

**OTTAWA CHINESE COMMUNITY SERVICE CENTRE**

FINANCIAL STATEMENTS

MARCH 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
**Ottawa Chinese Community Service Centre:**

### Qualified opinion

We have audited the financial statements of Ottawa Chinese Community Service Centre ("the Entity"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations 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 possible 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 Entity as at March 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

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and 2017 and as at March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 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 Entity 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 audit opinion.

### Responsibilities 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 the financial statements, management is responsible for assessing the Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.



**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants  
Ottawa, Ontario  
July 29, 2019




# OTTAWA CHINESE COMMUNITY SERVICE CENTRE

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 117,726	\$ 875,178
Investments (note 4)	1,050,000	207,355
Accounts receivable	237,407	121,992
Prepaid expenses	<u>13,000</u>	<u>18,059</u>
	<u>\$ 1,418,133</u>	<u>\$ 1,222,584</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 98,583	\$ 82,232
Deferred revenue (note 5)	<u>50,538</u>	<u>69,920</u>
	<u>149,121</u>	<u>152,152</u>
<b>NET ASSETS</b>		
Balance - beginning of year	1,070,432	864,151
Net revenue for the year	<u>198,580</u>	<u>206,281</u>
Balance - end of year	<u>1,269,012</u>	<u>1,070,432</u>
	<u>\$ 1,418,133</u>	<u>\$ 1,222,584</u>

Approved on behalf of the Board:



Director

LONG TRAN ; TREASURER



Director

ROBERT PARUNGAO ; PRESIDENT

# OTTAWA CHINESE COMMUNITY SERVICE CENTRE

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Charging Program	\$ 34,290	\$ 30,380
City of Ottawa	62,419	61,451
Donations and fundraising	66,949	51,182
Employment and Social Development Canada	678,588	490,345
Immigration, Refugees and Citizenship Canada	4,005,906	3,898,992
Interest	18,980	2,936
Jewish Family Services	14,898	14,898
LASI World Skills Inc.	60,399	62,276
Membership	3,620	1,675
Mentorship in Action	-	219,914
New Horizons for Seniors Program	19,413	-
Ontario Ministry of Citizenship and Immigration		
Navigating IT workplace	302,016	341,225
Newcomer settlement program	61,243	61,243
Pay Equity Payments	15,744	15,744
Ontario Trillium Foundation	65,048	58,864
Province of Ontario	3,976	17,114
User fees and miscellaneous	104,458	89,685
	<u>5,517,947</u>	<u>5,417,924</u>
<b>EXPENSES</b>		
Advertising and community relations	71,883	123,853
AGM expenses and fundraising	21,297	19,619
Bank, payroll service charges and interest	11,114	10,190
Insurance	12,831	10,992
Membership	1,577	2,334
Office and general	186,420	227,272
Office equipment	18,022	44,672
Pay equity	15,744	15,744
Professional fees	101,847	151,932
Rent and utilities	475,507	448,322
Repairs and maintenance	1,774	5,518
Salaries and benefits	4,086,508	3,785,163
Telephone	75,236	83,351
Training	139,447	172,227
Travel	100,160	110,454
	<u>5,319,367</u>	<u>5,211,643</u>
<b>NET REVENUE FOR THE YEAR</b>	<u>\$ 198,580</u>	<u>\$ 206,281</u>



# OTTAWA CHINESE COMMUNITY SERVICE CENTRE

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Net revenue for the year	\$ 198,580	\$ 206,281
Net change in non-cash working capital items		
Accounts receivable	(115,415)	805,422
Prepaid expenses	5,059	(14,871)
Accounts payable	16,351	(182,892)
Deferred revenue	(19,382)	33,109
	<u>85,193</u>	<u>847,049</u>
<b>INVESTING ACTIVITIES</b>		
Sale of investments	207,355	100,207
Purchase of investments	(1,050,000)	(103,144)
	<u>(842,645)</u>	<u>(2,937)</u>
<b>INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	<b>(757,452)</b>	<b>844,112</b>
Cash - beginning of year	<u>875,178</u>	<u>31,066</u>
<b>CASH - END OF YEAR</b>	<b>\$ <u>117,726</u></b>	<b>\$ <u>875,178</u></b>

# OTTAWA CHINESE COMMUNITY SERVICE CENTRE

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019

## 1. PURPOSE OF THE ORGANIZATION

The Centre was incorporated without share capital in 1976 under the Corporations Act of Ontario to provide social and community services and training to Chinese immigrants. It is registered as a charitable organization under the Income Tax Act and as such is exempt from income tax.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

### b) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

### c) Property and equipment

Property and equipment are expensed in the year of acquisition (2019 - \$18,022, 2018 - \$44,672) to comply with the requirements of the major government funders.

### d) 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 expense is incurred. Unrestricted contributions are recognized as revenue when they are received or becomes receivable. Membership fees are recognized as revenue of the period in which they are received, which may not be the period to which they relate. Other revenue is recognized in the year in which the event is held or the revenue is earned.

## 3. FINANCIAL INSTRUMENTS

Financial instruments of the Centre consist of cash, investments, accounts receivable and accounts payable.

Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the risks have not changed from last year.

## 4. INVESTMENTS

The Centre has bank investment certificates that earn interest at annual rates of 2.5% and 2.6% and mature July and October 2019.



**OTTAWA CHINESE COMMUNITY SERVICE CENTRE**

NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2019

**5. DEFERRED REVENUE**

Deferred revenue represents amounts received that relate to a subsequent year and contributions that are externally restricted for specific projects to be completed in a subsequent year as follows:

	<u>2019</u>	<u>2018</u>
Immigration, Refugees and Citizenship Canada	\$ -	\$ 47,568
Other	24,500	19,412
User fees	<u>26,038</u>	<u>2,940</u>
	<u>\$ 50,538</u>	<u>\$ 69,920</u>

Deferred revenue changed as follows:

	<u>2019</u>	<u>2018</u>
Balance - beginning of year	\$ 36,811	\$ 140,051
Less - amount recognized as revenue in the year	(36,811)	(140,051)
Plus - amount received related to following year	<u>50,538</u>	<u>36,811</u>
Balance - end of year	<u>\$ 50,538</u>	<u>\$ 36,811</u>

**6. COMMITMENT**

The Centre has leased premises to August 2026 at approximately \$324,000 per annum.

