



**ANNUAL REPORT  
FOR THE YEAR 2018**

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*Together,  
we provide help for today  
and hope for tomorrow.*

# THE COMPASS

## MISSION, VISION & GOALS

### OUR MEMBER AND SUPPORTING CHURCHES

**OUR MISSION:** Together, we provide help for today and hope for tomorrow.

**OUR VISION:** As a Christian community-based volunteer organization, we will serve all persons in our South Mississauga area to meet immediate needs for nutritious food, encourage the enhancement of life skills, and foster a caring community.

**OUR GOALS:**

1. To provide nutritious food choices for those in need.
2. To provide a variety of programs that encourage the enhancement of life skills.
3. To provide assistance in navigating necessary community and health services and supports.
4. To provide a community that offers emotional support, a caring person to listen and a safe place to visit, while honouring the dignity of all.
5. To build a community that offers spiritual support for clients, volunteers and staff.
6. To raise awareness in our churches and the broader community for those in need.
7. To secure sufficient resources (volunteers, staff, facilities and funding) to achieve our mission and vision, and to be good stewards of all of the resources entrusted to us.

#### MEMBER CHURCHES

Clarkson Community Church	Christ First United Church
St. Christopher’s Catholic Church	Lorne Park Baptist Church
St. Stephen’s-On-the-Hill United Church	Church of St. Bride Anglican
ClearView Christian Reformed Church	St. Mary Queen of the Sea Catholic Church
Clarkson Road Presbyterian Church	St. Dominic’s Catholic Church
Sheridan United Church	St. Andrew’s Memorial Presbyterian Church
Trinity-St. Paul’s Anglican Church	WestEdge Community Church

#### SUPPORTING CHURCHES

Cawthra Park United Church	Church of St. Mark - Lutheran
Park Royal Bible Church	

## CHAIR'S REPORT

### Walking Together

By any measure, 2018 was a busy year at The Compass. We continued to operate the food bank and run programs, and we took on new work.

Thanks to the work of Earl Driver and Pat Cullen in 2018, we created new office space for confidential client meetings and improved efficiency; we increased the size of the market to reduce waiting times; and, we reconfigured the common area to accommodate programs and seating for people waiting or socializing.

In December 2018, Natalie Poole-Moffatt and her husband, Sean, two new Compass volunteers, launched a movie night held every second Saturday. Rick Penton and his team re-started the Refresh program every Saturday morning. More than 10 other existing programs continued operations during 2018.

The graphs in the annual report show that the number of households served increased 5% over 2017, the weight of food distributed increased by 14% and the number of shopping trips increased by 11%. It is safe to predict that increase in use of the foodbank in 2018 will continue in 2019. Thanks to Karen Sears and dedicated volunteers, The Compass received, sorted, shelved and distributed over 444,000 lbs of food to people in south Mississauga.

During 2018, there were more than 14,400 visits by households needing food, compared to slightly less than 13,000 in 2017. As our Volunteer Manager, Sheryl Darlington ensured we had trained volunteers to greet, serve and help clients shop in the market for each of those 14,400 visits.

The Lakeshore Corridor Community Team (LCCT) provided funding for us to send 40 children to local camps last summer. The LCCT's generous financial support allowed many more children to benefit from the camp experience than possible in prior years.

Thanks to the efforts of Brian McGoey and team, the "Walk for The Compass", our signature fundraising event, was the most successful ever. This assisted with the provision of much needed funds to help address the need driven by increased demand.

At the end of 2018 we were forced to confront homelessness. Although the problem is not new, the increase in the number of people without safe, affordable and warm places to live was alarming. They looked to The Compass for help. We distributed winter coats and boots, provided winter survival tools and in 2019 three of our churches opened their doors and provided warm and safe places to sleep when temperatures dipped to minus 15 C.

