

**ROTARY CLUB OF TRURO
FINANCIAL STATEMENTS
(Unaudited)
YEAR ENDED JUNE 30, 2018**

JOHNSON SAUNDERS INC.

CHARTERED PROFESSIONAL ACCOUNTANTS

Dale A. Saunders, CPA, CA, CBV
Myles W. Johnson, CPA, CA

TELEPHONE (902) 895-7480
FAX (902) 895-7499
18 Willow Street, Suite 204
Truro, NS B2N 4Z4
www.jsinc.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To Members of the
Rotary Club of Truro

We have reviewed the accompanying financial statements of the Rotary Club of Truro that comprise the statement of financial position as at June 30, 2018 and the statements of revenue, expenses, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not for profit organizations, the organization derives revenue from fundraising, the completeness of which is not susceptible to satisfactory review engagement procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, current assets and net assets.

Qualified Conclusion

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, nothing has come to our attention that us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Rotary Club of Truro as at June 30, 2018, 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.

Truro, Nova Scotia
November 6, 2018



**Chartered Professional Accountants
Licensed Public Accountants**

ROTARY CLUB OF TRURO
COMBINED STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
(Unaudited)
Year Ended June 30, 2018

	<u>Club</u>	<u>Community</u>	<u>2018</u>	(Note 4) Restated <u>2017</u>
Revenue				
Yearbook	\$ -	\$ 69,783	\$ 69,783	\$ 64,154
Bollywood night	-	22,204	22,204	13,663
Swim for polio	-	1,509	1,509	1,440
Coldest Night of the Year	-	-	-	390
Club	24,278	-	24,278	14,988
Investment income	-	-	-	11
Sundry	-	9	9	560
	<u>24,278</u>	<u>93,505</u>	<u>117,783</u>	<u>95,206</u>
Expenses				
Community	-	77,818	77,818	74,543
Club	<u>20,664</u>	<u>-</u>	<u>20,664</u>	<u>16,593</u>
	<u>20,664</u>	<u>77,818</u>	<u>98,482</u>	<u>91,136</u>
Excess of revenue over expenses	3,614	15,687	19,301	4,070
Net assets, beginning	<u>10,616</u>	<u>34,226</u>	<u>44,842</u>	<u>40,772</u>
Net Assets, Ending	<u>\$ 14,230</u>	<u>\$ 49,913</u>	<u>\$ 64,143</u>	<u>\$ 44,842</u>

ROTARY CLUB OF TRURO
COMBINED STATEMENT OF FINANCIAL POSITION
(Unaudited)
As at June 30

(Note 4)
Restated
2017

ASSETS		
Current Assets		
Cash	\$ 52,500	\$ 35,782
Investments	21,898	21,894
Receivables	<u>4,203</u>	<u>662</u>
	<u>\$ 78,601</u>	<u>\$ 58,338</u>
LIABILITIES		
Current Liabilities		
Payables and accruals	\$ 12,203	\$ 13,496
Unearned revenue	<u>2,255</u>	<u>-</u>
	14,458	13,496
NET ASSETS		
Net assets	<u>64,143</u>	<u>44,842</u>
	<u>\$ 78,601</u>	<u>\$ 58,338</u>

Approved by the Board of Directors

_____ Director _____ Director

ROTARY CLUB OF TRURO
COMBINED STATEMENT OF CASH FLOWS

(Note 4)

(Unaudited)

Restated

Year Ended June 30

2018

2017

Cash Flows from Operating Activities

Excess of revenue over expenses \$ 19,301 \$ 4,070

Net changes in non-cash working capital items

Receivables (3,540) 5,110

Payables and accruals (1,294) 4,173

Unearned revenue 2,255 -

16,722 13,353

Cash Flows applied to Investing Activities

Purchases of investments, net (4) (11)

Increase in Cash 16,718 13,342

Cash, beginning 35,782 22,440

Cash, Ending \$ 52,500 \$ 35,782

ROTARY CLUB OF TRURO
CLUB ACCOUNT
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
(Unaudited)

Year Ended June 30	2018	2017
Revenue		
Members' dues	\$ 11,432	\$ 7,901
Social functions	9,776	3,494
Website advertising	1,725	1,856
Sundry	588	1,056
Fifty-fifty draws and Happy Mug	757	681
	<u>24,278</u>	<u>14,988</u>
Expenses		
Rotary Leadership Institute	794	-
District conference	712	-
District governor visit	368	-
Directors' meetings	-	446
Social functions	7,240	4,858
International dues	6,238	5,513
District dues	3,630	3,390
Supplies, printing and postage	541	1,178
Website	647	752
Sundry	494	456
	<u>20,664</u>	<u>16,593</u>
Excess (Deficiency) of revenue over expenses	3,614	(1,605)
Transfer to Community Account	-	(9,400)
Net assets, beginning	<u>10,616</u>	<u>21,621</u>
Net Assets, Ending	\$ <u>14,230</u>	\$ <u>10,616</u>

