

**BOWMANVILLE OLDER  
ADULT ASSOCIATION  
FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2016**

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**FINANCIAL STATEMENTS**  
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CHARTERED ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

To the Members of:  
Bowmanville Older Adult Association

**Report on the Financial Statements**

I have audited the accompanying financial statements of Bowmanville Older Adult Association which comprise the statement of financial position as at December 31, 2016, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. Except as explained in a paragraph below, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

**Qualified Opinion**

In my opinion, except for the possible effect of adjustments described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Bowmanville Older Adult Association as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

May 11, 2017  
Bowmanville, Ontario

Sullivan & Co. (Professional Corporation)  
Chartered Professional Accountant  
Authorized to practise public accounting by  
Chartered Professional Accountants of Ontario

# BOWMANVILLE OLDER ADULT ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016
<b>ASSETS</b>	
<b>CURRENT</b>	
Cash	\$ 45,384
Cash - Restricted (Note: 4)	71,026
Accounts receivable	278
HST recoverable	9,405
Prepaid expenses	20,744
	<hr/> 146,837
<b>CAPITAL ASSETS (Note: 5)</b>	38,225
	<hr/> \$ 185,062
<b>LIABILITIES</b>	
<b>CURRENT</b>	
Accounts payable and accrued liabilities	\$ 33,689
Government remittances payable	7,486
Deferred revenue (Note: 6)	3,960
	<hr/> 45,135
<b>NET ASSETS</b>	
<b>UNRESTRICTED</b>	44,109
<b>INVESTED IN CAPITAL ASSETS</b>	42,870
<b>OPERATING RESERVE - INTERNALLY RESTRICTED (Note: 3)</b>	34,959
<b>LOTTERY - EXTERNALLY RESTRICTED</b>	17,989
	<hr/> 139,927
	<hr/> \$ 185,062

**APPROVED ON BEHALF OF THE BOARD:**

 Director  
 Director

The accompanying Notes to Financial Statements are an integral part of these statements.

# BOWMANVILLE OLDER ADULT ASSOCIATION

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016
<b>REVENUE</b>	
Government grants (Note: 7)	\$ 338,426
Program revenue (Note: 8)	268,825
Fundraising events and activities (including lottery)	97,319
Donations	35,906
Membership fees	35,890
Rental	32,490
Interest and other	586
	<hr/> 809,442
<b>EXPENSES</b>	
Salaries, wages and benefits (Note: 8)	403,802
Program expenses (Note: 8)	105,379
Utilities	62,783
Contracted services (Note: 8)	43,888
Advertising and promotion	39,976
Facility maintenance (Note: 9)	39,843
Administrative and general	30,006
Fundraising	21,263
Insurance (Note: 9)	7,794
Amortization of capital assets	6,020
	<hr/> 760,754
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDER-NOTED</b>	48,688
<b>GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	1,530
<b>EXCESS REVENUE OVER EXPENSES</b>	<hr/> <b>\$ 50,218</b> <hr/>

The accompanying Notes to Financial Statements are an integral part of these statements.

# BOWMANVILLE OLDER ADULT ASSOCIATION

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Invested in Capital Assets	Operating Reserve	Lottery	2016
REVENUE	\$ 800,187	\$ -	\$ 61	\$ 9,194	\$ 809,442
EXPENSES	753,253	6,020	-	1,481	760,754
EXCESS REVENUE OVER EXPENSES BEFORE UNDER- NOTED	46,934	(6,020)	61	7,713	48,688
GAIN/(LOSS) ON DISPOSAL OF ASSETS	-	1,530	-	-	1,530
EXCESS REVENUE OVER EXPENSES	46,934	(4,490)	61	7,713	50,218
CONTRIBUTED SURPLUS, BEGINNING OF YEAR (Note: 3)	2,403	42,132	34,898	10,276	89,709
INTERFUND TRANSFERS	(5,228)	5,228	-	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 44,109</b>	<b>\$ 42,870</b>	<b>\$ 34,959</b>	<b>\$ 17,989</b>	<b>\$ 139,927</b>

The accompanying Notes to Financial Statements are an integral part of these statements. 4.

# BOWMANVILLE OLDER ADULT ASSOCIATION

## CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016
<b>OPERATING ACTIVITIES</b>	
Excess revenue over expenses	\$ 50,218
Add items not requiring an outlay of cash	
Amortization of capital assets	6,020
Gain on disposal of asset	(1,530)
Changes in non-cash working capital balances	
Accounts receivable	(278)
HST recoverable	(9,405)
Prepaid expenses	(20,744)
Accounts payable and accrued liabilities	33,689
Government remittances payable	7,486
Deferred revenue	3,960
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>69,416</b>
<b>INVESTING ACTIVITIES</b>	
Additions to capital assets	(51,715)
Proceeds on disposal of capital assets	9,000
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(42,715)</b>
<b>NET INCREASE IN CASH</b>	<b>26,701</b>
<b>CONTRIBUTED SURPLUS, BEGINNING OF YEAR (Note: 3)</b>	<b>89,709</b>
<b>CASH, END OF YEAR</b>	<b>\$ 116,410</b>
<b>CASH IS COMPRISED OF:</b>	
Cash	\$ 45,384
Cash - Restricted (Note: 4)	71,026
	<b>\$ 116,410</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