This March, a report showed that the average rent for available one-bedroom apartments in Mississauga is \$1922, making them the most expensive in Canada after Toronto. When people are displaced from their homes, renting an apartment or room at current market rents is beyond the reach of too many people. Even if it was possible to pay the excessive rents, a vacancy rate less than

one percent means apartments are very difficult to find. Affordable housing is a problem we hear about every day at The Compass.

Redevelopment, rent increases, illness and family stress are some reasons why people find themselves without a place to live. There is a direct correlation between increased housing costs and the increase in Compass traffic and the increase in homelessness. It is our fear that the problem we saw this year will be worse next winter. We supplemented our Advocacy team so the voice of the vulnerable in our community will be heard. The Compass is also considering ways helping people who will be homeless next winter.

In 2018, three Compass volunteers received special recognition for their incredible work. Karen Sears received the Rotary Paul Harris Award, the highest Rotary award, for her work at The Compass. Lorene Cullen and Wendy Wilkie-Adams (Wilkie) were recipients of MP Sven Spengemann's Community Leadership Award. The award recognized Lorene's role in the early formation of The Compass and her ongoing work as a volunteer. Wilkie's award recognized her volunteer time preparing thousands of cooked meals for Compass programs, dinners and the homeless. Karen, Lorene and Wilkie are examples of our 200-plus volunteers who devote time, provide enthusiasm, offer encouragement to clients and spend countless unpaid hours helping the community and people working to make ends meet.

Trish, our Market Manager, has the challenging job of making everything work. Her typical day can range from unloading a truck to comforting someone who is upset. We are indebted to Trish for making The Compass the success it was in 2018.

The Chair's job is made much easier with smart, hardworking and selfless people on the board and we have many of them. It is an honour to serve alongside The Compass directors. Andrea Wainwright (St. Andrew's Presbyterian Church), Fred Lawlor (St. Mary's Roman Catholic Church) and Joanne Quennell (First United Church) are stepping down from The Compass board. Their help and encouragement will be missed.

Many things happen at The Compass. Food is provided, friendships are made, community is formed, encouragement is received, and problems are addressed. The Compass is the outreach program of 17 churches in south Mississauga committed to demonstrating God's love to our disadvantaged neighbours. We are thankful for their support and the wonderful backing by the communities and organizations of Port Credit and Clarkson. Walking together with churches, partners, communities, businesses, volunteers and clients makes The Compass possible.

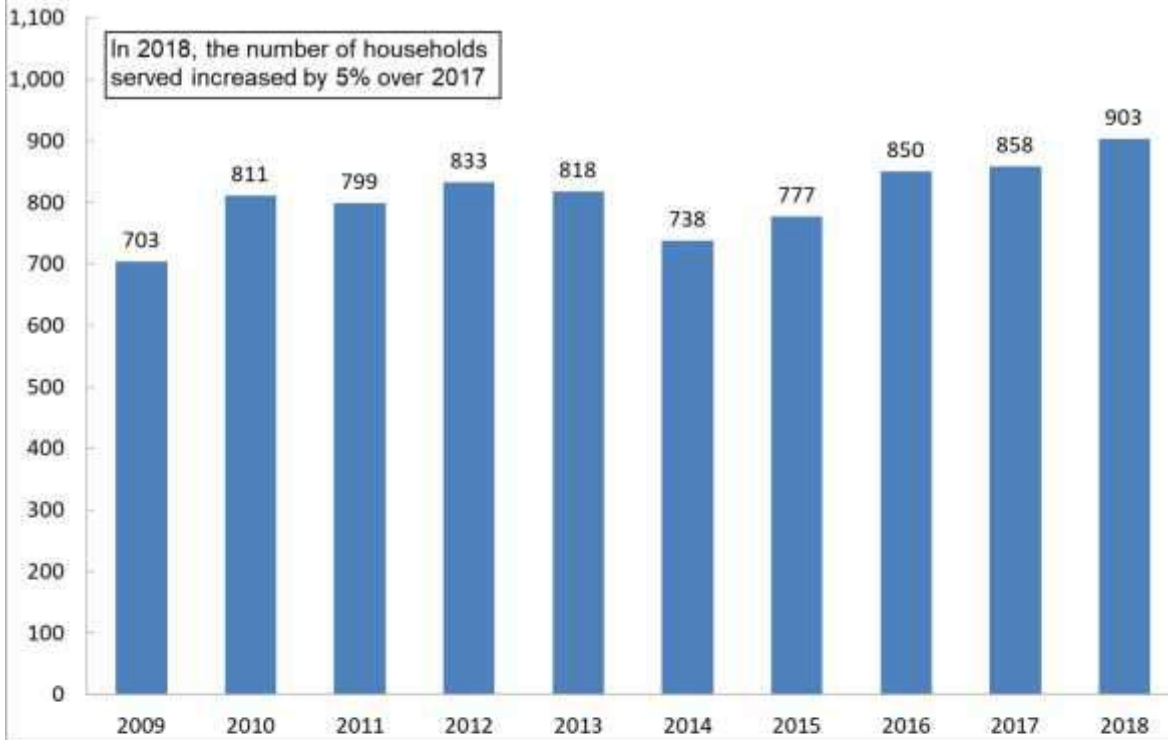
David McKeown  
Chair of the Board  
April 2019

