

**THE NEIGHBOURHOOD GROUP FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

THE NEIGHBOURHOOD GROUP FOUNDATION
Financial Statements
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Neighbourhood Group Foundation

Qualified Opinion

We have audited the financial statements of The Neighbourhood Group Foundation, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and 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 the organization 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

In common with many charitable organizations, The Neighbourhood Group Foundation derives revenue from donations and fundraising activities 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 Neighbourhood Group Foundation and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023.

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 organization 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 the 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT, continued

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 the organization'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 organization'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 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 the organization 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.


Akler Browning LLP

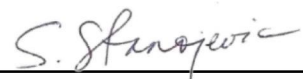
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
June 25, 2024

THE NEIGHBOURHOOD GROUP FOUNDATION
Statement of Financial Position
December 31, 2023

	2023	2022
Assets		
Current		
Cash	\$ 720,442	\$ 632,649
Marketable securities (note 2)	1,764,167	1,620,041
HST rebate receivable	2,921	2,153
Accounts receivable (note 4)	-	134,924
Total Assets	\$ 2,487,530	\$ 2,389,767
Liabilities		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 234,133	\$ 10,000
Deferred contributions (note 3)	44,271	47,271
Total Liabilities	278,404	57,271
Fund Balance		
Net assets	2,209,126	2,332,496
Total Liabilities and Fund Balance	\$ 2,487,530	\$ 2,389,767

Approved on behalf of the Board:

 Director
June 25, 2024 Date

 Director

THE NEIGHBOURHOOD GROUP FOUNDATION
Statement of Operations and Changes in Net Assets
Year ended December 31, 2023

	2023	2022
Revenues		
Investment income (loss)	\$ 169,145	\$ (107,666)
Donations (note 4)	142,264	666,004
Total revenues	311,409	558,338
Expenditures		
Donations	405,041	166,000
Investment management fees	19,864	15,007
Professional fees	9,874	9,874
Total expenditures	434,779	190,881
(Deficiency) excess of revenues over expenditures for the year	(123,370)	367,457
Net assets, beginning of year	2,332,496	1,965,039
Net assets, end of year	\$ 2,209,126	\$ 2,332,496

THE NEIGHBOURHOOD GROUP FOUNDATION
Statement of Cash Flows
Year ended December 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures for the year	\$ (123,370)	\$ 367,457
Net change in non-cash working capital items		
HST rebate receivable	(768)	(2,153)
Accounts receivable	134,924	(134,924)
Accounts payable and accrued liabilities	224,133	(104,316)
Deferred contributions	(3,000)	-
	355,289	(241,393)
Cash Provided by Operating Activities	231,919	126,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Marketable securities	(144,126)	114,193
Cash (Used in) Provided by Investing Activities	(144,126)	114,193
Net increase in cash	87,793	240,257
Cash, beginning of year	632,649	392,392
Cash, end of year	\$ 720,442	\$ 632,649

THE NEIGHBOURHOOD GROUP FOUNDATION

Notes to the Financial Statements

December 31, 2023

NATURE OF OPERATIONS

The Neighbourhood Group Foundation was incorporated on December 22, 1995 under the Canada Corporations Act with a general object to undertake charitable work within Canada. Effective January 1, 1997, the organization was granted tax exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act. On December 8, 2016, the organization changed its name from Senior Link Foundation to The Neighbourhood Group Foundation.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized on the accrual basis as earned.

(b) Contributed materials and services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

(c) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and HST rebate receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The organization has designated its marketable securities to be measured at fair value.

THE NEIGHBOURHOOD GROUP FOUNDATION

Notes to the Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments, continued

Impairment

For financial assets measured at amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 net excess of revenues over expenditures.

(d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures for the periods covered. The main estimates relate to the impairment of financial assets.

2. MARKETABLE SECURITIES

	2023	2022
Money market funds	\$ 41,527	\$ 81,353
Canadian exchange traded funds	1,123,822	-
Foreign exchange traded funds	598,818	-
Canadian bond funds	-	706,969
Foreign bond funds	-	16,080
Canadian equity funds	-	408,572
Foreign equity funds	-	407,067
	\$ 1,764,167	\$ 1,620,041

3. DEFERRED CONTRIBUTIONS

	2023	2022
Refugee support	\$ 44,271	\$ 47,271

THE NEIGHBOURHOOD GROUP FOUNDATION

Notes to the Financial Statements

December 31, 2023

4. ORGANIZATIONS UNDER SIGNIFICANT INFLUENCE

The Neighbourhood Group Community Services exercises significant influence over the organization by sharing management and administrative resources. Transactions with The Neighbourhood Group Community Services are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The Neighbourhood Group Community Services was incorporated with a general object to undertake charitable work within Canada. The Neighbourhood Group Community Services is a registered charity under the Income Tax Act. Included in donations are distributions paid to The Neighbourhood Group Community Services amounting to \$405,041 (2022 - \$166,000). Included in accounts receivable is \$0 (2022 - \$134,924) receivable from The Neighbourhood Group Community Services. Included in accounts payable and accrued liabilities is \$224,134 (2022 - \$NIL) owing to The Neighbourhood Group Community Services.

5. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to accounts receivable and HST rebate receivable.

(b) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to its trade accounts payable. The organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

(c) 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 organization is mainly exposed to interest rate risk and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the organization to the risk of changes in fair value. The exposure to this risk also fluctuates as the quantity of fixed rate instruments held changes from year to year.

THE NEIGHBOURHOOD GROUP FOUNDATION

Notes to the Financial Statements

December 31, 2023

5. FINANCIAL INSTRUMENTS, continued

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in marketable securities for which the value fluctuates with the quoted market price.

6. SUBSEQUENT EVENTS

On May 9, 2023, the Board of Directors passed the following resolutions: to voluntarily dissolve and transfer all of its net assets to another registered Canadian charity, being The Neighbourhood Group Community Services; to request of the Canada Revenue Agency's Charities Directorate that the organization's status as Canadian registered charity be revoked; and to legally dissolve the organization once all of its funds have been transferred and its charitable status has been revoked. These events have not yet occurred.
