

**Tillsonburg Senior Centre  
Financial Statements  
Year Ended December 31, 2022**

*Draft for discussion purposes only*



**Thompson  
Goossens**  
ACCOUNTANTS LLP

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**Tillsonburg Senior Centre**  
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**Year Ended December 31, 2022**

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## Independent Auditors' Report

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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, 2022, and the statements of changes in net assets, revenues and expenses 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, 2022, 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 not-for-profit 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, 2022, current assets and net assets as at December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2021 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.

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.

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*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.

Tillsonburg, Ontario  
May 26, 2023

**Thompson Goossens Accountants LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

**Tillsonburg Senior Centre  
Statement of Financial Position  
December 31, 2022**

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 21,943	\$ 15,980
Accounts receivable	462	7,167
Harmonized sales tax recoverable	4,916	2,566
Prepaid expenses	1,627	1,613
Investments (Note 3)	137,867	147,904
	<b>166,815</b>	175,230
Property and equipment (Note 4)	8,981	5,203
	<b>\$ 175,796</b>	\$ 180,433
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable (Note 5)	\$ 7,909	\$ 8,637
Deferred income	12,261	7,160
	<b>20,170</b>	15,797
<b>Net Assets</b>		
General fund	154,073	163,083
Restricted fund (Note 6)	1,553	1,553
	<b>155,626</b>	164,636
	<b>\$ 175,796</b>	\$ 180,433

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**Tillsonburg Senior Centre**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

	General Fund	Restricted Fund	<b>2022</b>	2021
<b>Net assets - beginning of year</b>	\$ 163,083	\$ 1,553	<b>\$ 164,636</b>	\$ 176,694
Deficiency of revenues over expenses	(9,010)	-	<b>(9,010)</b>	(12,058)
<b>Net assets - end of year</b>	<b>\$ 154,073</b>	<b>\$ 1,553</b>	<b>\$ 155,626</b>	<b>\$ 164,636</b>

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**Tillsonburg Senior Centre**  
**Statement of Revenues and Expenses**  
**Year Ended December 31, 2022**

	2022	2021
<b>Revenues</b>		
Donations and contributions	\$ 3,200	\$ 384
Grants (Note 7)	41,134	44,595
Woodworking	40	-
Kitchen	2,713	2,030
Memberships	9,850	9,286
Programs	38,099	11,435
Rentals	10,490	2,320
Sundry	1,711	69
Silent Auction	4,083	-
Interest income	1,718	1,544
	<b>113,038</b>	<b>71,663</b>
<b>Expenses</b>		
Administration	23,452	25,111
Amortization	2,872	1,308
Insurance	4,544	4,456
Management salaries	50,156	45,625
Kitchen	5,437	1,553
Programs	23,023	12,809
Repairs and maintenance	437	4,887
Program co-ordinator	22,234	35,226
	<b>132,155</b>	<b>130,975</b>
<b>Deficiency of revenues over expenses from operations</b>	<b>(19,117)</b>	<b>(59,312)</b>
<b>Other income</b>		
Gain on disposal of equipment	-	5,863
Government assistance (Note 10)	10,107	41,391
	<b>10,107</b>	<b>47,254</b>
<b>Deficiency of revenues over expenses</b>	<b>\$ (9,010)</b>	<b>\$ (12,058)</b>

**Tillsonburg Senior Centre**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Operating activities</b>		
Deficiency of revenues over expenses	\$ (9,010)	\$ (12,058)
Items not affecting cash:		
Amortization of property and equipment	2,872	1,308
Gain on disposal of property and equipment	-	(5,863)
	<b>(6,138)</b>	<b>(16,613)</b>
Changes in non-cash working capital:		
Accounts receivable	6,705	1,285
Accounts payable	(728)	714
Deferred income	5,101	(1,438)
Prepaid expenses	(14)	2,843
Harmonized sales tax payable	(2,350)	(159)
	<b>8,714</b>	<b>3,245</b>
Cash flow from (used by) operating activities	<b>2,576</b>	<b>(13,368)</b>
<b>Investing activities</b>		
Purchase of property and equipment	(6,650)	-
Proceeds on disposal of property and equipment	-	5,863
Investments	10,037	(10,108)
Cash flow from (used by) investing activities	<b>3,387</b>	<b>(4,245)</b>
<b>Increase (decrease) in cash flow</b>	<b>5,963</b>	<b>(17,613)</b>
Cash - beginning of year	15,980	33,593
<b>Cash - end of year</b>	<b>\$ 21,943</b>	<b>\$ 15,980</b>

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**Tillsonburg Senior Centre**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**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, 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, 2022**

**4. Property and equipment**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Equipment	\$ 105,995	\$ 101,838	\$ 4,157	\$ 5,196
Computer equipment	9,265	4,441	<b>4,824</b>	7
	<b>\$ 115,260</b>	<b>\$ 106,279</b>	<b>\$ 8,981</b>	<b>\$ 5,203</b>

**5. Accounts Payable**

Included in accounts payable are \$2,409 (2021 - \$2,389) 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:

2023	\$ 2,133
2024	2,133
2025	2,133
2026	2,133
2027	2,133
	<u>2,133</u>
	<b>\$ 10,665</b>

**9. Commitments**

The Organization entered into a contract with My Senior Centre Software to purchase touchscreen unit. The up front cost of \$6,650 was paid in 2022. A lump sum is payable in year two of \$2,150.

**10. Government Assistance**

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.

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**Tillsonburg Senior Centre**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**10. Government Assistance (*continued*)**

Included in income is CEWS amounting to \$10,107. The amounts may be subject to CRA review and any adjustments will be recorded at that time.

**11. Financial instruments**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

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