

DOMESTIC ABUSE SERVICES OXFORD
Financial Statements
For the Year Ended March 31, 2023

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Independent Auditor's Report

To the Board of Directors of DOMESTIC ABUSE SERVICES OXFORD

Qualified Opinion

We have audited the accompanying financial statements of DOMESTIC ABUSE SERVICES OXFORD (the Organization), which comprise the consolidated balance sheet as at March 31, 2023, statement of changes in fund balances and the statements of revenue and expenditure and consolidated 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 matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of DOMESTIC ABUSE SERVICES OXFORD as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with basis of accounting described in Note 1.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, 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 donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2023, current assets as at March 31, 2023, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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 audit opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 in these financial statements, which describes the basis of accounting. The financial statements are prepared to assist DOMESTIC ABUSE SERVICES OXFORD to comply with the reporting provisions of the agreement between the Organization and the Ministry of Community and Social Services (the "Ministry"). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors of the Organization and the Ministry and should not be used by parties other than the Board of Directors of the Organization or the Ministry.

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 basis of accounting described in note 1, the summary of significant accounting policies, 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.

Chartered Professional Accountants, Licensed Public Accountants

Woodstock, Ontario
May 29, 2023

DOMESTIC ABUSE SERVICES OXFORD
Consolidated Balance Sheet

March 31	2023	Restated (Note 2) 2022
Assets		
Current		
Cash	\$ 683,490	\$ 353,952
Temporary investments (Note 3)	999,250	978,897
Accounts receivable	17,658	17,113
	1,700,398	1,349,962
Capital Assets (Note 4)	609,786	650,055
	\$ 2,310,184	\$ 2,000,017
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 58,257	\$ 70,247
Deferred revenue	679,634	587,611
Current portion of long-term debt (Note 7)	39,404	38,730
	777,295	696,588
Long-term debt (Note 7)	101,566	140,971
	878,861	837,559
Fund balances		
Externally restricted (Note 9)	113,342	106,488
Internally restricted (Note 9)	1,153,057	1,133,138
Unrestricted	164,924	(77,168)
	1,431,323	1,162,458
	\$ 2,310,184	\$ 2,000,017

On behalf of the Board:

_____ Director

_____ Director

DOMESTIC ABUSE SERVICES OXFORD
Statement of Changes in Fund Balances

For the year ended March 31	Operating Fund	Contingency Fund	Capital Reserve Fund	2023	Restated (Note 2) 2022
Balance, at beginning of year, as previously stated	\$ (21,400)	\$ 1,133,138	\$ 106,488	\$ 1,218,226	\$1,045,193
Restatement of prior period (Note 2)	(55,768)	-	-	(55,768)	(57,667)
Balance, beginning of the year, restated	(77,168)	1,133,138	106,488	1,162,458	987,526
Operations					
Excess of revenues over expenses	242,092	19,919	6,854	268,865	174,932
Balance at end of year	\$ 164,924	\$ 1,153,057	\$ 113,342	\$1,431,323	\$1,162,458

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

DOMESTIC ABUSE SERVICES OXFORD
Statement of Revenue and Expenditure

2023

Restated
(Note 2)
2022

For the year ended March 31	Operating					Contingency Fund	Capital Reserve Fund	Total
	MCCSS Housing	MCCSS Other	MOH Health	Other	Total Operating			
Revenue (Schedule)	\$ 118,481	\$ 970,074	\$ 13,372	\$ 500,424	\$ 1,602,351	\$ 19,919	\$ 434	\$ 1,562,879
Expenses								
Advertising	-	11,654	-	-	11,654	-	-	13,074
Amortization	38,730	-	-	43,316	82,046	-	-	74,925
Capital expenditures	-	2,594	-	-	2,594	-	-	674
Computer maintenance	-	31,927	-	-	31,927	-	-	26,279
Counselling	-	40,497	-	-	40,497	-	-	40,232
Employee benefits	-	79,433	-	-	79,433	-	-	88,886
Fundraising	-	1,965	-	-	1,965	-	-	-
Groceries and household supplies	-	56,281	600	-	56,881	-	-	46,598
Insurance	4,500	5,733	-	-	10,233	-	-	9,187
Mortgage interest	2,536	-	-	-	2,536	-	-	3,390
Office	-	13,720	820	-	14,540	-	-	11,974
Professional fees	3,000	63,574	-	20,014	86,588	-	-	81,969
Rent	-	2,276	-	-	2,276	-	-	-
Repairs and maintenance (Note 8)	63,274	-	-	-	63,274	-	-	69,762
Telephone	-	14,329	-	-	14,329	-	-	15,233
Training	-	3,639	-	-	3,639	-	-	8,576
Travel/resident travel	-	8,494	-	-	8,494	-	-	2,130
Utilities	13,771	-	-	-	13,771	-	-	12,370
Wages	1,500	796,162	29,500	-	827,162	-	-	882,688
Transfer to reserve fund (Note 9)	6,420	-	-	-	6,420	-	(6,420)	-
	133,731	1,132,278	30,920	63,330	1,360,259	-	(6,420)	1,387,947
Excess of revenues over expenses (expenses over revenue)	\$ (15,250)	\$ (162,204)	\$ (17,548)	\$ 437,094	\$ 242,092	\$ 19,919	\$ 6,854	\$ 174,932

