



Financial Statements

Oasis Dufferin Community Centre

December 31, 2020

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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, 2020, 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, 2020 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 Centre derives revenue from donations and grants, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donations and grants, excess of revenue over expenses, and cash flows for the years ended December 31, 2020 and 2019, current assets at December 31, 2020 and 2019, and net assets as at January 1, 2020 and 2019 and December 31, 2020 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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.

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.

Grant Thornton LLP

Markham, Canada
May 11, 2021

Chartered Professional Accountants
Licensed Public Accountants

Oasis Dufferin Community Centre

Statement of Financial Position

December 31

2020

2019

Assets

Current

Cash	\$ 149,371	\$ 82,188
Accounts receivable	11,879	13,336
Sales taxes recoverable	<u>5,164</u>	<u>1,449</u>
	<u>\$ 166,414</u>	<u>\$ 96,973</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 6,863	\$ 5,511
Deferred grant revenue (Note 4)	<u>27,312</u>	<u>35,844</u>
	34,175	41,355

Net assets - unrestricted

	<u>132,239</u>	<u>55,618</u>
	<u>\$ 166,414</u>	<u>\$ 96,973</u>

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	2020	2019
Revenue		
Foundation grants	\$ 209,714	\$ 161,827
Donations - individuals	83,204	14,226
Government grants (Note 5)	52,589	100,944
Corporate grants	37,883	11,000
Donations - churches and groups	33,939	17,228
Events and sales	16,832	3,798
Interest and miscellaneous	<u>3</u>	<u>-</u>
	<u>434,164</u>	<u>309,023</u>
Expenses		
Salaries	222,651	202,693
Food bank	56,664	5,417
Rent and utilities	24,614	25,873
Employee benefits	24,371	23,189
Communications	10,196	15,204
General supplies	8,065	18,198
Professional fees	5,145	6,881
Office supplies	3,561	3,837
Insurance	1,867	1,744
Fundraising	<u>409</u>	<u>275</u>
	<u>357,543</u>	<u>303,311</u>
Excess of revenue over expenses	<u>\$ 76,621</u>	<u>\$ 5,712</u>
Net assets, beginning of year	\$ 55,618	\$ 49,906
Excess of revenue over expenses	<u>76,621</u>	<u>5,712</u>
Net assets, end of year	<u>\$ 132,239</u>	<u>\$ 55,618</u>

Oasis Dufferin Community Centre Statement of Cash Flows

Year ended December 31

2020

2019

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 76,621	\$ 5,712
Item not affecting cash		
Deferred grant revenue recognized	<u>(90,532)</u>	<u>(43,030)</u>
	(13,911)	(37,318)
Change in non-cash working capital items		
Accounts receivable	1,457	2,747
Sales taxes recoverable	(3,715)	1,604
Accounts payable and accrued liabilities	1,352	1,011
Deferred grant revenue	<u>82,000</u>	<u>63,000</u>

Increase in cash **67,183** 31,044

Cash

Beginning of year	<u>82,188</u>	<u>51,144</u>
End of year	<u>\$ 149,371</u>	<u>\$ 82,188</u>

Oasis Dufferin Community Centre

Notes to the Financial Statements

December 31, 2020

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 by management 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 unless the balances are significant. During the year, the Centre expensed \$62 (2019 - \$676) 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. Events and sales are recognized as earned.

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.

Oasis Dufferin Community Centre

Notes to the Financial Statements

December 31, 2020

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 (2019 - \$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 (2019 - \$Nil).

4. Deferred grant revenue

	<u>2020</u>	<u>2019</u>
Deferred grant revenue, beginning of year	\$ 35,844	\$ 15,874
Grants received	82,000	63,000
Grants recognized	<u>(90,532)</u>	<u>(43,030)</u>
	<u>\$ 27,312</u>	<u>\$ 35,844</u>

5. Government grants

	<u>2020</u>	<u>2019</u>
City of Toronto - Ontario Works Program	\$ 23,896	\$ 41,553
Government of Canada - Summer Students	20,163	25,647
Government of Canada - Ontario Seniors Community	8,530	32,134
Toronto Public Health	<u>-</u>	<u>1,610</u>
	<u>\$ 52,589</u>	<u>\$ 100,944</u>

Oasis Dufferin Community Centre

Notes to the Financial Statements

December 31, 2020

6. Lease commitments

The Centre is committed under leases for premises equipment to 2025. Annual commitments are as follows:

2021	\$	1,800
2022		1,800
2023		1,800
2024		1,800
2025		400
		<hr/>
	\$	7,600

7. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Centre for future periods. In March 2020, the Centre dramatically adjusted its operations in order to limit the exposure of the virus. As at the audit report date, the Centre has had no negative financial impact as a result of COVID-19. The Centre remains committed to adjusting its expenditures as necessary to ensure its long-term sustainability.
