

**Ottawa Chinese Community
Service Centre
Financial Statements
March 31, 2025**

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
City Park Place, Suite 200
1900 City Park Drive
Ottawa, Ontario
K1J 1A3

T 613-236-2211

To the Members of
Ottawa Chinese Community Service Centre

Opinion

We have audited the financial statements of Ottawa Chinese Community Service Centre (hereafter "the Centre"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2025, 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 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 Centre 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 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 Centre'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 Centre'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.

Raymond Chabot Grant Thornton LLP

Chartered Professional Accountants,
Licensed Public Accountants

Ottawa, Canada
September 10, 2025

Ottawa Chinese Community Service Centre Operations and Net Assets

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
Revenues		
Charging program	9,690	18,658
Contributions		
Grants		
ACCT Foundation	9,345	3,500
City of Ottawa	90,705	88,730
Desjardins	2,000	
Employment and Social Development Canada	386,190	694,853
Health Canada	50,000	10,000
Immigration, Refugees and Citizenship Canada	2,403,975	2,190,250
LASI World Skills Inc.	78,648	75,162
Lighthouse Labs Inc.		246,389
Ontario Ministry of Citizenship and Immigration	85,744	85,744
Relevantz	3,000	
Somerset West Community Health Centre	58,944	58,944
Valencia	3,650	
Donations and fundraising from individuals	6,094	3,545
Membership	260	20
User fees	103,467	102,778
Net investment income	63,675	55,985
	<u>3,355,387</u>	<u>3,634,558</u>
Expenses		
Advertising and community relations	11,379	5,099
Bank, payroll service charges and interest	9,405	8,713
Consulting fees	1,375	8,169
Insurance	14,559	14,055
Membership	4,061	4,136
Office and general	117,999	91,365
Pay equity	15,744	15,744
Professional fees	20,075	18,140
Repairs and maintenance	2,745	2,228
Rent and utilities (net of rent relief of \$Nil; \$103,019 in 2024)	294,058	208,140
Salaries and employee benefits	2,618,762	2,770,311
Telecommunications	65,492	68,183
Training	31,199	93,246
Travel	38,925	34,885
	<u>3,245,778</u>	<u>3,342,414</u>
Excess of revenues over expenses	109,609	292,144
Balance, beginning of year	1,855,680	1,563,536
Net assets, end of year	<u>1,965,289</u>	<u>1,855,680</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Chinese Community Service Centre Changes in Net Assets

Year ended March 31, 2025

			<u>2025</u>	<u>2024</u>
	<u>Unrestricted</u>	<u>Reserve fund</u>	<u>Total</u>	<u>Total</u>
	\$	\$	\$	\$
Balance, beginning of year	1,855,680		1,855,680	1,563,536
Excess of revenues over expenses	109,609		109,609	292,144
Internal restriction (Note 10)	(292,144)	292,144		
Balance, end of year	<u>1,673,145</u>	<u>292,144</u>	<u>1,965,289</u>	<u>1,855,680</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Chinese Community Service Centre

Cash Flows

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
<i>OPERATING ACTIVITIES</i>		
Excess of revenues over expenses	109,609	292,144
Non-cash items		
Changes in working capital items		
Trade and other receivables	(80,007)	167,909
Prepaid expenses	16,248	(16,248)
Trade payables and other operating liabilities	20,434	12,209
Deferred revenues	(50,700)	(37,762)
Cash flows from operating activities	<u>15,584</u>	<u>418,252</u>
<i>INVESTING ACTIVITIES</i>		
Investments	(399,592)	(155,980)
Disposal of investments	1,332,151	
Cash flows from investing activities	<u>932,559</u>	<u>(155,980)</u>
Net increase in cash	948,143	262,272
Cash, beginning of year	<u>546,394</u>	<u>284,122</u>
Cash, end of year	<u><u>1,494,537</u></u>	<u><u>546,394</u></u>

The accompanying notes are an integral part of the financial statements.