**ROTARY CLUB OF TRURO
CLUB ACCOUNT
STATEMENT OF FINANCIAL POSITION**

(Unaudited)

As at June 30

2018

2017

ASSETS

Current Assets

Cash	\$	14,508	\$	10,880
Receivables		142		662
Due from Community Account		<u>2,255</u>		-
	\$	<u>16,905</u>	\$	<u>11,542</u>

LIABILITIES

Current Liabilities

Payables and accruals	\$	420	\$	926
Unearned revenue		<u>2,255</u>		-
		2,675		926

NET ASSETS

Net assets		<u>14,230</u>		<u>10,616</u>
	\$	<u>16,905</u>	\$	<u>11,542</u>

Approved by the Board of Directors

_____ Director _____ Director

ROTARY CLUB OF TRURO
COMMUNITY ACCOUNT
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
(Unaudited)

Year Ended June 30	2018	2017
Revenue		
Yearbook	\$ 69,783	\$ 64,154
Bollywood night	22,204	13,663
Swim for polio	1,509	1,440
Coldest Night of the Year	-	390
Investment income	-	11
Sundry	9	560
	<u>93,505</u>	<u>80,218</u>
Expenses		
Yearbook expense	26,049	27,161
Bollywood night (Note 5)	13,587	13,257
Swim for polio	1,471	1,440
Coldest Night of the Year	-	390
Community support – persons/programs	15,504	8,713
Colchester Community Workshops Foundation	5,000	5,000
International programs	4,519	3,800
Plan Canada International	504	468
Adventure in citizenship	1,063	1,136
Bursaries	4,500	5,500
Youth and student projects	1,439	500
Youth leadership	316	931
Annual conference	1,848	975
Insurance	1,350	1,283
Sundry	668	3,989
	<u>77,818</u>	<u>74,543</u>
Excess of revenue over expenses	15,687	5,675
Transfer from Club Account	-	9,400
Net assets, beginning	<u>34,226</u>	<u>19,151</u>
Net Assets, Ending	\$ <u>49,913</u>	\$ <u>34,226</u>

**ROTARY CLUB OF TRURO
COMMUNITY ACCOUNT
STATEMENT OF FINANCIAL POSITION**

(Unaudited)

As at June 30

2018

2017

ASSETS

Current Assets

Cash	\$	37,992	\$	24,902
Investments		21,898		21,894
Receivables		3,595		-
Due from Rotary Club of Truro Charitable Trust		<u>466</u>		<u>-</u>
	\$	<u>63,951</u>	\$	<u>46,796</u>

LIABILITIES

Current Liabilities

Payables and accruals	\$	11,783	\$	12,570
Payable to Club account		<u>2,255</u>		<u>-</u>
		14,038		12,570

NET ASSETS

Net assets		<u>49,913</u>		<u>34,226</u>
	\$	<u>63,951</u>	\$	<u>46,796</u>

Approved by the Board of Directors

_____ Director

_____ Director

ROTARY CLUB OF TRURO
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
Year Ended June 30, 2018

1. Status and Nature of Activities

The Rotary Club of Truro (the “Organization”) is a member of Rotary International, established to encourage and foster the ideal of service as a basis of worthy enterprises. The Organization is a not-for-profit organization which operates the Community and Club Accounts.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

Fund Accounting

The Organization uses fund accounting and accordingly, separate statements of revenue and expenses and separate statements of financial position are prepared for the Club Account and the Community Account.

The Club Account accounts for the Organization’s administrative and social activities.

The Community Account accounts for the Organization’s fundraising activities. This fund reports the monies which are available to provide support to the community.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

Contributed Goods and Services

Goods and services are contributed to the Organization each year. Due to the difficulty of determining the fair value, contributed goods and services are not recognized in the financial statements.

Cash and Cash Equivalents

Cash includes cash on hand and balances with banks.

Investments

Investments consist of guaranteed investment certificates which are carried at cost plus accrued interest, which approximates fair value.

ROTARY CLUB OF TRURO
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
Year Ended June 30, 2018

2. Significant Accounting Policies (Continued)

Measurement Uncertainty

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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting year. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes in such estimates in future periods could be material and would be accounted for in the period the change occurs.

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, then subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, receivables and investments.

Financial liabilities measured at amortized cost include payables and accruals.

3. Financial Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The Organization's main credit risks relate to its receivables. The Organization provided credit to its customers in the normal course of its operations.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Organization holds guaranteed investment certificates that are subject to fluctuations in interest rates.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect to its payables.

ROTARY CLUB OF TRURO
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
Year Ended June 30, 2018

4. Comparative figures

The comparative figures have been restated to conform with the financial statement presentation adopted for this year.

5. Bollywood Night	<u>2018</u>	<u>2017</u>
Event expenses	\$ 10,587	\$ 7,257
Contributions		
Camp Tidnish – Easter Seals Nova Scotia	3,000	-
Third Place Transition House	-	3,000
Colchester Community Workshops Foundation	<u>-</u>	<u>3,000</u>
	\$ <u>13,587</u>	\$ <u>13,257</u>