# **BOWMANVILLE OLDER ADULT ASSOCIATION**

## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2016**

### **1. Nature of Organization**

Bowmanville Older Adult Association (the 'organization') is a not-for-profit corporation whose purpose is to relieve loneliness and isolation of the aged and to improve their mobility and fitness by establishing, operating, and maintaining a senior citizens' centre that provides recreation, education, cultural activities, and other programs for senior citizens. The organization is incorporated without share capital under the Canada Not-for-profit Corporations Act, is a registered charity under the Income Tax Act, and is accordingly exempt from income taxes. The organization commenced activity on January 1, 2016.

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### **2. Summary of Significant Accounting Policies**

#### **(a) Basis of Presentation**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

#### **(b) Revenue Recognition**

The organization follows the deferral method of accounting for revenue. Donor-restricted revenue, membership fees, program revenue, and rental income are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenue is recognized as when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from donations and fundraising activities are recorded when received. Gifts in kind are not recognized as revenue. All other revenue is recognized on an accrual basis.

#### **(c) Use of Estimates**

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

#### **(d) Cash and Cash Equivalents**

The organization's policy is to disclose bank balances under cash and cash equivalents, including term deposits with a maturity period of three months or less from the date of acquisition.



# BOWMANVILLE OLDER ADULT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

(e) Capital Assets

Capital assets are recorded at cost, and are amortized at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture and equipment	20%	straight-line
Vehicles	30%	declining balance
Computer equipment	30%	declining balance

(f) Financial Instruments

Financial instruments of the organization consist of cash, accounts receivable, accounts payable and accrued liabilities. The carrying values of these financial assets and financial liabilities approximate their fair values unless otherwise noted.

(g) Contributed Services

During the year volunteers contributed a significant numbers of hours to the organization to assist it carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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### 3. Contributed Surplus

At the commencement of activity on January 1, 2016, the The Corporation of the Municipality of Clarington, (the "Municipality") transferred net assets of the Clarington Older Adult Association ("COAA") to the organization. COAA was operated by the the Municipality until December 31, 2015.

The contributed surplus consists of:

	<b>2016</b>
Invested in capital assets	\$ 24,128
Capital reserve	18,004
Total invested in capital assets	42,132
Unrestricted	2,403
Operating reserve	34,898
Lottery	10,276
	<b>\$ 89,709</b>

# BOWMANVILLE OLDER ADULT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

### 4. Restricted Cash

Restricted cash \$71,026 consists of:

	<b>2016</b>
Capital reserve	\$ 18,065
Operating reserve	34,898
Lottery	18,063
	<b>\$ 71,026</b>

### 5. Capital Assets

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2016</b>
Furniture and equipment	\$ 15,563	\$ 2,222	\$ 13,341
Computer equipment	5,322	798	4,524
Vehicles	10,000	3,000	7,000
Leasehold improvements	13,360	-	13,360
	<b>\$ 44,245</b>	<b>\$ 6,020</b>	<b>\$ 38,225</b>

### 6. Deferred Revenue

Deferred revenue, including government grants, is comprised of:

	<b>2016</b>
Government of Canada - New Horizons for Seniors Program	\$ 845
Membership fees	3,115
	<b>\$ 3,960</b>

# BOWMANVILLE OLDER ADULT ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

### 7. Government Grants

Government grants are comprised of:

	2016
The Corporation of the Municipality of Clarington	\$ 255,000
Ontario Senior's Secretariat - Elderly Persons Centres	51,611
Government of Canada - New Horizons for Seniors Program	14,155
Government of Canada - Young Canada Works Program	14,060
Other provincial grants	3,600
	<hr/> \$ 338,426 <hr/>

The Municipality grant is for the purpose of funding operations. This grant is approved on an annual basis. See also Note: 9. The Elderly Persons Centres grant is for the purpose of funding maintenance and operations.

### 8. Program Revenue and Expenses

	Revenue	Expenses	2016
General programs	\$ 168,849	\$ 29,161	\$ 139,688
Hospitality	57,739	33,354	24,385
Personal services	24,042	22,663	1,379
Wheels in Action	10,013	11,558	(1,545)
Special events	8,182	8,643	(461)
	<hr/> \$ 268,825	\$ 105,379	\$ 163,446 <hr/>

Program expenses above include only direct expenses, and exclude program wages and benefits, contracted services, and other expenses required for operations.

### 9. Economic Dependence

The continuation of the organization is substantially dependent upon ongoing federal, provincial and municipal government grants. See Note: 7.

The Municipality owns the land and building occupied by the organization, which is leased to the organization for \$2 per year. The lease expires on December 31, 2017.

The organization is provided with property and contents insurance under a policy which is paid for by the Municipality.