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

DOMESTIC ABUSE SERVICES OXFORD
Consolidated Statement of Cash Flows

For the year ended March 31	2023	Restated (Note 2) 2022
Cash flows from operating activities		
Excess of revenues over expenses	\$ 268,865	\$ 174,932
Items not affecting cash:		
Amortization of capital assets	82,046	74,925
	350,911	249,857
Changes in non-cash working capital:		
Accounts receivable	(545)	8,434
Accounts payable and accrued liabilities	(11,991)	(32,969)
Deferred revenue	92,023	(146,466)
	430,398	78,856
Cash flows from investing activities		
Purchase of capital assets	(41,777)	(12,552)
Cash flows from financing activities		
Repayment of long-term debt	(38,730)	(38,078)
Net increase in cash and cash equivalents	349,891	28,226
Cash and cash equivalents, beginning of the year	1,332,849	1,304,623
Cash and cash equivalents, end of the year	\$ 1,682,740	\$ 1,332,849
Represented by:		
Cash	\$ 683,490	\$ 353,952
Investments	999,250	978,897
	\$ 1,682,740	\$ 1,332,849

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

DOMESTIC ABUSE SERVICES OXFORD

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization DOMESTIC ABUSE SERVICES OXFORD (the "organization") provides shelter and support for women and their children who are impacted by domestic abuse and/or homelessness.

The organization is incorporated, without share capital, in the Province of Ontario, as a non-profit organization and is a registered charity under the Income Tax Act.

Basis of Accounting These financial statements have been prepared to comply with the reporting provisions of the agreement between the Organization and the Ministry of Children, Community and Social Services. The basis of accounting materially differs from Canadian accounting standards for not-for-profit organizations because:

(a) amortization is not provided on buildings purchased from loans over the estimated useful life of the asset but rather at a rate equal to the annual reduction of the mortgage.

(b) capital assets purchased for less than \$5,000 from accumulated surplus are charged to operations in the year the expenditure is incurred.

(c) capital assets purchased from the capital repair and building reserve fund are charged against the reserve account.

(d) a reserve for future capital replacement is appropriated annually from operations.

(e) prepaid expenses are recorded as an expense when incurred.

DOMESTIC ABUSE SERVICES OXFORD

Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Fund Accounting The organization follows the restricted fund method of accounting for contributions. For financial reporting purposes, the funds have been classified as follows:

The Operating Fund accounts for the organization's program and administration activities.

The Reserve Funds reports assets, liabilities, revenues and expenses of restricted resources:

The Contingency Fund has monies set aside by the Board of Directors to ensure the continuation of programs in the event of loss of funding support.

The Capital Repairs and Building Reserve Fund is funded solely by the Ministry of Children, Community and Social Services to cover future capital costs and significant repairs.

Basis of Consolidation The balance sheet and the statement of cash flows of the operating fund and reserve fund have been presented on a consolidated basis. The revenues and expenditures of the operating fund and reserve fund have not been consolidated and are reported separately.

Revenue Recognition Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from government grants is recognized over the period for which the grant was given.

DOMESTIC ABUSE SERVICES OXFORD Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Capital Assets and Amortization	<p>Land and building are recognized in these statements only to the extent that they have been financed through long-term debt. The net book value of land and buildings represents the outstanding principal portion of unmatured long-term liabilities.</p> <p>Amortization is recorded in an amount equal to the annual principal reduction of long-term liabilities.</p> <p>Building renovations are being amortized on a straight-line basis over twenty years.</p> <p>Capital asset additions purchased for less than \$5,000 out of current revenue are expensed in the year of acquisition.</p>
Financial Instruments	<p>Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the assets could be impaired.</p>
Donated Goods	<p>It is the policy of the organization to recognize, for accounting purposes, the fair market value of goods donated for which charitable receipts were issued. During the year, the total recognized was \$ 5,961 (2022 - \$57).</p>
Use of Estimates	<p>The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>

DOMESTIC ABUSE SERVICES OXFORD
Notes to Financial Statements

March 31, 2023

2. Prior Period Adjustment

During the current year, the Organization determined that grant revenue previously identified as unrestricted had restrictions on how the funds were to be spent and the Organization had until September 2023 to spend the funds on the specified expenses. As a result, deferred revenue for March 2021 and 2022 were understated, grant revenue for the year ended March 2021 was overstated and grant revenue for the year ended March 2022 was understated. The result of this correction to the prior year is as follows:

