

Tillsonburg Senior Centre
Financial Statements
December 31, 2021

Tillsonburg Senior Centre
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Year Ended December 31, 2021

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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, 2021, and the statements of changes in net assets, operations 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 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, 2021, and the results of its operations and 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, 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, 2021, current assets and net assets as at December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2020 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 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.

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 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.

(continues)

Independent Auditor's Report to the Members of Tillsonburg Senior Centre *(continued)*

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.

Millard, Rouse & Rosebrugh LLP

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

April 28, 2022
Tillsonburg, Ontario

Tillsonburg Senior Centre
Statement of Financial Position
December 31, 2021

	2021	2020
Assets		
Current		
Cash	\$ 15,980	\$ 33,593
Accounts receivable	7,167	8,452
Harmonized sales tax recoverable	2,566	2,407
Prepaid expenses	1,613	4,456
Investments (Note 3)	147,904	137,796
	175,230	186,704
Property and equipment (Note 4)	5,203	6,511
	\$ 180,433	\$ 193,215
Liabilities and Net Assets		
Current		
Accounts payable (Note 5)	\$ 8,637	\$ 7,923
Deferred income	7,160	8,598
	15,797	16,521
Net Assets		
General fund	163,083	175,141
Restricted fund	1,553	1,553
	164,636	176,694
	\$ 180,433	\$ 193,215

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes

Tillsonburg Senior Centre
Statement of Changes in Net Assets
Year Ended December 31, 2021

	General Fund	Restricted Fund	2021	2020
Net assets - beginning of year	\$ 175,141	\$ 1,553	\$ 176,694	\$ 161,967
Deficiency of revenues over expenses	(12,058)	-	(12,058)	14,727
Net assets - end of year	\$ 163,083	\$ 1,553	\$ 164,636	\$ 176,694

See accompanying notes



Tillsonburg Senior Centre

Statement of Operations Year Ended December 31, 2021

	2021	2020
Revenues		
Donations and contributions	\$ 384	\$ 1,450
Grants	44,595	45,580
Interest income	1,544	3,032
Kitchen	2,030	-
Memberships	9,286	14,775
Programs	11,435	27,879
Rentals	2,320	4,259
Sundry	69	85
	71,663	97,060
Expenses		
Administration	25,111	17,184
Amortization	1,308	1,643
Insurance	4,456	4,594
Kitchen	1,554	2,211
Management salaries	45,625	46,477
Program co-ordinator	35,226	27,982
Programs	12,808	19,406
Repairs and maintenance	4,887	96
	130,975	119,593
Deficiency of revenues over expenses from operations	(59,312)	(22,533)
Other income		
Gain on disposal of equipment	5,863	-
Government assistance (Note 10)	41,391	37,260
	47,254	37,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (12,058)	\$ 14,727

See accompanying notes

Tillsonburg Senior Centre

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (12,058)	\$ 14,727
Items not affecting cash:		
Amortization of property and equipment	1,308	1,643
Gain on disposal of property and equipment	(5,863)	-
	(16,613)	16,370
Changes in non-cash working capital:		
Accounts receivable	1,285	(7,123)
Accounts payable	714	(1,403)
Deferred income	(1,438)	(4,278)
Prepaid expenses	2,843	1,452
Harmonized sales tax payable	(159)	624
	3,245	(10,728)
Cash flow from (used by) operating activities	(13,368)	5,642
Investing activities		
Proceeds on disposal of property and equipment	5,863	-
Investments	(10,108)	876
Cash flow from (used by) investing activities	(4,245)	876
Increase (decrease) in cash flow	(17,613)	6,518
Cash - beginning of year	33,593	27,075
Cash - end of year	\$ 15,980	\$ 33,593

See accompanying notes

Tillsonburg Senior Centre

Notes to Financial Statements

Year ended December 31, 2021

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, 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, 2021

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 105,995	\$ 100,799	\$ 5,196	\$ 6,495
Computer equipment	2,615	2,608	7	16
	\$ 108,610	\$ 103,407	\$ 5,203	\$ 6,511

5. ACCOUNTS PAYABLE

Included in accounts payable are \$2,389 (2020 - \$2,426) of source deductions payable for the month of December.

6. RESTRICTED FUND

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

7. 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.

8. 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:

2022	\$ 2,334
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9. EXTRAORDINARY EVENT - COVID 19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As the impact of COVID-19 continues to affect the economy, the Organization could have future impacts on the timing of cash flows on some of their assets. As of the issuance date of the financial statements, the duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future periods.

Tillsonburg Senior Centre

Notes to Financial Statements

Year ended December 31, 2021

10. GOVERNMENT ASSISTANCE

During 2021, the Organization applied for the Canada Emergency Wage Subsidy (CEWS) and the Canadian Recovery Hiring Program (CRHP) to curtail the negative cashflow impact of the COVID-19 pandemic. CEWS and CRHP was for covering part of employee wages and to ease the Organization back into normal operations.

Included in income is CEWS and CRHP amounting to \$41,391. The amounts may be subject to CRA review and any adjustments will be recorded at that time.