

Ottawa South Community Association Inc.
Financial Statements
Year ended December 31, 2019

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Independent Auditor's Report

To the Members of Ottawa South Community Association Inc.

Opinion

I have audited the financial statements of Ottawa South Community Association Inc. (the "organization"), which comprise the statement of financial position as at December 31, 2019, and the statement of operations, statement of fund balances / changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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

Independent Auditor's Report, continued

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope

Independent Auditor's Report, continued

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Swerdfeger Chartered Accountant

Ottawa, Ontario
September 23, 2020

Chartered Accountant
Licensed Public Accountant

Ottawa South Community Association Inc.**Statement of Financial Position****As at December 31, 2019**

	OSCA Fund	OSCAR Fund	Community	December 31	December 31
	2019	2019	Fund 2019	2019	2018
ASSETS					
CURRENT ASSETS					
Cash	\$ 231,509	\$ 76,683	\$ 14,244	\$ 322,436	\$ 303,109
Accounts receivable	-	8,170	-	8,170	14,354
GST receivable	1,437	-	-	1,437	-
Marketable securities	328,275	-	-	328,275	323,014
Prepaid expenses	11,579	-	-	11,579	7,408
Due to/from funds	62	(62)	-	-	-
Total current assets	572,862	84,791	14,244	671,897	647,885
CAPITAL ASSETS	19,424	-	-	19,424	30,474
Total assets	\$ 592,286	\$ 84,791	\$ 14,244	\$ 691,321	\$ 678,359
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable & accrued liabilities	\$ 28,902	\$ 773	\$ -	\$ 29,675	\$ 42,868
Government remittances payable	6,665	2,398	-	9,063	11,834
Unearned revenue	82,966	-	-	82,966	81,178
Total current liabilities	118,533	3,171	-	121,704	135,880
NET ASSETS / FUND BALANCES					
Net Assets	473,753	81,620	14,244	569,617	542,479
Total liabilities and Net Assets	\$ 592,286	\$ 84,791	\$ 14,244	\$ 691,321	\$ 678,359

See accompanying Notes

Approved on behalf of the board

Director, _____

Director, _____

Ottawa South Community Association Inc.**Statement of Operations****For the year ended December 31, 2019**

	OSCA Fund	OSCAR Fund	Community	December 31	December 31
	2019	2019	Fund	2019	2018
			2019		
REVENUE					
Revenue	\$ 793,398	\$ 90,923	\$ -	\$ 884,321	\$ 891,316
Grants	20,839	-	-	20,839	5,372
Special events	8,675	-	1,306	9,981	11,813
Interest income	5,306	75	-	5,381	3,503
TOTAL REVENUE	828,218	90,998	1,306	920,522	912,004
COST OF SALES					
Salaries and benefits	190,315	-	-	190,315	215,403
Subcontracts	114,295	44,364	-	158,659	160,708
Supplies	70,873	-	-	70,873	81,388
TOTAL COST OF SALES	375,483	44,364	-	419,847	457,499
GROSS PROFIT	452,735	46,634	1,306	500,675	454,505
EXPENSES					
Salaries and related					
benefits	295,911	-	-	295,911	252,012
Subcontract	63	34,251	-	34,314	35,629
Credit card fees	21,998	-	-	21,998	21,395
Professional fees	14,324	3,962	-	18,286	18,328
Rent	16,188	-	-	16,188	30,522
Office	6,743	9,141	-	15,884	14,200
Computer expense	15,721	-	-	15,721	15,015
Amortization	12,298	-	-	12,298	13,452
Administration	11,030	-	-	11,030	30,000
Digitizing	9,430	-	-	9,430	7,745
Meals and					
entertainment	8,554	-	-	8,554	13,121
Community fund	4,976	-	-	4,976	-
Insurance	4,748	-	-	4,748	3,774
Repairs and					
maintenance	668	-	1,530	2,198	2,266
Credit card fees	1,018	-	-	1,018	2,121
Communications	110	220	-	330	348
Bank charges	236	32	42	310	1,031
Postage and courier	-	268	-	268	255
Miscellaneous	-	75	-	75	1,548
TOTAL EXPENSES	424,016	47,949	1,572	473,537	462,762
INCOME (LOSS)	\$ 28,719	\$ (1,315)	\$ (266)	\$ 27,138	\$ (8,257)

See accompanying Notes

Ottawa South Community Association Inc.
Statement of Fund Balances / Changes in Net Assets
For the year ended December 31, 2019

	OSCA Fund	OSCAR Fund	Community	December 31	December 31
	2019	2019	Fund	2019	2018
			2019		
NET ASSETS, START OF					
YEAR	\$ 445,034	\$ 82,935	\$ 14,510	\$ 542,479	\$ 550,736
Excess (Deficiency) of					
Revenues over					
Expenses	28,719	(1,315)	(266)	27,138	(8,257)
NET ASSETS, ENDING OF					
YEAR (Note 7)	\$ 473,753	\$ 81,620	\$ 14,244	\$ 569,617	\$ 542,479

See accompanying Notes

Ottawa South Community Association Inc.

