

SIDE BY SIDE FAMILY CENTRE

Financial Statements

December 31, 2021

Independent Auditors' Report

To the Directors of Side by Side Family Centre

We have audited the accompanying financial statements of Side by Side Family Centre, which comprise the balance sheet as at December 31, 2021, the statement of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Side by Side Family Centre as at December 31, 2021, and the results of its operation and funds balance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profits organizations, Side by Side Family Centre derives revenue from donations. The completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this amount was limited to the amount records in the organization's accounting records and we were not able to determine whether any adjustments might be necessary to the donations, excess of revenues over expenditures, current assets, and accumulated funds balance.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 these financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The financial statements for the year ended December 31, 2020 were not audited.

Hamilton, Ontario
(October 22, 2022)

D.O. Chartered Professional Accountants

A Okunade
Licensed Public Accountant

SIDE BY SIDE FAMILY CENTRE

Balance Sheet as at December 31, 2021

	2021	2020 (Unaudited)
ASSETS		
Cash & cash equivalents	\$ 126,733	15,753
Prepaid Expenses	<u>6,250</u>	-
	132,983	15,753
Capital Assets, net (Note 5)	<u>3,487</u>	-
	136,470	15,753
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	13,407	-
Government remittances payable	-	1,070
Deferred revenue (Note 4)	<u>74,800</u>	-
	88,207	1,070
NET ASSETS (LIABILITIES)	<u>48,263</u>	14,683
	<u>\$ 136,470</u>	<u>15,753</u>

On behalf of the board: _____ Director

_____ Director

SIDE BY SIDE FAMILY CENTRE**Statement of Operations and changes in net assets****For the year ended December 31, 2021**

REVENUES	2021	2020 (Unaudited)
Government Grant (note 4)	\$ 253,125	-
Donations	19,010	52,433
	<hr/> 272,135	<hr/> 52,433
 EXPENSES		
Salaries	158,408	18,988
Professional fees	20,735	-
Program expenses	10,728	16,544
Occupancy	9,952	-
Dues and subscription	5,107	105
Advertising	4,824	-
Amortization	872	-
General and Administrative	27,929	2,166
	<hr/> 238,555	<hr/> 37,803
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	33,580	14,630
 OPENING NET ASSET	14,683	53
 CLOSING NET ASSET	\$ 48,263	14,683

See accompanying Notes to Financial Statements

SIDE BY SIDE FAMILY CENTRE**Statement of Cash Flows for the year ended December 31, 2021**

	2021	2020 (Unaudited)
Cash generated (used in)		
Operating Activities		
Net income	\$ 33,580	14,630
Adjustment for items not involving cash:		
Amortization	872	
Impact on cash of changes in working capital items:		
Prepaid Expenses	(6,250)	-
Accounts payable and accrued liabilities	13,407	-
Government remittances payable	(1,070)	1,070
Deferred Income	74,800	-
	<hr/> 115,339	15,700
Investing Activities		
Purchase of capital Asset	(4,359)	-
	<hr/>	
Increase/Decrease in cash	110,980	15,700
Cash, beginning of the year	15,753	53
	<hr/>	
Cash, end of year	\$ 126,733	15,753
	<hr/>	

See accompanying Notes to Financial Statements

SIDE BY SIDE FAMILY CENTRE

Notes to Financial Statements

December 31, 2021

1. NATURE OF THE ORGANIZATION

Side by Side Family Centre (SBSFC) is a non-profit organization, established on February 06, 2019. SBSFC is a Durham-based organization that provides a space for members of the Black community, and other racialized and diverse groups to engage in programming that empowers their lives. The organization is exempt from paying tax under income tax legislation.

SBSFC is governed by volunteer board members that represent the diverse make-up of the Black-Canadian population, including parents/caregivers and working professionals.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in part III of the CPA Canada handbook and include the following significant policies.

Revenue recognition

SBSFC follows the deferral method of accounting for contributions. Revenues are recognized in the period the activity takes place and related expenses are incurred.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically, and adjustments are made to revenues and expenses as appropriate in the period they become known.

Financial instruments

SBSFC initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided annually at rates determined to charge the cost of the assets to operations over their estimated useful lives as follows:

Furniture and Fixture	20% rate
-----------------------	----------

Interest Rate Risk

Interest rate risk is the risk of potential loss caused by fluctuations in the fair value of future cash flow of financial instruments due to changes in market interest rates.

Credit Risk

Credit risk is the potential for loss should a counterparty in a transaction fail to meet its obligations.

SIDE BY SIDE FAMILY CENTRE

Notes to Financial Statements

December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Liquidity Risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they become due.

It is management's opinion that the SBSFC is not exposed to significant interest rate risk arising from these financial instruments

3. ECONOMIC DEPENDENCE

SBSFC is economically dependent on the support of Government grants.

4. GOVERNMENT GRANT AND DEFERRED REVENUE

Government grants consist of the following:

	2021	2020 (Unaudited)
Employment and Social Development Canada	\$ 2,000	-
Ministry of Children, Community and Social Service (Student Family Advocate)	149,980	-
Ministry of Children, Community and Social Service (Together We Are grant)	96,525	-
Ministry of Advanced Education and Skills Development	4,620	-
	<u>\$ 253,125</u>	-

Deferred revenue is as follows:

	2021	2020 (Unaudited)
Employment and Social Development Canada	<u>\$ 74,800</u>	-

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value Dec. 31, 2021	Net Book Value Mar. 31, 2020
Furniture and Fixtures	\$ 4,359	(872)	3,487	-

(Unaudited)

SIDE BY SIDE FAMILY CENTRE

Notes to Financial Statements

December 31, 2021

6. SUBSEQUENT EVENTS

On February 10, 2022, the organization amended its articles of incorporation to change its name to Durham Family & Cultural Centre.

7. COVID 19

Since December 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

SBSFC has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences,