

**BOWMANVILLE OLDER
ADULT ASSOCIATION
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023**

BOWMANVILLE OLDER ADULT ASSOCIATION
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

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Smith
Chappell
Marsh
Vilander LLP

H. Howard Smith, FCPA (Retired)
Richard A. Chappell, CPA, CA (Retired)
Deborah L. Marsh, CPA, CA
Vesa K. Vilander, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Members of the Bowmanville Older Adult Association

Qualified Opinion

We have audited the financial statements of Bowmanville Older Adult Association (the Organization), which comprise the statement of financial position as at December 31, 2023 and the statements of operations and changes in net assets and cash flows for the years 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, 2023 and the results of its operations and its cash flows for the years 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 Organization derives revenue from donations and fundraising activities 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 donations and fundraising revenue, excess of revenues over expenses, current assets and fund balances and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years.

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 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 qualified 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 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.

21 Gladstone Avenue, Suite 306, Oshawa, Ontario L1J 4E3
Tel. 905-720-0265 Toll free 1-877-326-3422 Fax 905-720-0301
Email: Accounting@SCMV.ca Website: www.scmv.ca

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Smith Chappell Mauch Vilemich LLP

May 16, 2024
Oshawa, Ontario

Chartered Professional Accountants
Licensed Public Accountants

BOWMANVILLE OLDER ADULT ASSOCIATION


STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 600,806	\$ 544,871
Cash - Restricted (Note 3)	18,760	56,910
Accounts receivable	4,873	275
HST recoverable	10,320	16,874
Prepaid expenses	14,043	12,503
	648,802	631,433
CAPITAL ASSETS (Note 4)	115,310	93,528
	\$ 764,112	\$ 724,961
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 59,441	\$ 40,490
Government remittances payable	19,396	13,309
Deferred revenue (Note 5)	102,761	136,496
	181,598	190,295
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	92,323	72,650
	273,921	262,945
NET ASSETS		
UNRESTRICTED	490,191	462,016
	\$ 764,112	\$ 724,961

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 AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUE		
Government grants (Note 7)	\$ 478,637	\$ 454,718
Canada Emergency Wage Subsidy (CEWS)	-	68,760
Program revenue (Note 8)	300,369	191,241
Fundraising events and activities (including lottery)	196,563	128,174
Donations	15,062	22,001
Membership fees	37,788	28,097
Rental	19,826	16,922
Interest and other	29,199	7,655
Amortization of deferred contributions (Note 6)	25,450	20,171
	1,102,894	937,739
EXPENSES		
Salaries, wages and benefits	611,773	532,859
Utilities	56,591	51,749
Facility maintenance (Note 9)	48,559	32,864
Amortization of capital assets	31,538	29,136
Fundraising	61,764	77,458
Administrative and general	48,062	38,385
Program expenses (Note 8)	110,110	84,722
Contracted services	74,871	25,183
Insurance (Note 9)	14,059	12,073
Advertising and promotion	6,520	7,881
Health and Safety	10,872	5,629
	1,074,719	897,939
EXCESS REVENUE OVER EXPENSES	28,175	39,800
NET ASSETS, BEGINNING OF YEAR	462,016	422,216
NET ASSETS, END OF YEAR	\$ 490,191	\$ 462,016

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

BOWMANVILLE OLDER ADULT ASSOCIATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess revenue over expenses	\$ 28,175	\$ 39,800
Add items not requiring an outlay of cash		
Amortization of capital assets	31,538	29,136
Amortization of deferred contributions	(25,450)	(20,171)
Changes in non-cash working capital balances		
Accounts receivable	(4,598)	25,417
HST recoverable	6,553	14,752
Prepaid expenses	(1,540)	(1,081)
Accounts payable and accrued liabilities	18,952	(13,147)
Government remittances payable	6,087	5,803
Deferred revenue	(33,735)	(3,293)
	25,982	77,216
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deferred contributions related to capital assets	45,123	42,105
INVESTING ACTIVITIES		
Additions to capital assets	(53,320)	(40,251)
NET INCREASE IN CASH	17,785	79,070
CASH, BEGINNING OF YEAR	601,781	522,711
CASH, END OF YEAR	\$ 619,566	\$ 601,781
CASH IS COMPRISED OF:		
Cash	\$ 600,806	\$ 544,871
Cash - Restricted (Note 3)	18,760	56,910
	\$ 619,566	\$ 601,781

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, 2023

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.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(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. HHBRP Government funding is recognized as revenue when all the conditions allowing the application for the funding have been met. Unrestricted revenue is recognized 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.

