

MARSH STREET COMMUNITY CENTRE
FINANCIAL STATEMENTS
MARCH 31, 2024

MARSH STREET COMMUNITY CENTRE
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AS AT MARCH 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Marsh Street Community Centre:

Report on the financial statements

We have reviewed the accompanying financial statements of Marsh Street Community Centre ("the Organization") that comprise the balance sheet as at March 31, 2024, and statement of operations and changes in net assets and cash flow statement 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Marsh Street Community Centre as at March 31, 2024, and results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 of the financial statements which describes that the Organization adopted Canadian accounting standards for not-for-profit organizations on April 1, 2023 with a transition date of April 1, 2022. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheet as at March 31, 2024 and April 1, 2023, the statements of operations and changes in net assets and cash flow for the year ended March 31, 2023 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it has not been reviewed.



Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
August 20, 2024

MARSH STREET COMMUNITY CENTRE

BALANCE SHEET

AS AT MARCH 31

	2024 \$	2023 \$ Not Reviewed (Note 2)
Assets		
Current		
Cash	36,230	101,606
Investments (Note 3)	20,460	-
Accounts receivable	12,938	14,830
Inventory	3,673	1,975
Prepaid expenses	1,709	6,427
	<u>75,010</u>	124,838
Tangible capital assets (Note 4)	<u>495,328</u>	510,690
	<u>570,338</u>	<u>635,528</u>
Liabilities		
Current		
Accounts payable and accruals	31,016	22,411
Deferred revenue (Note 7)	35,944	64,686
	<u>66,960</u>	87,097
Long-term		
Canada Emergency Business Account Loan (Note 5)	-	40,000
	<u>66,960</u>	127,097
Deferred capital contributions (Note 8)	<u>333,862</u>	346,667
	<u>400,822</u>	<u>473,764</u>
Net assets		
Unrestricted	<u>169,516</u>	161,764
	<u>570,338</u>	<u>635,528</u>

Approved on behalf of the board

Michele Myrah

Director

Elizabeth Kennedy

Director

MARSH STREET COMMUNITY CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31

	2024 \$	2023 \$ Not Reviewed (Note 2)
Revenue		
Events	87,889	64,095
Grants	45,054	57,619
Hall rentals	106,230	70,292
Music program	33,097	23,018
Donations	18,712	22,203
Deferred contribution amortization	12,806	12,741
Other	12,133	8,487
	315,921	258,455
Expenses		
Administration	43,164	25,833
Amortization	25,363	24,621
Events	77,078	60,782
Hall rentals	20,260	4,496
Maintenance	7,613	10,535
Music program	31,500	23,793
Operations	53,306	36,547
Payroll	59,885	47,471
	318,169	234,078
Operating (loss) income	(2,248)	24,377
Other income		
Canada Emergency Business Account loan forgiveness (Note 5)	10,000	-
Excess of revenue over expenses	7,752	24,377
Net assets at beginning of year (Note 9)	161,764	137,387
Net assets at end of year	169,516	161,764

See accompanied notes to the financial statements

MARSH STREET COMMUNITY CENTRE
CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31

	2024	2023
	\$	\$
		Not Reviewed (Note 2)
Cash flows from (for):		
Operating activities		
Excess of revenue over expenses for the year	7,752	24,377
Items not involving cash		
Amortization	25,363	24,621
Amortization of deferred capital contributions	(12,806)	(12,741)
Canadian Emergency Business Account forgivable amount	(10,000)	-
	10,309	36,257
Changes in		
Accounts receivable	1,892	(10,232)
Inventories	(1,698)	(325)
Prepaid expenses	4,718	(2,546)
Accounts payable and accruals	8,605	9,156
Deferred revenue	(28,742)	15,026
	(4,916)	47,336
Financing activities		
Repayments of long-term liabilities	-	(20,227)
Canadian Emergency Business Account repayment	(30,000)	-
	(30,000)	(20,227)
Investing activities		
Purchase of temporary investment	(20,460)	-
Purchase of tangible capital assets	(10,000)	(26,778)
	(30,460)	(26,778)
Change in cash	(65,376)	331
Cash at beginning of year	101,606	101,275
Cash at end of year	36,230	101,606

See accompanied notes to the financial statements

MARSH STREET COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

Nature of the Organization

The Marsh Street Community Centre is a registered charitable Organization incorporated without share capital under the laws of Ontario on December 21, 1999. The Organization provides space for community groups and individuals.

1. Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNPO") and are in accordance with Canadian generally accepted accounting principles.

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

(a) Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments, quoted in an active market, are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

(b) Revenue recognition

The Organization derives its operations revenue from events, hall rentals, music and community programs, grants, fundraising and donations and other revenue which are recognized when earned and collectible.

Grants are recognized on a systematic basis over the periods that the related costs, for which the grant is intended to compensate, are expensed and the Organization has complied with all attached conditions.

The Organization follows the deferral method of accounting for contributions. Contributions that are restricted are deferred and recognized as revenue in the year in which the related expenses are incurred. Restricted contributions related to tangible capital assets are recognized as revenue on the same basis as the amortization expense of the related asset.

