

**AMADEUSZ**  
**Financial Statements**  
**December 31, 2023**

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## **Independent Auditors' Report**

To the Members of Amadeusz:

### **Opinion**

We have audited the accompanying financial statements of Amadeusz, which comprise the statement of financial position as at December 31, 2023, and the statement of revenues and expenditures, statement of changes in net assets and cash flows for the year then ended, and 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 Amadeusz 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 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 Amadeusz 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.

### **Responsibility 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 these financial statements, management is responsible for assessing Amadeusz's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Amadeusz or to cease operations, or has no realistic alternative to do so. Those charged with governance are responsible for overseeing Amadeusz'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 Amadeusz'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 Amadeusz'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 Amadeusz 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.

Markham, Ontario  
April 25, 2024

*LG PARTNERS LLP*  
Chartered Professional Accountants and  
Licensed Public Accountants



**AMADEUSZ**  
**Statement of Financial Position**

As at December 31	2023	2022
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	486,767	352,030
Accounts receivable (Note 3)	8,725	7,911
Prepaid expenses	4,981	3,232
	<b>500,473</b>	<b>363,173</b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	39,384	32,527
Deferred contributions (Note 5)	315,391	189,896
	<b>354,775</b>	<b>222,423</b>
<b>Net assets</b>		
General fund - unrestricted	-	-
Reserve fund - internally restricted	145,698	140,750
	<b>145,698</b>	<b>140,750</b>
	<b>500,473</b>	<b>363,173</b>

See accompanying notes

**Approved on behalf of the board:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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**AMADEUSZ**  
**Statement of Changes in Net Assets**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>General Fund</b>		
Operating Fund surplus, beginning of year	-	-
Excess of revenue over expenditures	<b>4,948</b>	16,509
Transfer to reserve fund	<b>(4,948)</b>	(16,509)
<b>General fund surplus, end of year</b>	<b>-</b>	<b>-</b>
<b>Reserve Fund</b>		
Reserve fund surplus, beginning of year	<b>140,750</b>	124,241
Transfer from general fund	<b>4,948</b>	16,509
<b>Reserve fund surplus, end of year</b>	<b>145,698</b>	140,750
<b>General and reserve fund surplus</b>	<b>145,698</b>	140,750

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See accompanying notes

# AMADEUSZ

## Statement of Revenue and Expenditures

For the year ended December 31	2023	2022
	\$	\$
<b>Revenue</b>		
Municipal	297,203	322,104
Provincial	18,432	10,073
United Way	139,180	50,000
Foundations	272,371	236,668
Corporations and banks	102,124	86,066
Donation and fundraising	6,623	105,961
Other agencies	-	20,525
Membership fees	20	10
	<b>835,953</b>	<b>831,407</b>
<b>Expenditures</b>		
Salaries and benefits	553,865	502,792
Program related expenses	195,232	221,384
Professional fees	36,243	35,632
Office and general	25,413	33,487
Rent	12,700	13,720
Insurance	5,579	2,628
Telephone	1,781	2,997
Advertising and promotion	126	1,663
Fundraising expenses	-	525
Bank charges	66	70
	<b>831,005</b>	<b>814,898</b>
<b>Excess of revenue over expenditures</b>	<b>4,948</b>	<b>16,509</b>

See accompanying notes

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**AMADEUSZ**  
**Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flow from (used in) Operating Activities</b>		
Excess of revenue over expenditures	<u>4,948</u>	<u>16,509</u>
Changes in working capital balances related to operations:		
Accounts receivable	(814)	168,076
Prepaid expenses	(1,749)	(3,232)
Accounts payable and accrued liabilities	6,857	23,919
Deferred contributions	<u>125,495</u>	<u>(4,722)</u>
Net cash provided by operating activities	<u>129,789</u>	<u>184,041</u>
Increase in cash during the year	134,737	200,550
<b>Cash and cash equivalents, beginning of year</b>	<u>352,030</u>	<u>151,480</u>
<b>Cash and cash equivalents, end of year</b>	<u>486,767</u>	<u>352,030</u>

See accompanying notes

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# **AMADEUSZ**

## **Notes to Financial Statements**

**For the year ended December 31, 2023**

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### **1. Nature of Operations**

Amadeusz (the "Organization") is a not-for-profit organization in Ontario, providing support to young people who are incarcerated to create positive change in their lives through access to education, community support, mentorship, and care.

The Organization was incorporated without share capital on May 8, 2017 under the Canada Not-for-Profit Corporations Act. Prior to 2019, the Organization was reported in a trusteeship organization Albion Neighbourhood Services.

The Organization was granted as registered charity under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income tax and is able to issue donation receipts for income tax purposes.

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### **2. Significant Accounting Policies**

#### ***Basis of Accounting***

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as contained in Part III of the Chartered Professional Accountants Canada ("CPAC") Handbook. To the extent Part III of the CPAC Handbook does not address certain matters applicable to the Organization; it will use accounting standards for private enterprises contained in Part II of the CPAC Handbook.

