



GOOD REDDEN KLOSLER

Supporting Growth. Providing Direction.
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of:
TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

Qualified Opinion

We have audited the accompanying financial statements of Tillsonburg & District Multi-Service Centre which comprise the statement of financial position as at March 31, 2022, statement of change in net assets, statement of operations and statement of 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 as at March 31, 2022, and the 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, Tillsonburg & District Multi-Service Centre derives revenue in cash from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Tillsonburg & District Multi-Service Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and net assets.

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 Tillsonburg & District Multi-Service 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 qualified audit 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 entity'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 or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 entity'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 entity 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.

Good Redden Klosler LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Tillsonburg, Ontario
June 14, 2022



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

(With comparative figures as at March 31, 2021)

	Operating Fund	Capital Fund	Reserve Fund	Total 2022	Total 2021
	\$	\$	\$	\$	\$
ASSETS					
Cash	1,160,663	50,000	816,898	2,027,561	1,703,219
Accounts receivable	150,213	47	-	150,260	95,897
Due from capital fund	32,713	-	-	32,713	-
Due from operating fund	-	-	-	-	-
Due from reserve fund	-	62,713	-	62,713	-
Prepaid expenses and deposits	101	-	-	101	2,062
Total current assets	1,343,690	112,760	816,898	2,273,348	1,801,178
Long-term investments and receivables (note 3)	93,915	311,000	729,846	1,134,761	1,126,855
Equipment (note 5)	-	62,713	-	62,713	2,002
Total Assets	1,437,605	486,473	1,546,744	3,470,822	2,930,035
LIABILITIES AND FUND BALANCES					
Accounts payable and accrued liabilities (note 4)	1,070,780	-	-	1,070,780	795,975
Due to operating fund	-	32,713	-	32,713	-
Due to capital fund	-	-	62,713	62,713	-
Deferred revenue (note 8)	144,841	-	-	144,841	154,329
Total current liabilities	1,215,621	32,713	62,713	1,311,047	950,304
Fund Balances					
Invested in property and equipment	-	62,713	-	62,713	2,002
Invested in long-term investments	-	311,000	729,846	1,040,846	1,032,939
Internally restricted	-	80,047	754,185	834,232	765,319
Unrestricted	221,984	-	-	221,984	179,471
Total fund balances	221,984	453,760	1,484,031	2,159,775	1,979,731
Total Liabilities and Fund Balances	1,437,605	486,473	1,546,744	3,470,822	2,930,035



Approved by: _____

TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	Operating Fund \$	Capital Fund \$	Reserve Fund \$	Mar. 31 2022 \$	Mar. 31 2021 \$
REVENUE					
Provincial funding	3,956,739	-	-	3,956,739	3,714,670
Local government and other grants	131,104	-	-	131,104	198,290
Donations and fundraising	20,773	-	-	20,773	21,437
Client fees	221,046	-	-	221,046	102,048
Program income	95,250	-	-	95,250	60,499
Allocated administration	695,066	64,872	-	759,938	704,040
Interest and miscellaneous income	13,699	398	10,726	24,823	54,183
Total revenue	5,133,677	65,270	10,726	5,209,673	4,855,167



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	Operating Fund \$	Capital Fund \$	Reserve Fund \$	Mar. 31 2022 \$	Mar. 31 2021 \$
EXPENDITURES					
Wages and benefits	2,911,565	-	-	2,911,565	2,706,619
Travel	59,366	-	-	59,366	51,548
Program expenses	840,633	-	-	840,633	750,428
Office and administration	456,103	23	-	456,126	532,674
Allocated administration	759,938	-	-	759,938	702,939
Amortization of property and equipment	-	2,001	-	2,001	2,495
Total expenditures	5,027,605	2,024	-	5,029,629	4,746,703
Excess (Deficiency) of Revenue Over Expenditures for the Year	106,072	63,246	10,726	180,044	108,464
Interfund Transfers, Net	(63,558)	27,481	36,077	-	-
Change in Fund Balances for the Year	42,514	90,727	46,803	180,044	108,464
Fund Balance, Beginning of Year	179,470	363,033	1,437,228	1,979,731	1,871,267
Fund Balance, End of Year	221,984	453,760	1,484,031	2,159,775	1,979,731