## THE COMPASS BY THE NUMBERS

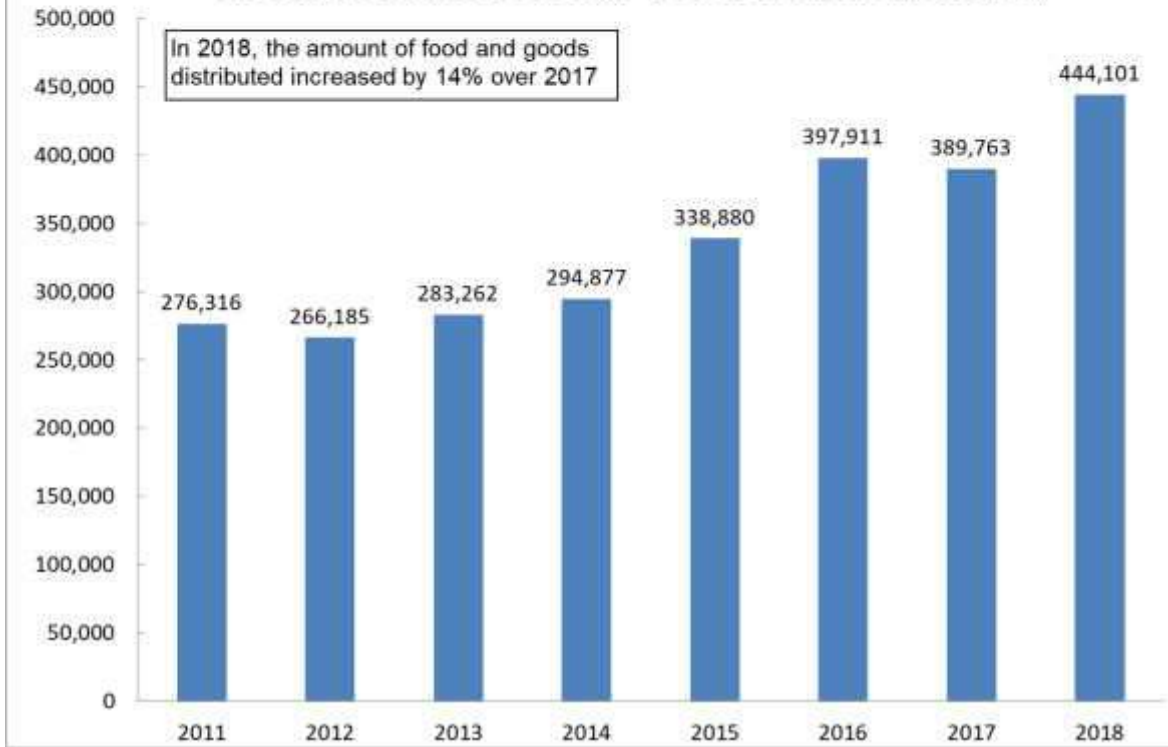
- ) The Compass Market program was open for 147 days in 2018 and we distributed 222 tons of food/goods during the year.
- ) The volume of food/goods we provide through The Compass Market program, while important, is not as important as the contacts we have with our clients, whether it is shopping with our clients (14,433 trips), renewing their vouchers or meeting new clients to find out their needs and enroll them at The Compass.
- ) In addition to The Compass Market program, our variety of other programs provide us with an opportunity to assist our clients and build stronger relationships, as well as providing our clients with an opportunity to socialize and interact with each other. These programs include:
  - o Tuesday Lunch and Thursday Coffee Time (Breakfast) programs
  - o Summer BBQs and Special occasion dinners (Easter, Thanksgiving, Christmas)
  - o Good Food Box
  - o ESL and literacy classes
  - o Refresh program
  - o Women's group
  - o Income tax clinic
  - o Cooking classes
  - o Computer classes
  - o Men's group
  - o Foot care
  - o Haircuts
- ) We also provide our clients with access to an Employment coordinator, as well as representatives from Ontario Works, Supportive Housing in Peel (SHIP) and Peel Addiction Assessment & Referral Centre (PAARC).
- ) Based on The Compass Market program, in 2018:
  - o We served 1,952 different individuals from 903 client households (individuals and families).
  - o 29% of these individuals were children (under 18), while 9% were seniors (65+).
  - o For those households reporting dietary considerations: 12% identified as diabetic, 3% as Halal, 7% with milk allergies, 2% with peanut allergies, and 3% with seafood allergy (fish, crustaceans or shellfish).
  - o For those households disclosing their housing status: 76% of our client households live in private rental housing, 6% report living with family/friends, 7% live in social housing, 4% own their own home and 3% report living either on the street or in emergency shelter.
  - o Primary sources of income for our client households was: 30% from social assistance (Ontario Works), 24% from provincial disability plan (ODSP), 12% from employment income (full or part-time), 12% from pension (CPP, OAS or private pension), and 9% reported no income.
- ) All of this important work serving our community is accomplished through the diligent work of our Market Manager and Volunteer Manager, and an army of over 200 dedicated volunteers.

