

Tillsonburg Senior Centre
Financial Statements
December 31, 2019

Tillsonburg Senior Centre

Index to Financial Statements

December 31, 2019

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 8

INDEPENDENT AUDITOR'S REPORT

To the Members of Tillsonburg Senior Centre

Qualified Opinion

We have audited the financial statements of Tillsonburg Senior Centre (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flow 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 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, 2019, and its results of operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from programs, fundraising activities, donations and contributions, 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 program, fundraising, donation or contribution revenue, excess of revenues over expenses and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Organization'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 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.

(continues)

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.

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

April 24, 2020
Tillsonburg, Ontario

Tillsonburg Senior Centre
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 27,075	\$ 25,500
Accounts receivable	1,329	1,081
Grants receivable	-	5,211
Harmonized sales tax recoverable	3,031	3,065
Prepaid expenses	5,908	1,842
Investments	138,672	136,807
	176,015	173,506
Property And Equipment (Note 4)	8,153	9,348
	\$ 184,168	\$ 182,854
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 9,325	\$ 7,263
Deferred income	12,876	12,688
	22,201	19,951
Net Assets		
General fund	160,414	161,350
Restricted fund	1,553	1,553
	161,967	162,903
	\$ 184,168	\$ 182,854

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

Tillsonburg Senior Centre

Statement of Operations

Year Ended December 31, 2019

	2019	2018
REVENUES		
Donations and contributions	\$ 2,500	\$ 5,090
Grants	41,032	40,166
Interest	2,874	2,321
Kitchen	658	4,240
Memberships	14,916	14,800
Programs	58,591	54,529
Rentals	15,428	14,455
Sundry	1,921	1,971
Woodworking	180	817
	138,100	138,389
Expenses		
Administration	18,466	18,506
Amortization	1,975	2,413
Insurance	4,928	4,712
Management salaries	44,311	42,360
Woodworking	135	188
Kitchen	6,221	7,653
Programs	29,367	29,285
Repairs and maintenance	4,081	871
Program co-ordinator	29,552	29,483
	139,036	135,471
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (936)	\$ 2,918

See notes to financial statements

Tillsonburg Senior Centre
Statement of Changes in Net Assets
Year Ended December 31, 2019

	General Fund	Restricted Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 161,350	\$ 1,553	\$ 162,903	\$ 159,985
Deficiency of revenues over expenses	(936)	-	(936)	2,918
NET ASSETS - END OF YEAR	\$ 160,414	\$ 1,553	\$ 161,967	\$ 162,903

See notes to financial statements



Tillsonburg Senior Centre
Statement of Cash Flow
Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (936)	\$ 2,918
Item not affecting cash:		
Amortization of property and equipment	1,975	2,413
	1,039	5,331
Changes in non-cash working capital:		
Accounts receivable	(248)	431
Grants receivable	5,211	(409)
Accounts payable	2,062	359
Deferred income	188	5,208
Prepaid expenses	(4,066)	(1,842)
Harmonized sales tax payable	34	652
	3,181	4,399
Cash flow from operating activities	4,220	9,730
INVESTING ACTIVITIES		
Purchase of property and equipment	(780)	-
Investments - net	(1,865)	(4,583)
Cash flow used by investing activities	(2,645)	(4,583)
INCREASE IN CASH FLOW	1,575	5,147
Cash - beginning of year	25,500	20,353
CASH - END OF YEAR	\$ 27,075	\$ 25,500

See notes to financial statements



Tillsonburg Senior Centre

Notes to Financial Statements

Year Ended December 31, 2019

1. PURPOSE OF THE ORGANIZATION

The Tillsonburg Senior Centre is a not-for-profit organization which provides facilities and programs geared to the seniors of Tillsonburg and surrounding area. The organization is also a registered charity under the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Tillsonburg Senior Centre follows the deferral method of revenue recognition. 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. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	55%	declining balance method

Property and equipment acquired during the year are amortized at half of the normal rate.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash, accounts receivable, grants receivable, investments, prepaid expenses, accounts payable and deferred income are recorded at amortized cost and all are short term in nature and as such, their carrying values approximate fair value.

3. INVESTMENTS

The investments consist of various guaranteed investment certificates and are recorded at their amortized cost.

Tillsonburg Senior Centre

Notes to Financial Statements

Year Ended December 31, 2019

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Equipment	\$ 105,995	\$ 97,877	\$ 8,118	\$ 9,270
Computer equipment	2,615	2,580	35	78
	\$ 108,610	\$ 100,457	\$ 8,153	\$ 9,348

5. RESTRICTED FUND

From time to time the Board of Directors will internally set aside funds for future expenses.

6. GRANTS

Based on a memorandum of understanding with the Town of Tillsonburg dated December 10, 2018, the Town will make a transfer payment to the Centre for \$34,000 annually. The Town provides security and maintenance and the Centre can rent its premises and retain the rental income. The Centre will also receive an amount up to \$4,500 per year for maintaining their own Recreation Management Software.

7. LEASE COMMITMENTS

The Organization has a lease with respect to its photocopier. The lease contains renewal options and the future minimum lease payments are as follows:

2020	\$ 2,576
2021	1,503
	\$ 4,079