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF OPERATIONS - OPERATING FUND

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	Schedule 1	Schedule 2	Schedule 3	Mar. 31 2022	Mar. 31 2021
	\$	\$	\$	\$	\$
REVENUE					
Provincial funding	2,377,778	1,578,961	-	3,956,739	3,714,670
Local government and other grants	54,777	52,832	23,495	131,104	198,290
Donations and fundraising	20,669	104	-	20,773	21,437
Client fees	221,046	-	-	221,046	102,048
Program income	26,128	-	69,122	95,250	60,499
Allocated administration	-	-	695,066	695,066	669,168
Interest and miscellaneous income	44	306	13,349	13,699	42,733
Total revenue	2,700,442	1,632,203	801,032	5,133,677	4,808,845
EXPENDITURES					
Wages and benefits	1,657,482	756,911	497,172	2,911,565	2,706,616
Travel	58,578	622	166	59,366	51,548
Program expenses	282,649	389,508	168,476	840,633	750,428
Office and administration	264,177	164,858	27,068	456,103	532,654
Allocated administration	437,556	320,304	2,078	759,938	702,939
Amortization of capital assets	-	-	-	-	1,104
Total expenditures	2,700,442	1,632,203	694,960	5,027,605	4,745,289
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	106,072	106,072	63,556



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 1

STATEMENT OF OPERATIONS - COMMUNITY SUPPORT SERVICES

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	South West LHIN \$	Exercise Program \$	Mar. 31 2022 \$	Mar. 31 2021 \$
REVENUE				
Provincial funding	2,306,294	71,484	2,377,778	2,182,432
Local government and other grants	54,777	-	54,777	121,938
Donations and fundraising	1,760	18,909	20,669	19,220
Client fees	221,046	-	221,046	102,048
Program income	16,128	10,000	26,128	21,777
Interest and miscellaneous income	44	-	44	-
Total revenue	2,600,049	100,393	2,700,442	2,447,415
EXPENDITURES				
Wages and benefits	1,557,089	100,393	1,657,482	1,475,656
Travel	58,578	-	58,578	50,996
Program expenses	282,649	-	282,649	235,174
Office and administration	264,177	-	264,177	314,513
Allocated administration	437,556	-	437,556	371,076
Total expenditures	2,600,049	100,393	2,700,442	2,447,415
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	-	-



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 2

STATEMENT OF OPERATIONS - MLTSD FUNDED PROGRAMS

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	Literacy Basic Skills \$	Employment Services \$	YJC/ YJCS \$	CAN/ON Job Grant \$	Mar. 31 2022 \$	Mar. 31 2021 \$
REVENUE						
Provincial funding	190,393	938,192	324,186	126,190	1,578,961	1,532,238
Local government and other grants	1,000	51,832	-	-	52,832	50,000
Donations and fundraising	104	-	-	-	104	2,217
Interest and miscellaneous income	-	-	306	-	306	-
Total revenue	191,497	990,024	324,492	126,190	1,632,203	1,584,455
EXPENDITURES						
Wages and benefits	135,500	448,484	156,698	16,229	756,911	737,151
Travel	206	416	-	-	622	542
Program expenses	6,822	168,739	106,686	107,261	389,508	325,983
Office and administration	19,233	137,773	7,852	-	164,858	188,916
Allocated administration	29,736	234,612	53,256	2,700	320,304	331,863
Total expenditures	191,497	990,024	324,492	126,190	1,632,203	1,584,455
Excess (Deficiency) of Revenue Over Expenditures for the Year	-	-	-	-	-	-