MARSH STREET COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

1. Summary of significant accounting policies (continued)

(c) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes the purchase price and other acquisition costs such as installation costs, legal fees, survey costs, freight charges, transportation insurance costs, and duties. The cost incurred to enhance the service potential of an item of property and equipment (betterment) is also included in the cost of an asset.

Amortization is provided to allocate the cost of assets over their estimated useful lives less residual value. Land is not amortized. Provision is made for amortization on a straight-line basis as follows:

Building	50 years
Building improvements	25 years
Furniture and equipment	10 years
Musical instruments	10 years

(d) Use of estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates are made for the useful lives of tangible capital assets. Actual results could differ from those estimates.

(e) Contributed materials and services

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Directors and members volunteer their time to assist in the Organization's activities each year. While these services benefit the Organization considerably, when a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash held at year end, and investments with maturity dates less than three months from the date of purchase.

(g) Inventory

Inventory is carried at the lower of cost and replacement cost and is recorded on an average cost method. The balance consists of bar inventory.

MARSH STREET COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

2. First time adoption of Canadian accounting standards for not-for-profit organizations

Effective April 1, 2022, the organization adopted the requirements of the CPA Canada Handbook and has adopted Canadian accounting standards for not-for-profit organizations (ASNPO). This framework is in accordance with Canadian GAAP. These are the first financial statements prepared in accordance with this framework which has been applied retrospectively. The accounting policies set out in the significant policy note have been applied in preparing the financial statements for the year ended March 31, 2024, the comparative information presented in these financial statements for the year ended March 31, 2023 and in the preparation of an opening balance sheet at April 1, 2022 – which is the Organization's date of transition. Changes to previously reported balances are summarized in Note 10.

3. Investments

Investments consists of one GIC bearing interest of 4%, maturing April 2024.

4. Tangible capital assets

Tangible capital assets are comprised of:

	2024	2023
	\$	\$
Cost		
Land	27,014	27,014
Building	434,953	434,953
Building improvements	220,029	220,029
Furniture and equipment	53,743	46,658
Musical instruments	14,133	13,066
	749,872	741,720
Accumulated amortization		
Building	173,981	165,282
Building improvements	41,260	31,386
Furniture and equipment	34,074	30,547
Musical instruments	5,229	3,815
	254,544	231,030
	495,328	510,690

5. Canada Emergency Business Account loan

As part of the emergency measures introduced by the federal government the Organization accessed the Canada Emergency Business Account (CEBA) loan through TD Bank. As a qualifying small business customer, the Organization obtained a \$40,000 loan. The CEBA loan was repaid in full in December 2023 and the forgiveness of \$10,000 was applied to the loan.

6. Line of credit

The Organization has a \$100,000 line of credit available through a demand promissory note with the Corporation of the Town of the Blue Mountains. Interest on the line of credit is the lender's cost of funds plus 1 percent. At year end there were drawings of \$NIL (2023 - \$NIL) against this line of credit.

MARSH STREET COMMUNITY CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31

7. Deferred revenue

Deferred revenue includes funding received from various organizations for the programs and initiatives that were continuing after the fiscal year end, music program tuition received and event ticket revenue not yet earned as at year end, as follows:

	2024	2023
	\$	\$
100 Men Who Care Seniors Program	8,850	-
Marsh makeover	4,186	-
Music program tuition	9,805	10,912
New Horizons Seniors Program	-	24,054
Ontario Trillium Foundation	7,200	26,200
Other	5,903	3,520
	35,944	64,686

8. Deferred capital contributions

Deferred capital contributions are comprised of donations of or grants directly specified for tangible capital assets. Deferred capital contributions consist of the building, which was donated by the Town of the Blue Mountains and various grants and donations designated for capital costs. Deferred capital contributions are amortized to revenue at the same rate amortization expense is recorded on the related asset. The balance consists of the following:

	2024	2023
	\$	\$
Balance at beginning of year	346,667	359,408
Amortization of deferred capital contributions	(12,805)	(12,741)
	333,862	346,667

MARSH STREET COMMUNITY CENTRE
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

9. Financial instruments

The Organization's financial instruments consist of cash, investments, accounts receivable, accounts payable, deferred revenue and Canada Emergency Business Account loan.

The Organization is not exposed to significant credit risk, currency risk or other price risk.

Financial risks

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at the balance sheet date whereby a future change in interest rates will affect future cash flows or the fair value of fixed financial instruments.

Interest rate risk is managed by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to fund its obligations as they come due. The Organization meets its liquidity requirements through cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. A substantial portion of cash flow is provided by operations.

10. Prior period adjustments

The financial statements have been adjusted as a result of the adoption of Canadian accounting standards for not-for-profit organizations. The following adjustments have been applied to the opening balances of April 1, 2022.

A summary of how this impacted the opening balance of the April 1, 2022 opening balances is as follows:

	As previously stated	Adjustments	As adjusted
	\$	\$	\$
Tangible capital assets	646,449	68,454	714,903
Accumulated amortization	(211,291)	(2,327)	(213,618)
Deferred contributions	(310,299)	(49,109)	(359,408)
Unrestricted net assets	113,118	24,269	137,387