lakeshore community outreach centre

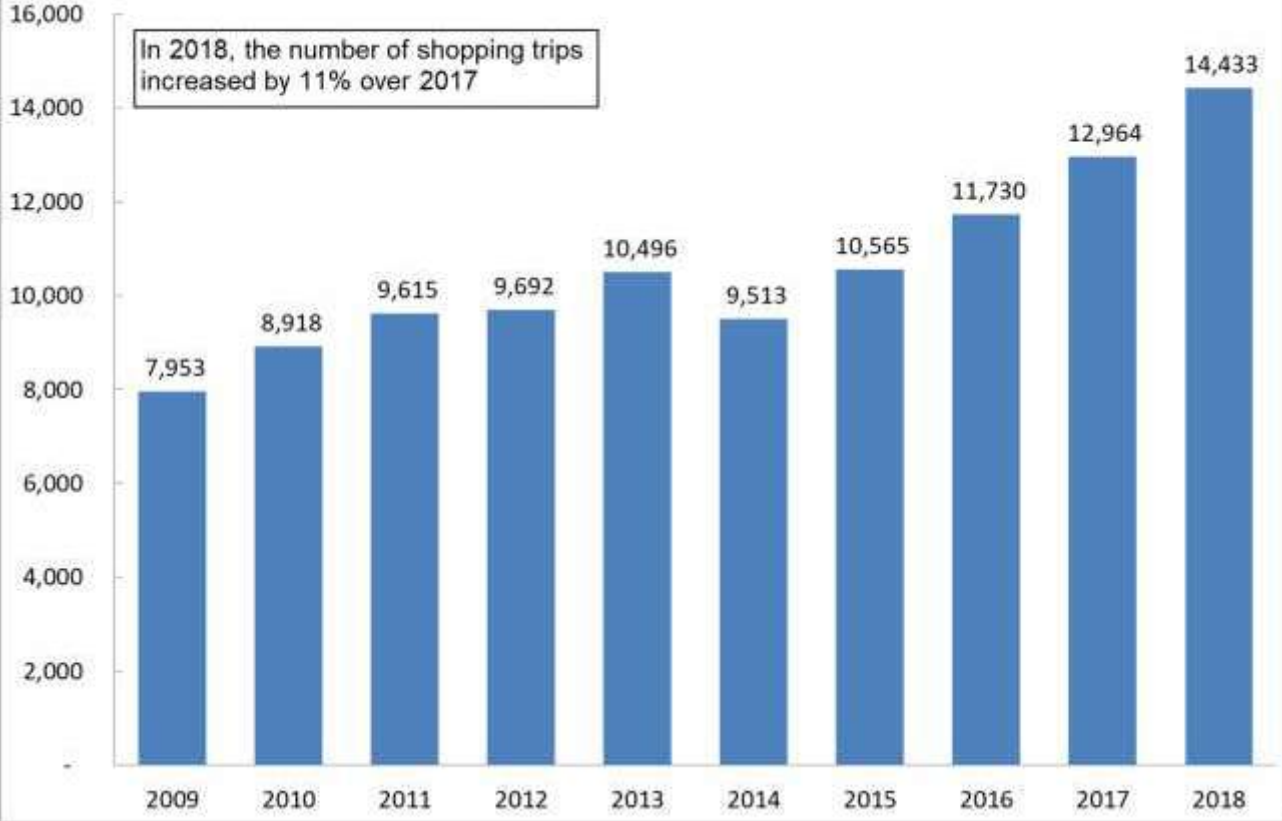
**The Compass Market Food Bank - No. of Unique Households Served**



**The Compass Market Food Bank - Food & Goods Distributed (lbs)**



### The Compass Market Food Bank - Shopping Trips



lakeshore community outreach centre

## TREASURER'S REPORT

### THE COMPASS' FINANCIAL PICTURE A review of 2018 by the Board of Directors

The "Operating Results" on the following page summarizes the financial situation of The Compass for 2018 compared to 2017, and 2019 budget expectations. The Auditor's Report as provided by HVGP accompanies the operating results. The audited financial statements include the Statement of Operations, Balance Sheet, and Statement of Cash Flows and Statement of Changes in Fixed Assets.

The Compass responds to the identified needs of our clients, offering a diverse range of programs along with our Food Bank. In our Market, we continue to provide protein options such as chicken, fish and ground pork. Providing fresh milk, eggs, apples, potatoes, onions and carrots are important staples that are always offered.

We are truly blessed to have strong support from the churches, area businesses, individuals and the local community, which enables us to continue to provide a variety of programs and product offerings to our clients. Total revenues reached \$485,900 which is \$77,900 above 2017 and \$118,200 above our budget. In 2018 we were grateful to receive a \$15,000 grant from the Region of Peel Public Health as part of their Healthy Living Supports Program. We were overwhelmed by the growth in donations from our supporters, including individuals, local organizations and businesses. Our fund-raising results also improved substantially in 2018, including more than \$30,000 raised by The Walk.

Our operating expenditures in 2018 were \$395,300, an increase of \$50,400 over 2017. We were able to increase the amount we spent on food and supplies for our clients, as well as increases in the programs we provide for our clients.