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

SCHEDULE 3

STATEMENT OF OPERATIONS - ADMINISTRATION & OTHER PROGRAMS

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	Admin	VIP Program	Mar. 31 2022	Mar. 31 2021
	\$	\$	\$	\$
REVENUE				
Provincial funding	-	-	-	-
Local government and other grants	14,880	8,615	23,495	26,352
Donations and fundraising	-	-	-	-
Program income	69,122	-	69,122	38,722
Allocated administration	695,066	-	695,066	669,168
Interest and miscellaneous income	13,349	-	13,349	42,733
Total revenue	792,417	8,615	801,032	776,975
EXPENDITURES				
Wages and benefits	491,742	5,430	497,172	493,809
Travel	166	-	166	10
Program expenses	168,414	62	168,476	189,271
Office and administration	26,023	1,045	27,068	29,225
Allocated administration	-	2,078	2,078	1,104
Total expenditures	686,345	8,615	694,960	713,419
Excess (Deficiency) of Revenue Over Expenditures for the Year	106,072	-	106,072	63,556



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

(With comparative figures for the year ended March 31, 2021)

	2022 \$	2021 \$
Cash Flows from Operating Activities		
Excess of revenue over expenditures for the year	180,043	108,464
Amortization	2,001	1,391
	182,044	109,855
Changes in non-cash working capital accounts		
Decrease (increase) in accounts receivable	(54,358)	(23,029)
Decrease (increase) in prepaid expenses and deposits	1,961	(2,062)
Increase (decrease) in accounts payable and accruals	274,803	225,855
Increase (decrease) in deferred revenue	(9,489)	11,409
Cash flows from (applied to) operating activities	394,961	322,028
Cash Flows from Investing Activities		
Decrease (increase) in long-term investments and receivables	(7,906)	(8,155)
Net proceeds from (purchase of) equipment	(62,714)	-
Increase in Cash During the Year	324,341	313,873
Cash at Beginning of Year	1,703,220	1,389,347
Cash at End of Year	2,027,561	1,703,220



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

1. NATURE OF OPERATIONS

The Tillsonburg & District Multi-Service Centre (the "Centre") was incorporated without share capital in 1977 under the Income Tax Act of Canada as a registered charity. The Centre is exempt from tax under section 149 of the Income Tax Act.

The purpose of the Centre is:

- (i) To provide and render employment, home support and adult basic literacy services to a primarily adult resident population;
- (ii) To establish and operate a centre for the organization and dissemination of social services throughout the Town of Tillsonburg and its surrounding district;
- (iii) To co-operate and co-ordinate with all other social service agencies; and
- (iv) To receive, acquire and hold gifts, donations, legacies and devises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Centre follows Canadian Accounting Standards for Not-for-Profit Organizations; significant aspects of the accounting policies adopted are as follows:

(a) Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Tillsonburg & District Multi-Service Centre ("Centre"), the accounts are maintained in accordance with the principles of "fund accounting". Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund.

(i) Operating Fund

The Operating Fund of the Centre records amounts used for the day to day operations of the Centre and also records the assets, liabilities and net surplus carried forward relating to ongoing operations.

(ii) Capital Fund

The Capital Fund reports assets, liabilities, revenue and expenditures related to the Centre's property and equipment.

(iii) Reserve Fund

Money in the reserve funds have been set aside for future expenditures for building maintenance, other capital additions and contingencies and is to be used as authorized by the Board. Interest generated by the reserve fund is maintained in the account.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue Recognition

The Centre follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the fund to which they relate in the year in which they are received. Restricted contributions for which there is no corresponding restricted fund, are recognized in the Operating Fund using the deferral method, whereby the contributions are deferred and brought into income when the applicable expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year in which they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on resources of the Capital Fund and Reserve Fund is recognized as revenue of those funds. Unrestricted investment income is recognized as revenue of the Operating Fund.

Program income and client fees are recognized as revenue in the Operating Fund when the service is performed and the legal obligation to pay is created.

(c) Contributed Services

Volunteers contribute time each year to assist the Centre in carrying out its service delivery activities. Because of the difficulty in determining the fair value contributed services are not recognized in the financial statements.

(d) Government Assistance

Government grants and funding is recorded when there is reasonable assurance that the Centre has complied with and will continue to comply with all necessary conditions to obtain the grants and funding. Funding related to current expenditures is recognized in the current period determination of net income. Funding related to expenses of future periods is deferred and amortized into income as related expenses are incurred, or in accordance with the restricted fund method where a corresponding restricted fund is presented.

(e) Income Taxes

As a registered charity, the Centre is exempt from Part I tax under paragraph 149(1)(f) of the Income Tax Act (Canada).

(f) Allocated Administration

The Centre incurs administration costs that relate to the whole organization. These costs include human resource costs for the executive director, business manager, accounting clerks, receptionists, as well as costs for office supplies, equipment rental and staff development. These costs are allocated to the various programs and departments using Ministry funding levels as an indicator of program activity, or when identifiable, specific activities and resource consumption of the individual programs.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Equipment

Equipment is recorded at cost and contributed capital assets are recorded at their fair market value at the date of contribution. Capital assets funded through government programs or agencies are recorded at cost and the corresponding revenue is deferred and amortized on the same basis as the asset. Ministry funding received as outlined in lending agreements, is brought into income in the year received with the offsetting capital purchase recorded as program expense. Ministry funded capital expenditures included in program expense and Ministry funding was \$58,935 in 2022 (2021 - \$52,989).

The equipment is amortized straight-line using the following rates:

Furniture	20 years
Leasehold improvements	Over the term of the lease

The Centre regularly reviews capital assets to eliminate obsolete items. Amortization is calculated at half the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

(h) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial instruments are comprised of accounts receivable, short and long-term investments and receivables, accounts payable and accrued liabilities. All financial instruments in these financial statements are subsequently carried at amortized cost.

(i) Jointly Controlled Enterprises

The Centre has elected to account for all such interests using the cost method. This applies to the partnership interest in Tillsonburg Community Services Initiatives (TCSI).

(j) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The primary estimates made by management in these financial statements relate to the useful lives of capital assets and accrued liabilities.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

3. LONG-TERM INVESTMENTS AND RECEIVABLES

	2022 \$	2021 \$
Partnership Interest - related party		
The Board approved an initial investment in Tillsonburg Community Services Initiatives in partnership with Community Living Tillsonburg. The investment is recorded at its original cost in accordance with the cost method for jointly controlled enterprises.	311,000	311,000
Loan Receivable - related party		
The Board approved long-term financing to a related company, Stonebridge Community Services (SCS). The loan was advanced to fund start up costs. The loan bears cumulative interest at 1% payable annually in December. There are no set terms of repayment and no payments have been received in the last twelve month operating period.	655,000	655,000
Advance Receivable - related party		
The Board approved a short-term advance to a related company, Stonebridge Community Services (SCS). The amounts have been advanced to fund operating needs and working capital requirements. The loan bears cumulative interest at 1% payable annually in December. There are no set terms of repayment and no payments have been received in the last twelve month operating period.	93,915	93,915
Interest Receivable on SCS outstanding balances.	74,846	66,940
	1,134,761	1,126,855

4. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are amounts for government remittances payable totaling \$25,040 (2020 - 34,209).

5. EQUIPMENT

	Cost \$	Accumulated Amortization \$	2022 \$	2021 \$
Leasehold improvements	62,713	-	62,713	-
Furniture	48,177	48,177	-	2,002
	110,890	48,177	62,713	2,002



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

6. LEASE COMMITMENT

The Centre leases its premises located at 96 Tillson Avenue from Tillsonburg Community Services Initiatives. The initial lease period ran for 15 years and expired July 31, 2013. The Centre exercised its option to extend the lease five years, ending July 31, 2018. The organization has entered into a verbal agreement to extend the lease for another 5 years. See note 7 - Related Party Transactions.

