audit involves performing procedures to obtain audit 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donation and fundraising and membership fees revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue 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 donation and fundraising, and membership fees revenue, excess of revenue over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of St. Lawrence Neighbourhood Association as at December 31, 2016, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

March 24, 2017
Toronto, Ontario

ST. LAWRENCE NEIGHBOURHOOD ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 26,502	\$ 51,010
Prepaid expenses	<u>509</u>	<u> </u>
	<u>\$ 27,011</u>	<u>\$ 51,010</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 1,441</u>	<u>\$ 1,954</u>
Net assets		
Unrestricted	<u>25,570</u>	<u>49,056</u>
	<u>\$ 27,011</u>	<u>\$ 51,010</u>

Approved on behalf of the Board:

 _____, Director

 _____, Director

see accompanying notes

ST. LAWRENCE NEIGHBOURHOOD ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
REVENUE		
Membership fees	\$ 12,138	\$ 12,791
Fundraising	<u>1,000</u>	<u>2,500</u>
	<u>13,138</u>	<u>15,291</u>
EXPENSES		
Community donations	24,184	4,113
Special events	7,447	4,014
Professional fees	1,439	1,249
Project costs	1,917	1,063
Office and general	1,388	661
Website	<u>249</u>	<u>249</u>
	<u>36,624</u>	<u>11,349</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(23,486)	3,942
Net assets, beginning of year	<u>49,056</u>	<u>45,114</u>
NET ASSETS, END OF YEAR	<u>\$ 25,570</u>	<u>\$ 49,056</u>

see accompanying notes

ST. LAWRENCE NEIGHBOURHOOD ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (23,486)	\$ 3,942
Net change in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	(513)	704
Increase in prepaid expenses	<u>(509)</u>	<u> </u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(24,508)	4,646
Cash, beginning of year	<u>51,010</u>	<u>46,364</u>
CASH, END OF YEAR	<u><u>\$ 26,502</u></u>	<u><u>\$ 51,010</u></u>

see accompanying notes

ST. LAWRENCE NEIGHBOURHOOD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

St. Lawrence Neighbourhood Association (the "association") is a not-for-profit organization incorporated without share capital in the Province of Ontario. The association is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The association's objective is to enhance the quality of life in the St. Lawrence neighbourhood in the City of Toronto. It does this by encouraging change and development in a manner beneficial to all its residents and holding events that nurture a sense of community.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Financial instruments

Financial instruments include cash, trade accounts receivable and accounts payable and accrued liabilities. Cash is measured at fair value. All other financial instruments are recorded at cost.

Prepaid expenses

Prepaid expenses are recorded for goods and services that have been paid for but which will be received the following year. The balance at year end is for a tour in January 2017 that was paid for in 2016.

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Membership fees are recorded when received.
- ii) The organization follows the deferral method of revenue recognition. Government grants related to current expenditures are reflected in the accounts as a revenue item in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Grants related to the purchase of furniture and equipment are recorded as revenue in the same period the related furniture and equipment are charged to operations.
- iii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

Expense recognition

Expenses are recorded when goods or services are consumed.

ST. LAWRENCE NEIGHBOURHOOD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

2. FINANCIAL RISKS

Financial instruments expose the organization to risks which may affect the cash flows of the organization. The following are those financial instruments considered particularly significant and their related financial risks :

Credit risk arises from the possibility that membership fees and other revenue are not paid. Accounts receivable are regularly monitored to minimize the risk of lost revenue.

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. The organization expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations.