

The Corporation of the
Municipality of Meaford
Bognor Community Centre
Financial Statements
For the year ended December 31, 2020

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Contents

The Corporation of the Municipality of Meaford Bognor Community Centre

Independent Auditor's Report	2 - 4
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 10



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Meaford

Qualified Opinion

We have audited the accompanying financial statements of the Corporation of the Municipality of Meaford - Bognor Community Centre (Bognor Community Centre), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, 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 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 Bognor Community Centre as at December 31, 2020, and its results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the entity derives revenue from donations and fundraising, 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 donation and fundraising revenues, annual surplus, changes in net financial assets and cash flows for the years ended December 31, 2020 and 2019, financial assets as at December 31, 2020 and 2019 and accumulated surplus as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects on 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 Bognor Community Centre 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 public sector accounting standards, 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 Bognor Community Centre'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 Bognor Community Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bognor Community Centre's financial reporting process.

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 Bognor Community Centre'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 Bognor Community Centre'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 Bognor Community Centre 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

Owen Sound, Ontario
June 18, 2021

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Financial Position

December 31	2020	2019
Financial assets		
Cash	\$ 26,360	\$ 27,189
Accounts receivable	2,675	1,141
Net financial assets and accumulated surplus	\$ 29,035	\$ 28,330

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Operations and Accumulated Surplus

For the year ended December 31	2020	2019
Revenue		
Rental	\$ 1,339	\$ 5,429
Fundraising and other income	16,160	19,711
Interest	315	501
Contribution from Municipality of Meaford	5,720	2,930
	<u>23,534</u>	<u>28,571</u>
Expenses		
Donations	-	550
Insurance	1,651	1,430
Materials and supplies	12,868	10,047
Miscellaneous	951	1,586
Professional fees	3,000	1,500
Repairs and maintenance	655	1,498
Telephone	564	544
Utilities	3,140	4,747
	<u>22,829</u>	<u>21,902</u>
Annual surplus	705	6,669
Accumulated surplus, beginning of the year	<u>28,330</u>	<u>21,661</u>
Accumulated surplus, end of the year	<u>\$ 29,035</u>	<u>\$ 28,330</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Changes in Net Financial Assets

For the year ended December 31	2020	2019
Annual surplus (Page 6)	\$ 705	\$ 6,669
Net financial assets, beginning of the year	<u>28,330</u>	<u>21,661</u>
Net financial assets, end of the year	<u>\$ 29,035</u>	<u>\$ 28,330</u>

The Corporation of the Municipality of Meaford
Bognor Community Centre
Statement of Cash Flows

For the year ended December 31	2020	2019
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 6)	\$ 705	\$ 6,669
Changes in non-cash working capital balances		
Accounts receivable	(1,534)	(402)
Accounts payable and accrued liabilities	-	(1,040)
Net change in cash	(829)	5,227
Cash, beginning of the year	27,189	21,962
Cash, end of the year	\$ 26,360	\$ 27,189

The accompanying notes are an integral part of these financial statements.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Notes to the Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

Management Responsibility The management of the Bognor Community Centre has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Bognor Community Hall Board reviews and approves the financial statements.

Basis of Accounting The financial statements of the Bognor Community Centre have been prepared by management in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Basis of Consolidation The Bognor Community Centre has been consolidated with the financial statements of the Municipality of Meaford.

The Corporation of the Municipality of Meaford
Bognor Community Centre
Notes to the Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies - (continued)

Revenue Recognition

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other revenues are recorded upon sale of goods or provision of services when collection is reasonably assured.

2. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. A budget was not approved in 2020.

3. COVID-19

As the impacts of COVID-19 continue, there could be further impact on the Bognor Community Centre, its suppliers and other third party business associates that could impact the timing and amounts realized on the Bognor Community Centre's assets and future ability to deliver services. At this time, the full potential impact of COVID-19 on the Bognor Community Centre is not known. Given the dynamic nature of these circumstances and the duration of disruption, the related financial impact cannot be reasonably estimated at this time. The Bognor Community Centre's ability to continue delivering non-essential services will depend on the legislative mandates from the various levels of government.
