



Financial Statements

Oasis Dufferin Community Centre

December 31, 2019

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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, 2019, 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, 2019 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, 2019 and December 31, 2018, current assets as at December 31, 2019 and December 31, 2018, and net assets as at January 1, 2019 and 2018 and December 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 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 27, 2020

Chartered Professional Accountants
Licensed Public Accountants

Oasis Dufferin Community Centre

Statement of Financial Position

December 31

2019

2018

Assets

Current

Cash	\$ 82,188	\$ 51,144
Accounts receivable	13,336	16,083
Sales taxes recoverable	<u>1,449</u>	<u>3,053</u>
	<u>\$ 96,973</u>	<u>\$ 70,280</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 5,511	\$ 4,500
Deferred grant revenue (Note 4)	<u>35,844</u>	<u>15,874</u>
	<u>41,355</u>	<u>20,374</u>

Net assets

	<u>55,618</u>	<u>49,906</u>
	<u>\$ 96,973</u>	<u>\$ 70,280</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	2019	2018
Revenue		
Foundation grants	\$ 161,827	\$ 139,350
Government grants (Note 5)	100,944	74,359
Donations - churches and groups	17,228	18,762
Donations - individuals	14,226	11,030
Grants	11,000	21,525
Events and sales	<u>3,798</u>	<u>872</u>
	<u>309,023</u>	<u>265,898</u>
Expenses		
Salaries	202,693	160,516
Rent	25,873	21,172
General supplies	23,367	24,963
Employee benefits	23,189	19,133
Communications	15,204	16,218
Professional fees	6,881	6,367
Office supplies	4,085	2,726
Insurance	1,744	2,076
Fundraising	<u>275</u>	<u>-</u>
	<u>303,311</u>	<u>253,171</u>
Excess of revenue over expenses	<u>\$ 5,712</u>	<u>\$ 12,727</u>
<hr/>		
Net assets, beginning of year	\$ 49,906	\$ 37,179
Excess of revenue over expenses	<u>5,712</u>	<u>12,727</u>
Net assets, end of year	<u>\$ 55,618</u>	<u>\$ 49,906</u>

Oasis Dufferin Community Centre Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 5,712	\$ 12,727
Change in non-cash working capital items		
Accounts receivable	2,747	(8,702)
Prepaid expenses	-	372
Sales taxes recoverable	1,604	3,492
Accounts payable and accrued liabilities	1,011	(5,919)
Deferred grant revenue	<u>19,970</u>	<u>1,469</u>
Increase in cash	31,044	3,439
Cash		
Beginning of year	<u>51,144</u>	<u>47,705</u>
End of year	<u>\$ 82,188</u>	<u>\$ 51,144</u>

Oasis Dufferin Community Centre

Notes to the Financial Statements

December 31, 2019

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 \$676 (2018 - \$Nil) 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, 2019

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 (2018 - \$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 (2018 - \$Nil).

4. Deferred grant revenue

	<u>2019</u>	<u>2018</u>
Deferred grant revenue, beginning of year	\$ 15,874	\$ 14,405
Grants received	63,000	27,610
Grants recognized	<u>(43,030)</u>	<u>(26,141)</u>
Deferred grant revenue, end of year	<u>\$ 35,844</u>	<u>\$ 15,874</u>

5. Government grants

	<u>2019</u>	<u>2018</u>
City of Toronto - Ontario Works Program	\$ 41,553	\$ 29,015
Government of Canada - Ontario Seniors Community	32,134	32,064
Government of Canada - Summer Students	25,647	13,280
Toronto Public Health	<u>1,610</u>	<u>-</u>
	<u>\$ 100,944</u>	<u>\$ 74,359</u>

Oasis Dufferin Community Centre

Notes to the Financial Statements

December 31, 2019

6. Lease commitments

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

2020	\$	1,800
2021		1,800
2022		1,800
2023		1,800
2024		1,800
2025		400
		<hr/>
	\$	9,400

7. Subsequent event

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite 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 organizations 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 Centre has determined that this event is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the Covid-19 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 and results of the Centre for future periods.

8. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
