

**GUELPH/WELLINGTON SENIORS ASSOCIATION**

**INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**MARCH 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

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To the Members,  
Guelph/Wellington Seniors Association  
Guelph, Ontario

### Qualified Opinion

We have audited the financial statements of Guelph/Wellington Seniors Association, which comprise the statement of financial position as at March 31, 2020 and the statements of operations and 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 Association as at March 31, 2020, and results of its operations 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-profit organizations, the Association derives revenue from contributions, and fundraising events and activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore we were not able to determine whether at March 31, 2020 and for the year ended March 31, 2020, any adjustments might be necessary to contributions, fundraising events and activities revenues, deficiency of revenue over expenses, cash flows and net assets. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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### 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 Association'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 Association'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 Association 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.



CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

Guelph, Ontario  
September 1, 2020

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**GUELPH/WELLINGTON SENIORS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 124,061	\$ 231,971
Short term investments (Note 3)		276,479
Accounts receivable	13,736	27,912
HST rebate receivable	12,042	13,824
Prepaid expenses	11,184	9,364
	161,023	559,550
<b>LONG TERM INVESTMENTS (Note 3)</b>	<b>368,795</b>	
	<b>529,818</b>	<b>559,550</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	30,588	40,231
Government remittances payable	7,128	7,869
Deferred Sentinel advertising	2,370	5,691
Deferred membership dues	25,478	31,163
Deferred grant income (Note 4)	40,515	34,123
	106,079	119,077
<b>NET ASSETS</b>		
Unrestricted	423,739	440,473
	<b>529,818</b>	<b>559,550</b>

APPROVED ON BEHALF OF THE BOARD:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**GUELPH/WELLINGTON SENIORS ASSOCIATION  
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2020**

	<b>2020</b>	<b>2019</b>
REVENUE		
Program grants	\$ 141,980	\$ 139,820
Activities	112,291	116,858
Membership fees	61,102	59,306
Sentinel operations	24,318	29,956
Investment income	9,774	8,406
Donations	5,830	77,371
HST collected	3,304	7,896
Other	2,192	221
Change in fair value of short term investments		2,480
	<u>360,791</u>	<u>442,314</u>
EXPENDITURES		
Program wages	141,980	139,898
Rent	55,900	50,239
Activities	44,274	49,564
Audit and legal	34,078	13,889
Sentinel operations	27,758	32,033
Office and miscellaneous	24,568	20,863
Equipment and furnishings (Note 5)	17,492	4,634
Advertising and publicity	12,947	16,361
Insurance	12,242	11,678
Donations	6,182	7,150
Conferences and workshops	104	691
	<u>377,525</u>	<u>347,000</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(16,734)	95,314
NET ASSETS, BEGINNING OF YEAR	<u>440,473</u>	<u>345,159</u>
NET ASSETS, END OF YEAR	<u>423,739</u>	<u>440,473</u>

**GUELPH/WELLINGTON SENIORS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenditures	\$ (16,734)	\$ 95,314
Item(s) not affecting cash:		
Change in fair value of short term investments		(2,480)
Accrued interest income	(2,230)	
	<u>(18,964)</u>	<u>92,834</u>
<b>CHANGES IN NON-CASH WORKING CAPITAL ITEMS</b>		
Increase (decrease):		
Accounts receivable	14,173	(10,732)
HST rebate receivable	1,782	2,621
Prepaid expenses	(1,820)	10,806
Accounts payable and accrued liabilities	(9,638)	7,391
Government remittances payable	(741)	(1,336)
Deferred Sentinel advertising	(3,321)	752
Deferred membership dues	(5,686)	503
Deferred grant income	6,392	10,776
	<u>(17,823)</u>	<u>113,615</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of short term investments		(8,402)
Disposition of short term investments	259,708	
Acquisition of long term investments	(349,795)	
	<u>(90,087)</u>	<u>(8,402)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(107,910)	105,213
<b>CASH, BEGINNING OF YEAR</b>	<u>231,971</u>	<u>126,758</u>
<b>CASH, END OF YEAR</b>	<u>124,061</u>	<u>231,971</u>

**GUELPH/WELLINGTON SENIORS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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Guelph/Wellington Seniors Association (the "Association") was incorporated as a corporation without share capital under the Corporations Act of Ontario on November 6, 1989. The incorporated entity commenced operations on January 1, 1990. For Canadian income tax purposes the Association qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act and is registered as a charity, No. 12677 8059 RR0001. The Association operates an activity centre for senior citizens in Guelph, Ontario.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in accordance with Canadian generally accepted accounting policies. The Association has adopted the following significant accounting policies:

**(A) REVENUE RECOGNITION**

The Association follows the deferral method of accounting for contributions. Contributions restricted for future period expenses are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, and the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are included in income over the membership term.