BOWMANVILLE OLDER ADULT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

2. Summary of Significant Accounting Policies (continued)

(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.

(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%	declining balance
Vehicles	30%	declining balance
Computer equipment	30%	declining balance
Leasehold improvements	5 years	straight-line

(f) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and harmonized sales tax recoverable.

Financial liabilities measured at amortized cost include accounts payable and government remittances.

The organization has no financial assets measured at fair value.

BOWMANVILLE OLDER ADULT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

2. Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Impairment

Financial assets measured at cost are tested for impairment annually. 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 or by adjusting the allowance account, provided it is no 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 income.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(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.

3. Restricted Cash

	2023	2022
Lottery	\$ 5,583	\$ 423
Lottery - Catch the Ace 2023	13,077	-
Lottery - Catch the Ace 2019	100	56,487
	\$ 18,760	\$ 56,910

BOWMANVILLE OLDER ADULT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

4. Capital Assets

	Cost	Accumulated Amortization	2023	2022
Furniture and equipment	\$ 97,917	\$ 50,711	\$ 47,206	\$ 39,129
Computer equipment	32,256	20,512	11,744	10,231
Vehicles	73,957	60,330	13,627	19,466
Leasehold improvements	75,909	33,176	42,733	24,702
	\$ 280,039	\$ 164,729	\$ 115,310	\$ 93,528

5. Deferred Revenue

	2023	2022
Deferred Lottery revenue	\$ 5,584	\$ 5,171
Deferred Lottery revenue - Catch the Ace 2019	-	56,487
Deferred Lottery revenue - Catch the Ace 2023	4,182	-
Program fees and fundraising events	38,620	24,813
Membership fees	20,570	18,475
Deferred Grant revenue	33,805	31,550
	\$ 102,761	\$ 136,496

6. Deferred Contributions Related to Capital Assets

Deferred contributions relate to specific grants received for the purchase of capital assets by the Organization. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization expense related to these capital assets.

	2023	2022
Beginning of the year	\$ 72,650	\$ 50,716
Grants received during the year	\$ 45,123	\$ 42,105
Transferred to revenue during the year	(25,450)	(20,171)
End of the year	\$ 92,323	\$ 72,650

BOWMANVILLE OLDER ADULT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

7. Government Grants

	2023	2022
The Corporation of the Municipality of Clarington	\$ 337,309	\$ 329,082
Ontario Senior's Secretariat - Elderly Persons Centres	42,700	42,700
Government of Canada - New Horizons for Seniors Program	-	18,790
Government of Canada - Canada Summer Jobs	32,873	47,376
Government of Canada - Community Services Recovery Fund	28,255	-
Other provincial grants	37,500	16,000
Durham College Job Grants	-	770
	\$ 478,637	\$ 454,718

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

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

	Revenue	Expenses	2023
General programs	\$ 178,456	\$ 15,555	\$ 162,901
Hospitality	104,726	64,002	40,724
Wheels in Action	8,119	20,600	(12,481)
Special events	9,068	9,953	(885)
	\$ 300,369	\$ 110,110	\$ 190,259

	Revenue	Expenses	2022
General programs	\$ 118,193	\$ 29,544	\$ 88,649
Hospitality	61,356	32,499	28,857
Wheels in Action	4,133	9,850	(5,717)
Special events	7,559	12,829	(5,270)
	\$ 191,241	\$ 84,722	\$ 106,519

BOWMANVILLE OLDER ADULT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

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 is renewed by the Municipality one year at a time.

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

10. Financial Instruments and Risk Management

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentration at December 31, 2023.

Credit risk

Credit risk arises from the potential that counterparties will fail to perform their obligations. The organization is subject to credit risk through its accounts receivable. Account monitoring procedures are utilized to minimize risk of loss.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.
