Grant Thornton

# Financial Statements

# Oasis Dufferin Community Centre

## December 31, 2018

# Contents

# Independent Auditor's Report

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To the Members of
Oasis Dufferin Community Centre

## Qualified opinion

We have audited the financial statements of Oasis Dufferin Community Centre, which comprise the statement of financial position as at December 31, 2018, 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 financial statements present fairly, in all material respects, the financial position of Oasis Dufferin Community Centre as at December 31, 2018 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

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.

In common with many not-for-profit organizations, the organization derives revenue from donations from the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to grants and donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2018 and December 31, 2017, current assets as at December 31, 2018 and December 31, 2017, and net assets as at January 1, 2018 and 2017 and December 31, 2018 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

## Responsibilities of management 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 Centre 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.

### 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 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 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 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.

Grant Thornton LLP

Markham, Canada
April 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

# Oasis Dufferin Community Centre
## Statement of Financial Position

| December 31 | 2018 | 2017 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash | **$ 51,144** | $ 47,705 |
| Accounts receivable | **16,083** | 7,381 |
| Sales taxes recoverable | **3,053** | 6,545 |
| Prepaid expenses | **-** | 372 |
| | **$ 70,280** | $ 62,003 |
| **Liabilities** | | |
| Current | | |
| Accounts payable and accrued liabilities | **$ 4,500** | $ 10,419 |
| Deferred grant revenue | **15,874** | 14,405 |
| | **20,374** | 24,824 |
| **Net assets** | **49,906** | 37,179 |
| | **$ 70,280** | $ 62,003 |

On behalf of the Board of Directors

____________________ Director ____________________ Director

# Oasis Dufferin Community Centre
## Statements of Operations and Changes in Net Assets

| Year ended December 31 | | **2018** | | 2017 |
|---|---|---|---|---|
| Revenue | | | | |
| Foundation grants | **$** | **139,350** | $ | 120,358 |
| Government grants (Note 4) | | **74,359** | | 69,064 |
| Grants | | **21,525** | | 25,950 |
| Donations - churches and groups | | **18,762** | | 13,354 |
| Donations - individuals | | **11,030** | | 12,480 |
| Events and sales | | **872** | | 3,402 |
| | | **265,898** | | 244,608 |
| Expenses | | | | |
| Salaries | | **160,516** | | 157,790 |
| General supplies | | **21,927** | | 17,151 |
| Rent | | **21,172** | | 25,237 |
| Employee benefits | | **19,133** | | 18,362 |
| Communications | | **16,218** | | 9,131 |
| Professional fees | | **6,367** | | 4,834 |
| Travel | | **3,193** | | 3,600 |
| Office supplies | | **2,569** | | 1,880 |
| Insurance | | **2,076** | | 1,589 |
| Advertising and promotion | | **-** | | 1,005 |
| | | **253,171** | | 240,579 |
| Excess of revenue over expenses | **$** | **12,727** | $ | 4,029 |

| | | | | |
|---|---|---|---|---|
| Net assets, beginning of year | **$** | **37,179** | $ | 33,150 |
| Excess of revenue over expenses | | **12,727** | | 4,029 |
| Net assets, end of year | **$** | **49,906** | $ | 37,179 |

## Oasis Dufferin Community Centre
## Statement of Cash Flows

| Year ended December 31 | 2018 | 2017 |
|---|---|---|
| Increase (decrease) in cash | | |
| **Operating** | | |
| Excess of revenue over expenses | **$ 12,727** | $ 4,029 |
| Change in non-cash working capital items | | |
| Accounts receivable | **(8,702)** | 3,673 |
| Sales taxes recoverable | **3,492** | (3,008) |
| Prepaid expenses | **372** | - |
| Accounts payable and accrued liabilities | **(5,919)** | 5,919 |
| Deferred grant revenue | **1,469** | 8,840 |
| Increase in cash | **3,439** | 19,453 |
| Cash | | |
| Beginning of year | **47,705** | 28,252 |
| End of year | **$ 51,144** | $ 47,705 |

### 1. Nature of operations

Oasis Dufferin Community Centre (the “Centre”) operates a community centre to provide services for the general benefit of the community, operating a food bank, providing life skill programs and counselling services.

The Centre was incorporated in 1994 by letters patent under the laws of Ontario. The Centre is exempt from income taxes as it is a registered charity under the Income Tax Act (Canada).

### 2. Significant accounting policies

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

**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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. The most significant estimates include the allowance for doubtful accounts receivable and the accrual of liabilities. Actual results could differ from these estimates.

**Property and equipment**

Property and equipment are expensed in the year of acquisition. During the year, the Centre expensed $Nil (2017 - $3,137) of equipment and book purchases.

**Revenue recognition**

The Centre follows the deferral method of accounting for contributions. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. All other revenue is recognized when earned and received or receivable, if collectability is reasonably assured.

**Contributed services**

Volunteers contributed time to assist the Centre in carrying out its mission. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**Financial instruments**

The Centre's financial instruments consist of cash, accounts receivable, sales taxes recoverable and accounts payable. The Centre's financial instruments are initially measured at fair value and subsequently measured at amortized cost.

## 3. Financial instruments

The Centre's main financial instrument risk exposure is detailed as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligation. This risk is mitigated by the Centre through ensuring revenue is derived from qualified sources. Allowance for doubtful accounts for accounts receivable is $Nil (2017 - $Nil).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Centre reduces its exposure to liquidity risk related to accounts payable by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to meet obligations. At year end, accounts payable and accrued liabilities include government remittances owing of $Nil (2017 - $Nil).

## 4. Government grants

| | **2018** | 2017 |
|---|---|---|
| Government of Canada - Ontario Seniors Community | **$ 32,064** | $ 27,064 |
| City of Toronto - Ontario Works Program | **29,015** | 29,878 |
| Government of Canada | **13,280** | 12,122 |
| | **$ 74,359** | $ 69,064 |

## 5. Lease commitments

The Centre is committed under leases for premises equipment to 2020. Annual commitments are as follows:

| | |
|---|---|
| 2019 | $ 2,150 |
| 2020 | 540 |
| | $ 2,690 |