Our strong revenues in 2018 led to an operating surplus of \$90,500. This surplus helped to fund a significant portion of the \$127,400 we spent to complete significant renovations at The Compass. We added new space for offices, and relocated the market area to the west side of the building. The improved market layout provides wider aisles and more space to display healthy food options. After capital expenditures, our net deficiency for 2018 was \$38,700, which was offset by our cumulative operating fund reserves.

#### **2019 budget**

We are forecasting our revenues at \$450,100, reflecting continued strong donation and fund-raising revenues. We expect to increase our spending in 2019 on food and supplies for the market and client programs and services by \$28,900 over 2018, an increase of 19%. We hope that this increase will help us meet the growing needs of our clients in 2019. Other operating expenses are expected to increase moderately from 2018. After anticipated capital expenditures of \$29,500, we anticipate a small deficiency of \$10,500 in 2019, which is well within our capacity to absorb.



**LAKESHORE COMMUNITY OUTREACH CENTRE INC.**  
operating as THE COMPASS

**OPERATING RESULTS**

For the years ending December 31

	2017	2018		2019
	Actual	Budget	Actual	Budget
<b>Operating revenues</b>				
Contributions by supporting churches	\$ 104,832	\$ 100,000	\$ 98,487	\$ 90,000
Donations from individuals and organizations	238,870	204,000	282,726	267,000
Proceeds from fund-raising events	55,182	59,800	81,555	85,000
Grants	5,326	-	19,082	-
Property tax rebates, interest and other	3,818	3,900	4,022	8,100
	<u>408,028</u>	<u>367,700</u>	<u>485,872</u>	<u>450,100</u>
<b>Operating expenditures</b>				
Food and supplies for clients	108,650	108,500	119,452	129,000
Bus tickets for clients	9,159	9,500	9,920	11,000
Women's program	1,819	2,750	4,075	2,750
Men's program	4,009	2,750	5,865	5,000
Good Food Boxes	2,417	3,000	1,135	1,500
Other client programs	5,918	16,900	10,634	30,700
Publicity and fundraising	2,596	3,000	11,260	3,000
Administration: office, training, miscellaneous	14,080	14,650	27,319	25,250
Professional fees: audit	3,314	2,900	2,900	3,300
Occupancy: rent, cleaning, utilities, insurance	95,595	112,000	104,258	110,000
Alterations, equipment and furnishings	14	-	-	-
Staff members' compensation and benefits	97,406	112,169	98,528	109,617
<b>Total</b>	<u>344,977</u>	<u>388,119</u>	<u>395,346</u>	<u>431,117</u>
<b>Excess of operating revenues over expenditures, or (deficit)</b>	<u>63,051</u>	<u>(20,419)</u>	<u>90,526</u>	<u>18,983</u>
<b>Capital asset expenditures</b>				
Capital asset expense	11,999	2,000	1,900	17,000
Building improvements	2,942	-	127,368	12,500
	<u>(14,941)</u>	<u>(2,000)</u>	<u>(129,268)</u>	<u>(29,500)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 48,110</u>	<u>\$ (22,419)</u>	<u>\$ (38,742)</u>	<u>\$ (10,517)</u>

**LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)**

Financial Statements  
December 31, 2018

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**INDEPENDENT AUDITORS' REPORT**

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To the Members of Lakeshore Community Outreach Centre Inc.:

Report on the Audit of the Financial Statements

**Qualified Opinion**

We have audited the financial statements of Lakeshore Community Outreach Centre Inc. ("the Organization"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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 (ASNPO).

**Basis for Qualified Opinion**

In common with many charitable organizations, Lakeshore Community Outreach Centre Inc. derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of Lakeshore Community Outreach Centre Inc. and we were not able to determine whether any adjustments might be necessary for recorded donations or fundraising revenues, the excess of revenues over expenditures, cash flows from operating activities for the years ended December 31, 2018 and December 31, 2017, current assets as at December 31, 2018 and December 31, 2017 and net assets as at January 1 and December 31 for 2017 and 2018. Consequently we expressed a qualified audit opinion on the financial statements for the year ended December 31, 2018, because of the possible effect of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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.