Ottawa Chinese Community Service Centre

Financial Position

March 31, 2025

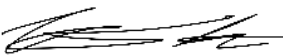
	<u>2025</u>	<u>2024</u>
	\$	\$
ASSETS		
Current		
Cash	1,494,537	546,394
Trade and other receivables (Note 3)	251,782	171,775
Prepaid expenses (Note 4)	<u>13,000</u>	<u>29,248</u>
	1,759,319	747,417
Long-term		
Investments (Note 5)	<u>350,594</u>	1,283,153
	<u><u>2,109,913</u></u>	<u><u>2,030,570</u></u>
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 6)	144,124	123,690
Deferred contributions (Note 7)	<u>500</u>	<u>51,200</u>
	<u>144,624</u>	174,890
NET ASSETS		
Unrestricted	1,673,145	1,855,680
Internally restricted - Reserve fund	<u>292,144</u>	<u> </u>
	<u>1,965,289</u>	1,855,680
	<u><u>2,109,913</u></u>	<u><u>2,030,570</u></u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,



 Director



 Director Robert Parungao, President

Ottawa Chinese Community Service Centre

Notes to Financial Statements

March 31, 2025

1 - GOVERNING STATUTES AND 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. The Centre has since then increased its scope of services to include all immigrants. It is registered as a charitable organization under the Income Tax Act and as such is exempt from income tax.

2 - SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The Centre's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Centre may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The Centre follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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.

Volunteers contribute to assist the organization in delivering its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

User fees and charging programs

Revenue from user fees and charging programs are recognized proportionately over the time when the service is provided on the condition that there is an agreement between the parties, the services have been provided, the fees are fixed or determinable and collection is reasonably assured.

Net investment income

Net investment income includes interest income.

Interest income is recognized as revenue on a time apportionment basis.

Ottawa Chinese Community Service Centre

Notes to Financial Statements

March 31, 2025

2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Centre's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

Financial assets subsequently measured at amortized cost include cash, trade and other receivables. Financial liabilities measured at amortized cost include trade payables and other operating liabilities and deferred revenues.

Subsequent measurement

At each reporting date, the Centre measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Centre assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Centre determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in earnings. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in the statement of operations in the year the reversal occurs.

Cash and cash equivalents

The Centre's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

3 - TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
	\$	\$
Contributions receivable (a)	227,928	43,081
Rent receivable		104,134
Indirect taxes receivable	23,854	24,560
	<u>251,782</u>	<u>171,775</u>

(a) As at March 31, 2025, one contributor represent 35% of total contributions receivable (there was no concentration of credit risk related to contributions receivable as at March 31, 2024).

Ottawa Chinese Community Service Centre

Notes to Financial Statements

March 31, 2025

4 - PREPAID EXPENSES

	<u>2025</u>	<u>2024</u>
	\$	\$
Prepaid rent	13,000	13,000
Other prepaid expenses		16,248
	<u>13,000</u>	<u>29,248</u>

5 - INVESTMENTS

As at March 31, 2025, the Centre holds guaranteed investment certificates bearing interest between 2.75% and 3.4% (2024 - 4.75% and 5.71%) maturing from November to December 2025.

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts payable and accrued liabilities	32,144	33,020
Salaries payable	78,914	65,801
Deductions at source	33,066	24,869
	<u>144,124</u>	<u>123,690</u>

Government remittances (other than income taxes) total 33,066 \$ as at March 31, 2025 (24,869 \$ as at March 31, 2024).

7 - DEFERRED CONTRIBUTIONS

	<u>2025</u>	<u>2024</u>
	Total	Total
	\$	\$
Balance, beginning of year	51,200	88,962
Amount received during the year	8,990	237,490
Amount recognized in operations	(59,690)	(275,252)
Balance, end of year	<u>500</u>	<u>51,200</u>

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating expenses for the coming year.

Ottawa Chinese Community Service Centre

Notes to Financial Statements

March 31, 2025

8 - FINANCIAL RISKS

Credit risk

The Centre is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Centre has determined that the financial assets with more credit risk exposure are contributions receivable, since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Centre.

Market risk

The Centre's financial instruments expose it to market risk, in particular, interest rate risk resulting from its investing activities.

Interest rate risk

The Centre is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The investments bear interest at a fixed rate and the Centre is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Liquidity risk

The Centre's liquidity risk represents the risk that the Centre could encounter difficulty in meeting obligations associated with its financial liabilities. The Centre is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

9 - COMMITMENT

The Centre has entered into a long-term lease agreement for the rental of office space expiring in August 2026, which call for minimum lease payments of \$257,006.

Minimum lease payments for the next two years are \$181,416 in 2026 and \$75,590 in 2027.

10 - INTERNALLY RESTRICTED RESERVE FUND

During the year ended March 31, 2025, the Board of Directors approved a policy to establish a Reserve Fund. The purpose of the Reserve Fund is to support website redevelopment, employee performance and retention initiatives, anniversary activities, and contingency requirements such as funding shortfalls or emergencies.

As at March 31, 2025, the Board designated \$292,144 (2024 – nil) of unrestricted net assets as internally restricted for this purpose. These funds are included in long-term investments. Withdrawals from the Reserve Fund require Board approval and are subject to review by the Finance Committee.