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess (Deficiency) of Revenues over Expenses	\$ 27,138	\$ (8,257)
Adjustments for		
Amortization	12,298	13,452
Total adjustments	12,298	13,452
	39,436	5,195
Change in non-cash working capital items		
Accounts receivable	6,184	308
Marketable securities	(5,261)	(3,430)
Prepaid expenses	(4,171)	(277)
Accounts payable & accrued liabilities	(13,192)	17,606
GST payable	(4,208)	1,316
Unearned revenue	1,788	(5,835)
	(18,860)	9,688
Total operating activities	20,576	14,883
INVESTING ACTIVITIES		
Purchase of Capital Assets	(1,249)	(1,918)
Total investing activity	(1,249)	(1,918)
Increase in cash	19,327	12,965
Cash, beginning of year	303,109	290,144
Cash, end of year	\$ 322,436	\$ 303,109

See accompanying Notes

Ottawa South Community Association Inc.
Notes to the Financial Statements
December 31, 2019

1. Nature of operations

Ottawa South Community Association Inc. (the "organization") was incorporated under the Business Corporations Act of Ontario on October 17, 1979. The OSCA & OSCAR funds are a not-for-profit organization under the Income Tax Act (Canada). The Community Fund (formerly the Firehall Fund) is a charity under the Income Tax Act (Canada).

Ottawa South Community Association (OSCA) is a group of community volunteers whose goal is to make Old Ottawa South (OOS) a pleasant, fulfilling, and meaningful place to live.

OSCA strives to improve quality of life in the community by:

- offering social events
- providing educational, sports, fitness, and recreational programming to the community
- working actively to promote and protect the interests of the community
- ensuring the community interests are effectively communicated to the public, etc...
- keeping the community informed about activities and opportunities of interest
- initiating new programs and policies from time to time to benefit the community

2. Significant accounting policies

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

(a) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

The LegendWare registration system implementation costs of \$7,225 is included with Computer software. Amortization of this asset started in 2016 when it was fully ready for use.

Equipment	Straight-line	3 Years
Computer software	Straight-line	5 Years

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

2. Significant accounting policies, continued

(c) Purpose of each fund

PURPOSE OF EACH FUND:

OSCA:

The objectives of the Association are to promote the quality of life in the community so that Old Ottawa South is a pleasant, fulfilling and meaningful place in which to live, by:

(a) promoting and protecting the interests of the community with respect to the planning and future development of Old Ottawa South and its environs;

(b) ensuring through its representatives that the community's interests are effectively communicated to public and other agencies whose activities may be of concern to the community;

(c) keeping the community informed about available activities and opportunities which may be of benefit to the residents of Old Ottawa South, and initiating new programs and policies which benefit the community;

(d) to conduct such social, educational and recreational programs as shall, from time to time, be deemed desirable.

OSCAR:

The association's newspaper.

- The OSCAR is published for OSCA;
- The OSCAR aims to be a vital, community-based newspaper providing a forum for community expression;
- The OSCAR is self-supporting, relying on advertising revenue for operating costs and operating on a financially-sound basis;
- The OSCAR operates at arms-length from the Board of OSCA; and
- The OSCAR Editor is responsible for setting editorial policy, and for production and distribution.

THE OLD OTTAWA SOUTH COMMUNITY FUND: (COMMUNITY FUND):

(renamed with a revised trust deed in May 2018. Formerly FIREHALL FUND):

A charitable organization that raises funds and uses them for the purpose of improving the delivery of programs and activities that benefit the Old Ottawa South Community as a whole.

(d) Contributed services

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

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

2. Significant accounting policies, continued

(e) Deferred revenue

Deferred revenue consists of:

- a) Deposits made for programs occurring in the new year, which will be used up by the following year-end.
- b) Last month's deposit for the After 4 program.

(f) Financial instruments

The organization's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities and GST receivable and payable.

Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(g) Financial risk management objectives and policies

Consistent with similar not-for-profit organizations, risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the organization's exposure.