### **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 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 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.

### **Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Huffe Valwan Gora Piepp LLP

Chartered Professional Accountants  
Licensed Public Accountants



Mississauga, Ontario  
March 11, 2019

**LAKESHORE COMMUNITY OUTREACH CENTRE INC.**

BALANCE SHEET  
December 31, 2018

	Notes	2018	2017
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		\$ 195,304	\$ 238,443
Guaranteed investment certificates	2	50,000	50,000
Harmonized sales tax rebate		12,527	14,421
Advances and deposits		12,447	11,038
		\$ 270,278	\$ 313,902
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities		\$ 4,409	\$ 4,291
Deferred revenue		-	5,000
		4,409	9,291
COMMITMENTS	6		
<b>NET ASSETS</b>			
Operating fund		144,724	183,466
Internally restricted fund		121,145	121,145
		265,869	304,611
		\$ 270,278	\$ 313,902

Approved by the Board:

 Director  
 Director

**LAKESHORE COMMUNITY OUTREACH CENTRE INC.**

STATEMENT OF CHANGES IN NET ASSETS  
For the year ended ended December 31, 2018

	Operating fund	Internally restricted fund	Total 2018	Total 2017
BALANCE, beginning of year	\$ 183,466	\$ 121,145	\$ 304,611	\$ 256,501
(Deficiency) Excess of revenue over expenditures	(38,742)	-	(38,742)	48,110
BALANCE, end of year	\$ 144,724	\$ 121,145	\$ 265,869	\$ 304,611

## LAKESHORE COMMUNITY OUTREACH CENTRE INC.

### STATEMENT OF OPERATIONS

For the year ended December 31, 2018

	Notes	2018	2017
<b>REVENUE</b>			
Donations from individuals and organizations	3	\$ 282,726	\$ 238,870
Contributions by supporting churches		98,487	104,832
Fund-raising events		81,555	55,182
Grants	4	19,082	5,326
Property tax rebates and other		3,622	3,443
Investment income		400	375
		<u>485,872</u>	<u>408,028</u>
<b>EXPENDITURES</b>			
Food and supplies for clients		119,452	108,650
Occupancy		104,258	95,595
Staff compensation and benefits		98,528	97,406
Administration		27,319	14,080
Other client programs		11,769	8,335
Women & men's programs		9,940	5,828
Bus tickets for clients		9,920	9,159
Fundraising expenses		7,933	1,944
Publicity		3,327	652
Professional fees		2,900	3,314
Alterations, equipment and furnishings		-	14
		<u>395,346</u>	<u>344,977</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES BEFORE UNDERNOTED ITEMS</b>		90,526	63,051
<b>CAPITAL ASSET EXPENDITURES</b>			
Capital asset expense	5	1,900	2,942
Building improvements	5	127,368	11,999
		<u>(129,268)</u>	<u>(14,941)</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>		\$ (38,742)	\$ 48,110

See accompanying notes



**LAKESHORE COMMUNITY OUTREACH CENTRE INC.**

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ (38,742)	\$ 48,110
Net change in non-cash working capital items:		
Accounts receivable, net of allowance	1,894	(4,717)
Accounts payable and accrued liabilities	118	(1,528)
Advances and deposits	(1,409)	(3,566)
Deferred revenue	(5,000)	5,000
Deposits	-	3,424
	(43,139)	46,723
<b>(DECREASE) INCREASE IN CASH</b>	(43,139)	46,723
<b>CASH, beginning of year</b>	238,443	191,720
<b>CASH, end of year</b>	\$ 195,304	\$ 238,443

See accompanying notes

# LAKESHORE COMMUNITY OUTREACH CENTRE INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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### **DESCRIPTION OF BUSINESS**

Lakeshore Community Outreach Centre Inc., is a not-for-profit organization (hereinafter, "the Organization") incorporated without share capital under the Ontario corporations act. The Organization is a registered charitable organization under the Income Tax Act and is exempt from income taxes.