#### ***Fund Accounting***

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose:

(i) Reserve Fund - Internally Restricted

As of December 31, 2023, the Board of Directors of the Organization has designated net assets of \$145,698 to begin the process of building a contingency reserve of three to six months of operating costs for any potential future declines in funding due to unforeseen circumstances. Allocations towards this fund are comprised of revenues incurred from membership fees, donations, unused administration fees and government wage subsidies.

(ii) General Fund

The purpose of this fund is to account for the regular operations of the Organization.



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# **AMADEUSZ**

## **Notes to Financial Statements**

**For the year ended December 31, 2023**

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### **2. Significant Accounting Policies (continued)**

#### ***Revenue Recognition***

The Organization follows the deferral method of accounting for contributions, which include grants for various programs. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted donations are recognized as revenue when received since pledges are not legally enforceable claims. Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Revenue from administration services are recognized when services are rendered.

#### ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates fair value.

#### ***Capital Assets***

The Organization follows the limited application of section 4431, "Tangible Capital Assets Held by Not-for-Profit Organizations," of the CPAC Handbook, in paragraph 4431.38 as the average of annual revenues recognized in the financial statements for the current and preceding year is less than \$500,000. Capital assets are expensed when acquired.

#### ***Contributed Services***

Volunteers contribute extensive time and effort to assist the Organization in carrying out its activities. In addition, some of the community groups are provided with meeting rooms from local community facilities at no charge. Because of the difficulty in determining fair value, contributed materials and services are not recognized in the financial statements.

#### ***Measurement Uncertainty***

The preparation of financial statements in conformity with Canadian accounting standards for non-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. Management reviews these estimates periodically, which include accruals and as adjustments become necessary they are reported in the period in which they become known. Actual results may vary from the current estimates.

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# AMADEUSZ

## Notes to Financial Statements

For the year ended December 31, 2023

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### 2. Significant Accounting Policies (continued)

#### **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 cost or amortized cost.

Financial assets measured at cost or amortized cost include cash and amounts receivable.

Financial liabilities measured at cost or amortized cost includes accounts payable and accrued liabilities.

#### **Government Grants**

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all necessary conditions to obtain the grants.

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### 3. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 485	-
HST receivable	<u>8,240</u>	<u>7,911</u>
	<u>\$ 8,725</u>	<u>\$ 7,911</u>

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### 4. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Trade payables and accrued liabilities	\$ 30,293	\$ 20,830
Government remittances	<u>9,091</u>	<u>11,697</u>
	<u>\$ 39,384</u>	<u>\$ 32,527</u>

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**AMADEUSZ**  
**Notes to Financial Statements**

**For the year ended December 31, 2023**

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**5. Deferred Contributions**

Deferred contributions consists of externally restricted contributions that have not yet been spent. Amortization of the deferred contributions is recorded on the same basis as eligible expenses are incurred. The contributing foundations have the right to withdraw or withhold funds at their discretion.

The continuity of deferred contributions is as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 189,896	\$ 194,618
Funds received during the year	961,429	814,568
Recognized to income during the year	<u>(835,934)</u>	<u>(819,290)</u>
Balance, end of the year	<u>\$ 315,391</u>	<u>\$ 189,896</u>

	<u>2023</u>	<u>2022</u>
Kimel	\$ 76,164	\$ 81,146
Maytree	44,122	-
Kerr	33,453	-
Adapt - UWT	26,840	-
Stabilization	25,545	-
Catapult	22,856	(26,758)
Maxwell	20,350	25,000
CIBC	20,202	-
Scotiarse	17,129	13,934
BOF	12,181	-
Warner	8,673	-
Prosper	3,727	42,499
Scale - YAF	2,337	39,600
Telus	1,812	-
Vanier	-	7,729
Mindset	-	6,746
Total	<u>\$ 315,391</u>	<u>\$ 189,896</u>

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# AMADEUSZ

## Notes to Financial Statements

**For the year ended December 31, 2023**

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### 6. Lease Commitment

The Organization's current lease will expire on December 31, 2024.

Future minimum annual lease payments for the premises are as follows:

2024	<u>\$ 15,594</u>
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### 7. Related Party Transactions

Transactions between the Organization and the board members are considered to be related party transactions. These transactions 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 related parties. There were no related party transactions during the year.

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### 8. Financial Instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date, December 31, 2023.

#### Credit Risk

Credit risk is the risk of a loss if counterparty to a financial instrument fails to meet its contractual obligations. The Organization is exposed to credit risk from its cash balance. To manage this risk, the Organization maintains its account with credit worthy financial institutions.

#### Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is not exposed to interest rate risk as it does not have any interest bearing financial instruments.

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**AMADEUSZ**  
**Notes to Financial Statements**

**For the year ended December 31, 2023**

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**8. Financial Instruments** (continued)

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with the settlement of its financial liabilities. The Organization manages liquidity risk by maintaining sufficient cash on hand to settle obligations as they arise. The Organization is not subject to any significant liquidity risks arising from its financial instruments.

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**9. Comparative Figures**

The comparative figures presented for 2022 have been reclassified to conform to current years presentation.

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**10. Subsequent Event**

On December 29, 2023 the Organization signed a contract with the City of Toronto. The project starts on January 1, 2024 budgeted at \$220,000. The City initiated the first payment of \$150,000 on December 22, 2023, clearing on January 8, 2024.

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