	2022	2021
Decrease in revenue (2021)	\$ (57,667)	\$ (57,667)
Increase in revenue (2022)	1,899	-
	<u>\$ (55,768)</u>	<u>\$ (57,667)</u>
Decrease in unrestricted fund balance, beginning of the year	\$ (55,768)	\$ (57,667)
	<u>\$ 55,768</u>	<u>\$ 57,667</u>
Increase in deferred revenue	\$ 55,768	\$ 57,667

3. Investments

	2023		
	Cost	FMV	Carrying Value
GICs	\$ 968,996	\$ 968,996	\$ 968,996
Mutual funds and cash	30,254	30,254	30,254
	<u>\$ 999,250</u>	<u>\$ 999,250</u>	<u>\$ 999,250</u>
	2022		
	Cost	FMV	Carrying Value
GICs	\$ 949,512	\$ 949,512	\$ 949,512
Mutual funds and cash	29,385	29,385	29,385
	<u>\$ 978,897</u>	<u>\$ 978,897</u>	<u>\$ 978,897</u>

DOMESTIC ABUSE SERVICES OXFORD Notes to Financial Statements

March 31, 2023

3. Investments (continued)

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data.

4. Capital Assets

	Land & Buildings	Building Renovations	2023	2022
Balance at beginning of year	\$ 179,700	\$ 470,355	\$ 650,055	\$ 712,428
Additions	-	41,777	41,777	12,552
Amortization	(38,730)	(43,316)	(82,046)	(74,925)
Balance at end of year	<u>\$ 140,970</u>	<u>\$ 468,816</u>	<u>\$ 609,786</u>	<u>\$ 650,055</u>

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$23,545 (2022 - \$37,711).

6. Forgivable Loan

In 2012, the organization entered into a forgivable loan agreement with the Canada Mortgage and Housing Corporation. The loan funds were used for renovations to the shelter. The maximum loan available was \$504,000 which was fully advanced to the organization. The loan was forgiven effective July 1, 2013.

The forgiven amount has been included in deferred revenue and is being amortized on the same basis as the renovations.

DOMESTIC ABUSE SERVICES OXFORD
Notes to Financial Statements

March 31, 2023

7. Long-term Debt

	2023	2022
1.725% - Scotiabank- mortgage on land and building, due September 2026, repayable in monthly instalments of \$3,460 principal and interest	\$ 140,970	\$ 179,701
Less: current portion	(39,404)	(38,730)
	\$ 101,566	\$ 140,971

Scheduled principal repayments on long-term debt over the next four years and thereafter are as follows:

2024	39,404
2025	40,089
2026	40,786
2027	20,691
	\$ 140,970

8. Repairs and Maintenance

The repairs and maintenance expenditures charged to the Ministry of Children, Community and Social Services Housing funding is comprised of the following:

	2023	2022
Building general	\$ 11,601	\$ 16,111
Elevator	1,831	1,781
Electrical systems	1,141	1,651
Grounds	14,219	12,850
Heating and plumbing	1,467	1,013
Maintenance and cleaning	24,778	21,829
Security	3,391	6,695
Waste removal	4,340	7,084
Cable	506	748
	\$ 63,274	\$ 69,762

DOMESTIC ABUSE SERVICES OXFORD Notes to Financial Statements

March 31, 2023

9. Inter-Fund Transfers

A portion of the Ministry of Children, Community and Social Services Housing grant is required to be transferred to the Capital Repair and Building Reserve Fund each year to maintain the fund. During the year, the amount transferred was \$6,420 per Ministry budget.

The Operating Fund finances all capital costs not specifically financed by the other funds.

10. Pension Plan

The organization has a defined contribution pension plan. The pension expense for the year was \$9,575 (2022 - \$10,477).

11. Economic Dependence

The organization received 83% of its stated revenue for the year ended March 31, 2023 (2022 - 88%) from government funding.

12. Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset at all. Liquidity risk arises from accounts payable, accrued liabilities and long-term debt.

There have been no changes to this risk or the organization's exposure to it from the previous year.

DOMESTIC ABUSE SERVICES OXFORD
Schedule of Revenue

	2023					Restated (Note 2) 2022		
For the year ended March 31	Operating				Total Operating	Contingency Fund	Capital Reserve Fund	Total
	MCCSS Housing	MCCSS Other	MOH Health	Other				
Revenue								
Donations	\$ -	\$ -	\$ -	\$ 253,441	\$ 253,441	\$ -	\$ -	\$ 185,640
Grants	118,481	970,074	13,372	76,733	1,178,660	-	-	1,140,449
Oxford County	-	-	-	170,250	170,250	-	-	230,649
Interest income	-	-	-	-	-	19,919	434	6,141
	\$ 118,481	\$ 970,074	\$ 13,372	\$ 500,424	\$ 1,602,351	\$ 19,919	\$ 434	\$ 1,562,879

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