The mission of the Organization is to help people in southern Mississauga who are experiencing economic, social or emotional challenges. The Organization assists in the relief of poverty by providing food and other basic supplies to persons in need, conducts varied programs for them and serves as a venue for fellowship, encouragement and support.

### **1 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and include the following significant accounting policies:

#### **Use of estimates**

The preparation of the Organization's 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the period they become known. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

# LAKESHORE COMMUNITY OUTREACH CENTRE INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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### 1 **SIGNIFICANT ACCOUNTING POLICIES continued** **Fund accounting**

The Organization follows the restricted fund method of accounting and the financial statements include the following funds:

#### Internally Restricted Fund

The board of directors have established an internally restricted fund as a contingency to sustain current services to clients and capital expenditures. Additions and expenditures from this internally restricted fund must be approved by the board of directors.

#### Unrestricted Operating Fund

The Unrestricted Operating Fund accounts for the Organizations general operations and activities. The fund reports unrestricted resources.

### **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 expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts in kind are recorded as revenue at their estimated fair value when distributed or used by the Organization.

Government grants pertinent to specific projects are recognized as revenue as the related project expenses are incurred.

### **Capital assets**

Capital assets are recorded as expenses in the year they are acquired.

### **Contributed services**

Volunteers contribute many hours each year in carrying out the Organization's activities. Accomplishing the Organization's objectives would not be possible without their dedication. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

# LAKESHORE COMMUNITY OUTREACH CENTRE INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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### 1 SIGNIFICANT ACCOUNTING POLICIES continued Measurement uncertainty

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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the period they become known. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

#### Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and harmonized sales tax rebate.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### 2 GUARANTEED INVESTMENT CERTIFICATES

Short term investments are comprised of cashable guaranteed investment certificates maturing December 2019, bearing interest rates of 0.80% to 0.85%. Market value approximates carrying value.

### 3 DONATIONS FROM INDIVIDUALS AND ORGANIZATIONS

Donations received are recorded as income over the period necessary to match them with the related cost, for which they intended to compensate, on a systematic basis. The total amount of donations received for the year \$282,726 (2017 - \$238,870), of this amount \$5,000 was received in relation to the renovation of the building improvements made during the year.

## LAKESHORE COMMUNITY OUTREACH CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2018

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### 4 GRANTS

Grants are recognized as income over the period necessary to match them with the related costs, for which they intended to compensate, on a systematic basis. The amount of grants received during the year was \$19,082 (2017 - \$5,326), of this amount \$15,000 related to the renovation of the building improvements made during the year.

### 5 CAPITAL ASSETS

The organization's capital assets consist of leasehold improvements, furniture and equipment and software. The capital assets expensed in the year were \$129,268 (2017 - \$14,941).

### 6 COMMITMENTS

The Organization is committed under an operating lease for leased premises in the following amounts:

2019	\$	85,992
2020		85,992
2021		64,494
	\$	236,478

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### 7 FINANCIAL INSTRUMENTS

#### Risks and concentrations

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assist users of financial statements in assessing the extent of risk related to financial instruments.

#### Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market.

## **LAKESHORE COMMUNITY OUTREACH CENTRE INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2018

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#### **7 FINANCIAL INSTRUMENTS continued**

##### **Interest rate risk**

The Organization is exposed to interest rate risk. Interest rate risk is the risk that the Organization has interest rate exposure on its guaranteed investment certificates. This exposure may have an effect on its earnings in future periods. The Organization reduces its exposure to interest rate risk by managing its guaranteed investment certificates to ensure funds are available when needed. The investment policy is primarily directed to reduce risk and interest earned is of secondary importance. In the opinion of management the interest rate risk exposure to the Organization low. The risk is unchanged from the prior year.