Service revenue is deferred until the time the funds are to be used.

Investment income from investments is accrued and recorded when earned.

All other revenues are recorded at the time products are delivered or services are rendered.

**(B) CAPITAL ASSETS**

The Association expenses capital assets as they are acquired because it is exempt from the requirement to capitalize and depreciate capital assets in accordance with Canadian accounting standards for not-for-profit organizations.

**(C) CONTRIBUTED SERVICES**

The Association is dependant upon the many hours contributed by volunteers during the year. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**(C) FINANCIAL INSTRUMENTS**

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity instruments which are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net assets in the period incurred.

**GUELPH/WELLINGTON SENIORS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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**1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(C) FINANCIAL INSTRUMENTS (cont'd)**

Financial assets measured at fair value include investments in mutual funds, Guaranteed Investment Certificates and term deposits.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement directly by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus or excess of revenues over expenses.

Transaction costs

The Association's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net surplus or excess of revenues over expenses in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

**2. FINANCIAL INSTRUMENTS**

**Risks and concentrations**

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the balance sheet date.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its variable interest rate financial instruments. Interest rates on Guaranteed Investment Certificates are fixed. This exposes the Association to the risk of changing interest rates that may affect its earnings in the future.

**Market Risk**

Market risk arises as a result of trading in mutual funds and fixed income securities. Fluctuations in the market expose the Association to a risk of loss. The Association mitigates this risk through controls to monitor and limit concentration levels.

The extent of the Association's exposure to these risks did not change in 2020 compared to the previous year.



**GUELPH/WELLINGTON SENIORS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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**3. INVESTMENTS**

	<b>2020</b>	<b>2019</b>
Term Deposit, due November 25, 2022, interest per annum at 2.90%	\$ 351,538	\$
Guaranteed Investment Certificate, due November 18, 2022 interest per annum at 0.65%	17,257	
Guaranteed Investment Certificate - matured during the year		19,630
Guaranteed Investment Certificate - matured during the year		16,771
Investment in mutual funds - BMO SelectClass and Income Fund		160,872
Investment in mutual funds - MacKenzie Income Fund		79,206
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	368,795	276,479
Less: Short term investments		<u>(276,479)</u>
Long term investments	<hr/>	<hr/>
	368,795	

**4. DEFERRED GRANT INCOME**

The Association receives grant money from various organizations to support their programs.

Changes to deferred income are as follows:

	<b>2020</b>	<b>2019</b>
Balance - Beginning of year	\$ 34,123	\$ 21,967
Grant funds received during the year	151,484	158,437
Less amounts recognized as revenue in the year	<u>(145,092)</u>	<u>(146,281)</u>
Balance - End of year	<hr/>	<hr/>
	40,515	34,123

**5. CAPITAL ASSETS EXPENSED**

The following expenditures which could be considered to be capital assets have been expensed during the past two years as follows:

	<b>2020</b>	<b>2019</b>
Furniture and fixtures	\$ 11,273	\$ 4,410
Computer equipment	<u>6,219</u>	<u>224</u>
Equipment and furnishings	17,492	4,634
Equipment and furnishings - New Horizons		<u>1,180</u>
	<hr/>	<hr/>
	17,492	5,814

**GUELPH/WELLINGTON SENIORS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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**6. COMMITMENTS**

The Association has committed to the City of Guelph to lease premises and pay for administrative costs for overhead usage.

The commitments for leasing the commercial property from the City are as follows:

	Lease
April 2020 - March 2021	\$ 64,625
April 2021 - December 2021	50,000

This lease will expire on December 31, 2021.

The Association has committed to lease a copier from RICOH Image Communication. Lease commitments for the next 5 years are as follows:

	Copier
April 2020 - March 2021	\$ 10,344
April 2021 - March 2022	10,344
April 2022 - March 2023	10,344
April 2023 - March 2024	10,344
April 2024 - May 2024	1,724

**7. SUBSEQUENT EVENT**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the entity's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines, and social distancing) could have a material impact on the entity's operations.

The full impact of the COVID-19 outbreak is unknown at this time. At the time the financial statements were issued, the organization was no longer collecting membership dues and had temporarily ceased activities. However, the Association believes that it has the ability to continue as a going concern throughout the pandemic as there are adequate cash resources to fulfil existing commitments. No adjustments have been made to the current year's financial statements since it is difficult to reliably measure the impact of this uncertainty on the Association's future financial results.