(h) Fund accounting deferred

The organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment. The organization has no such contributions for 2019 nor 2018. As such there are no deferred contributions, and no changes in deferred contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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. The organization has no such restricted contributions for 2019.

Endowment contributions are recognized as direct increases in net assets. There are currently no endowment contributions.

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

2. Significant accounting policies, continued

(i) Marketable securities

Marketable securities are carried at the lower of cost and market value.

(j) Prior year's figures

Prior year's figures have been restated, where applicable, to conform to current year's presentation.

(k) 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 expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(l) Related parties

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(m) Allocated expenses

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year in accordance with applicable contribution agreements. Salary and benefits, subcontracts, and most other large expenses are specific to one fund, and are tracked and expensed as such. Other administrative expenses are allocated to programs, as applicable, at a predetermined rate.

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

3. CAPITAL ASSETS

	OSCA Fund Net	OSCAR Fund Net	Community Fund Net	2019 Net	2018 Net
Equipment	\$ 17,980	\$ -	\$ -	\$ 17,980	\$ 27,584
Computer software	1,445	-	-	1,445	2,890
Total Net Capital assets	\$ 19,425	\$ -	\$ -	\$ 19,425	\$ 30,474

4. Financial instruments

Fair value

The carrying values of the financial instruments noted above approximate their fair values.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. However, the organization has a significant number of customers who prepay for their services, which minimizes concentration of credit risk.

Currency risk

Currency risk is the risk to the organization's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization does not use derivative instruments to reduce its exposure to foreign currency risk. The organization incurs substantially all transactions in Canadian dollars, and as such, has no currency risk.

Market risk

The organization is exposed to certain market risks including changes in pricing and changes in policies of fundors.

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

5. Government Remittances Payable

	OSCA Fund 2019	OSCAR Fund 2019	Community Fund 2019	December 31 2019	December 31 2018
RT GST	\$ -	\$ 2,398	\$ -	\$ 2,398	\$ 4,635
RP DAS	6,665	-	-	6,665	7,199
	\$ 6,665	\$ 2,398	\$ -	\$ 9,063	\$ 11,834

OSCA Fund has an RT GST receivable amount for 2019.

6. Net Assets / Fund Balances

OSCA has internally restricted reserves as follows.

	OSCA Fund 2019	OSCAR Fund 2019	Community Fund 2019	December 31 2019	December 31 2018
Operating	\$ 262,775	\$ 81,620	\$ 14,244	\$ 358,639	\$ 331,544
Community	103,500	-	-	103,500	103,500
Capital asset	50,000	-	-	50,000	50,000
Community					
planning	50,000	-	-	50,000	50,000
ECOS	4,141	-	-	4,141	4,141
Garden	5,353	-	-	5,353	4,230
Community Fd	(2,462)	-	-	(2,462)	(1,382)
Sunnyside					
redevelopment	396	-	-	396	396
Library in trust	50	-	-	50	50
Total	\$ 473,753	\$ 81,620	\$ 14,244	\$ 569,617	\$ 542,479

7. Related party transactions

The organization has related party transactions with Management. Management pays for expenses (often with corporate credit cards), then the organization pays the credit cards, and/or reimburses management for these expenses. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. There are no amounts due to/from related parties other than the amounts included in accounts payable re the corporate credit cards. There are no contractual obligations and/or contingencies with related parties, other than employment contracts in the normal course of operations.

Ottawa South Community Association Inc.

Notes to the Financial Statements

December 31, 2019

8. Subsequent events

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. This has caused disruption in the operations of OSCA, which has been closed since March 13, 2020. Some of the staff are still working. The extent of the impact of COVID-19 on the organization's operational and financial performance will depend on certain developments and factors, including the duration and spread of the outbreak, impact on the members of OSCA, their employees, and vendors, all of which are uncertain and cannot be predicted.

Re this ongoing situation, the organization has been looking at various options including the possible use of various reserves to fund operations. Both the board and the executive committed have been strategizing and feel they have mitigated the impact & risks as much as possible. There is no reason to believe that OSCA will not be able to continue as a going concern.

9. Financial statements

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

10. External Restrictions

The organization has a service level agreement with the City of Ottawa and do not pay rental to the City. In exchange for providing programs to the Community the City provides the facility and covers the cost of maintaining it- heat, facility updates and cleaning, repairs etc.

As such, the City of Ottawa imposes certain restrictions, and this organization thus, must follow the related rules, guidelines from the city when running their organization.

There are no deferred contributions related to these external restrictions.

There are no specific amount of cash and/or net assets subject to these external restrictions.