7. RELATED PARTY TRANSACTIONS

During the year the Centre paid rent for office space and storage of \$61,902 (2021 - \$61,902) to and received administration fees of \$12,000 (2021 - \$12,000) from an organization in which they have a partnership interest, Tillsonburg Community Services Initiatives (TCSI). The Centre, together with Community Living Tillsonburg formed a partnership known as Tillsonburg Community Services Initiatives. This partnership is a non-profit corporation established for the purpose of contracting, owning, operating, leasing and managing a building to support community agencies. The initiative represents a jointly controlled enterprise for the Centre. These transactions are in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

During the year, the Centre made payments to Stonebridge Community Services (SCS) of \$91,201 (2021 - \$91,201) for rent, \$100,393 (2021 - \$101,745) for exercise and falls prevention classes and \$7,993 (2021 - \$nil) for supportive care aids. The Centre charged SCS revenue of \$12,000 in administration fees (2021 - \$12,000). SCS is a non-profit corporation related by common board control. The purpose of SCS is to assist aged, ill or disabled persons by providing such services as housekeeping, meal preparation, nursing and shopping assistance. The organization also assists needy persons who are unemployed and low skilled by providing an employment training centre, counselling and education programs. These transactions were in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

The Centre periodically lends funds to SCS which are considered to be long term in nature with no set repayment terms. The year end loan balance to SCS was \$748,915 (2021 - \$748,915), of which \$93,915 has been classified as an operating advance with the remaining portion considered a long-term loan financing. All amounts are classified as long-term on these financial statements as there is no expectation of repayment within the next operating period.

Interest accrues on these amounts annually at a rate of 1% per annum and is cumulative. Interest accrued and receivable from SCS at year end is \$74,846 (2021 - \$66,939) and is included in long-term investments and receivables; the amount is not expected to be collected within the next operating period.

Other related parties include management and governance for the Centre as they have the authority and responsibility for planning, directing and controlling the activities. All transactions with management are in the normal course of operations and are limited to salary and wages. There have been no transactions with directors and officers during the period. No other amounts are outstanding from or due to related parties.



TILLSONBURG & DISTRICT MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

8. DEFERRED REVENUE AND SURPLUS FUNDS

Some of the programs which are offered by the Centre are funded on a different year end reporting basis than the Centre. The deferred revenue represents the funds which have been received by the Centre, and which relate to expenditures to be incurred subsequent to March 31, but for which no specific restricted fund has been established. These funds will be matched against expenditures during a subsequent period. Any remaining surplus in the government funded programs has been included in accounts payable and will either be returned to the funding agency in the subsequent year, or used in a manner as prescribed by the funding agency and amortized into income on that basis.

9. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Centre's risk exposure and concentration as of March 31, 2022:

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Centre extends credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for bad debts. The Centre has a significant number of clients which minimizes the concentration of credit risk, and the most significant receivables are from the government.

(b) Interest Rate Risk

Interest rate risk reflects the sensitivity of the Centre's financial condition to movements in interest rates. The company receives interest on its investments based on the bank prime rate. These interest rates are representative of current market rates for investments with similar terms, conditions and maturities. The Centre does not carry any interest bearing debt.

10. ECONOMIC DEPENDENCE

The organization receives the majority of its revenue through various government ministries and its ability to continue viable operations is dependent upon continued funding from the governments. The funding is based on approved expenditure levels for each program as set out by agreements between the Ministry and the organization. Any excess of revenue over expenditures subsidized by the Ministry can either be requested by the Ministry to be returned or offset against future years' funding.

11. COMPARATIVE FIGURES

Certain of the prior year's balances have been reclassified to conform with the current year's presentation.

