

GUELPH/WELLINGTON SENIORS ASSOCIATION

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

MARCH 31, 2021

INDEPENDENT AUDITORS' REPORT

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, 2021 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, 2021, 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, 2021 and for the year ended March 31, 2021, any adjustments might be necessary to donations 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 30, 2020 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.



Guelph, Ontario
June 4, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

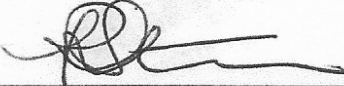
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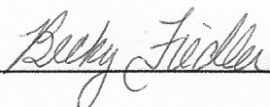
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**GUELPH/WELLINGTON SENIORS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 222,084	\$ 124,061
Accounts receivable	25,831	13,736
HST rebate receivable	7,371	12,042
Prepaid expenses	8,689	11,184
	<u>263,975</u>	<u>161,023</u>
LONG TERM INVESTMENTS (Note 3)	<u>367,369</u>	<u>368,795</u>
	<u>631,344</u>	<u>529,818</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	12,335	30,588
Government remittances payable	6,599	7,128
Deferred Sentinel advertising		2,370
Deferred membership dues	32,949	25,478
Deferred grant income (Note 4)	89,780	40,515
	<u>141,663</u>	<u>106,079</u>
NET ASSETS		
Unrestricted	<u>489,681</u>	<u>423,739</u>
	<u>631,344</u>	<u>529,818</u>

APPROVED ON BEHALF OF THE BOARD:

 5/6/21
Director

 June 5, 2021
Director

**GUELPH/WELLINGTON SENIORS ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
REVENUE		
Program grants	\$ 219,111	\$ 141,980
Canada emergency wage subsidy	83,310	
Investment income	12,327	9,774
Activities	5,801	112,291
Sentinel operations	2,810	24,318
Donations	1,990	5,830
HST collected	518	3,304
Membership fees	207	61,102
Other	87	2,192
	<hr/> 326,161	<hr/> 360,791
EXPENDITURES		
Program wages	219,111	141,980
Audit and legal	16,790	34,078
Insurance	11,443	12,242
Sentinel operations	10,344	27,758
Office and miscellaneous	8,823	24,568
Donations	2,700	6,182
Advertising and publicity	1,788	12,947
Activities	574	44,274
Equipment and furnishings (Note 5)		17,492
Conferences and workshops		104
Rent recovery	(11,354)	55,900
	<hr/> 260,219	<hr/> 377,525
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	65,942	(16,734)
NET ASSETS, BEGINNING OF YEAR	<hr/> 423,739	<hr/> 440,473
NET ASSETS, END OF YEAR	<hr/> 489,681	<hr/> 423,739

**GUELPH/WELLINGTON SENIORS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 65,942	\$ (16,734)
Item(s) not affecting cash:		
Decrease (increase) in accrued interest income	1,427	(2,230)
	<u>67,369</u>	<u>(18,964)</u>
CHANGES IN NON-CASH WORKING CAPITAL ITEMS		
Increase (decrease):		
Accounts receivable	(12,096)	14,173
HST rebate receivable	4,671	1,782
Prepaid expenses	2,495	(1,820)
Accounts payable and accrued liabilities	(18,254)	(9,638)
Government remittances payable	(529)	(741)
Deferred Sentinel advertising	(2,370)	(3,321)
Deferred membership dues	7,472	(5,686)
Deferred grant income	49,265	6,392
	<u>98,023</u>	<u>(17,823)</u>
INVESTING ACTIVITIES		
Disposition of short term investments		259,708
Acquisition of long term investments		(349,795)
		<u>(90,087)</u>
NET INCREASE (DECREASE) IN CASH	98,023	(107,910)
CASH, BEGINNING OF YEAR	124,061	231,971
CASH, END OF YEAR	222,084	124,061

**GUELPH/WELLINGTON SENIORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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.

(D) 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, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(D) 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 include cash and accounts receivable.

Financial liabilities measured at amortized cost 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 2021 compared to the previous year.

**GUELPH/WELLINGTON SENIORS ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2021**

3. INVESTMENTS

	2021	2020
Term Deposit, due November 25, 2022, interest per annum at 2.90%	\$ 350,361	\$ 351,538
Guaranteed Investment Certificate, due November 18, 2022 interest per annum at 0.70% (0.65% - 2020)	17,008	17,257
	<hr/>	<hr/>
Long term investments	367,369	368,795
	<hr/>	<hr/>

4. DEFERRED GRANT INCOME

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

Changes to deferred income are as follows:

	2021	2020
Balance - Beginning of year	\$ 40,515	\$ 34,123
Grant funds received during the year	186,031	151,484
Less amounts recognized as revenue in the year	(133,266)	(145,092)
Transferred from other programs	(3,500)	
	<hr/>	<hr/>
Balance - End of year	89,780	40,515
	<hr/>	<hr/>

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:

	2021	2020
Furniture and fixtures	\$	\$ 11,273
Computer equipment		6,219
	<hr/>	<hr/>
Equipment and furnishings		17,492
	<hr/>	<hr/>

**GUELPH/WELLINGTON SENIORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

6. COMMITMENTS

The Association has committed to the City of Guelph to lease premises and pay for administrative costs for overhead usage. However, due to COVID-19, the City of Guelph has waived all lease payments starting on January 1, 2020 until the centre will reopen. The reopening date of the centre is unknown at the financial statements date.

The Association has committed to lease a copier from RICOH Image Communication. Lease commitments for the next 4 years are as follows:

	Copier
April 2021 - March 2022	\$ 10,344
April 2022 - March 2023	10,344
April 2023 - March 2024	10,344
April 2024 - March 2025	1,724

7. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. On March 17, 2020, January 12, 2021 and again on April 7, 2021, the Ontario Government declared a state of emergency as a result of the pandemic. Additionally, the Province of Ontario issued a stay at home order on December 26, 2020. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

During the year and subsequent to the Association's year end, many restrictions were put into place to contain the outbreak. The potential economic effects within the Association's environment and in the global markets, possible disruption in supply chains, and measures introduced at various levels of the 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 continue to impact the operations of the Association and could have a material impact on the organization's future operations.

The future impact of the pandemic on the Association operations cannot be reliably estimated at this time. At the date of release of the March 31, 2020 financial statements and throughout the current fiscal year, the organization was no longer collecting membership dues and had temporarily ceased activities. However, the Association continues to believe 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.