

SouthWest Edmonton Seniors Association
Financial Statements
December 31, 2021

SouthWest Edmonton Seniors Association

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INDEPENDENT AUDITOR'S REPORT

To the Members of SouthWest Edmonton Seniors Association:

Opinion

We have audited the financial statements of the SouthWest Edmonton Seniors Association (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of change in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SouthWest Edmonton Seniors Association as at December 31, 2021, 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 Opinion

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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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.

Edmonton, Alberta
May 12, 2022

Doyle & Company
Chartered Professional Accountants

SouthWest Edmonton Seniors Association
Statement of Financial Position
As at December 31, 2021

	2021	2020
	\$	\$
Assets		
Current		
Cash	153,983	141,301
Restricted cash and short-term investments (Note 3)	125,998	52,658
Accounts receivable	21,215	4,563
Short-term Investments (Note 4)	10,630	61,340
Prepaid expenses	1,186	5,370
	313,012	265,232
Investments (Note 5)	-	10,415
	313,012	275,647
Liabilities		
Current		
Accounts payable and accrued liabilities	8,194	6,060
Deferred revenue (Note 7)	114,607	111,601
	122,801	117,661
Net Assets		
Unrestricted	119,018	157,986
Internally restricted (Note 13)	71,193	-
	313,012	275,647

Rent Commitment - Note 9

Approved by the Board of Directors:

SouthWest Edmonton Seniors Association

Statement of Change in Net Assets

For the year ended December 31, 2021

	2021 \$	2020 \$
<u>Unrestricted</u>		
Balance, beginning of year	157,986	110,699
Excess of revenue over expenditures	32,225	47,287
Transfer (to) restricted - operating fund	(71,193)	-
Balance, end of year	119,018	157,986
<u>Internally restricted (Note 13)</u>		
Balance, beginning of year	-	-
Transfer from unrestricted for operating fund	71,193	-
Balance, end of year	71,193	-

SouthWest Edmonton Seniors Association
Statement of Operations
For the year ended December 31, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
	\$	\$	\$
Revenue			
Casino and 50/50 Raffle	68,710	1,952	24,791
Corporate Sponsors	5,000	6,450	-
Donations	40,000	32,078	46,579
Grants	138,951	192,451	106,429
Interest Income	1,500	1,382	4,366
Memberships fees	12,600	12,479	16,160
Program Fees	66,840	25,316	33,157
Special events and fundraising	5,000	4,314	746
	338,601	276,422	232,228
Expenditures			
AGM and Board Meetings	3,000	-	853
Advertising and Promotion	9,300	3,841	759
Business technology	7,394	11,183	6,624
Communications	7,493	5,341	4,781
Insurance	3,400	3,011	2,497
Member programs	100,430	38,980	28,347
Office	11,635	12,614	12,193
Professional fees	7,000	5,355	5,250
Rent	34,360	28,232	26,209
Special events and fundraising	12,380	4,948	2,066
Staffing and Benefits	142,533	130,692	95,362
	338,925	244,197	184,941
Excess of Revenue over Expenditures	(324)	32,225	47,287

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Cash Flow

For the year ended December 31, 2021

	2021	2020
	\$	\$
Cash provided by (Used for) the following activities:		
Operating Activities		
Excess of revenue over expenditures	32,225	47,287
Changes in non-cash working capital accounts:		
Decrease (increase) in accounts receivable	(16,652)	(3,986)
Decrease (increase) in prepaid expenses	4,184	1,528
Increase (decrease) in accounts payable and accrued liabilities	2,134	(2,501)
Increase (decrease) in deferred revenue	3,006	17,331
	24,897	59,659
Investing Activities		
Redeemed or matured short-term investments	61,340	36,000
Purchase of short-term investments	(10,630)	(61,340)
Redeemed or matured restricted short-term investments	20,343	-
Purchase restricted short-term investments	(71,193)	(20,343)
Redeemed or matured investments	10,415	(10,415)
	10,275	(56,098)
Increase (decrease) in Cash During the Year	35,172	3,561
CASH - Beginning of year	173,616	170,055
CASH - End of year	208,788	173,616
 Cash is comprised of:		
Cash	153,983	141,301
Restricted cash: Casino chequing account (Note 3)	54,805	32,315
	208,788	173,616

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Schedule of Expenditures by Object

For the year ended December 31, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
	\$	\$	\$
Bank charges and short-term interest	300	3,203	2,445
Contracted and general services	37,000	44,822	37,598
Insurance	3,400	3,011	2,497
Materials and goods	155,692	39,868	29,316
Salaries, wages and benefits	142,533	153,293	113,085
	338,925	244,197	184,941

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

Nature of the Organization

SouthWest Edmonton Seniors Association was registered as a non-profit organization June 2012. The organization addresses the social, cultural, and recreational interests of individuals aged 55 plus in the southwest Edmonton area. SouthWest Edmonton Seniors Association is a progressive organization creating a vibrant, welcoming, age-friendly community. SouthWest Edmonton Seniors Association empowers older adults in the southwest Edmonton, to be active and to be socially engaged through quality programs and services. SouthWest Edmonton Seniors Association is a registered charity effective September 12, 2019. As a not-for-profit organization under the Income Tax Act (Canada), SouthWest Edmonton Seniors Association is not subject to income taxes.

1. Significant Accounting Policies

The financial statements of the SouthWest Edmonton Seniors Association have been prepared in accordance with Part III of the CPA Canada Handbook, Canadian Accounting Standards for Not-for-Profit Organizations ("Part III") and include the following significant accounting policies:

(a) Cash

Cash consist of cash on deposit at a Canadian financial institution.

(b) Short-Term Investments

Short-term investments consist of guaranteed investment certificates with maturity dates of twelve months from date of acquisition.

(c) Investments

Investments consist of guaranteed investment certificates with maturity dates greater than twelve months from date of acquisition. Guaranteed investment certificates maturing within twelve months from the year-end date are classified as current.

(d) Tangible Capital Assets

Tangible capital assets are recorded as expenditures in the period they are acquired. Tangible capital assets purchased are recorded at cost and contributed tangible capital assets are recorded at fair value at the date of contribution. Fair value may be estimated using market or appraisal values. In circumstances when fair value cannot be reasonably determined, the tangible capital asset shall be recorded at nominal value.

(e) Revenue Recognition

SouthWest Edmonton Seniors Association follows the deferral method of accounting for revenue. Restricted revenues are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership and program fees are recognized as revenue in the fiscal year to which they relate. Membership and program fees received in advance of the fiscal year to which they relate are recorded as deferred revenue. These membership and program fees are then recognized as revenue in the year the service(s) is consumed.

Investment income comprises interest from cash, short-term investments and investments. Interest earned from investments is recognized as it is earned over the term of investment.

Other income is recognized as it is earned.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

1. Significant Accounting Policies - continued

(f) Financial Instruments

(i) Measurement of financial instruments

SouthWest Edmonton Seniors Association initially measures all of its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

SouthWest Edmonton Seniors Association subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the year in which the changes occur.

Financial assets measured at amortized cost include cash, restricted cash and short-term investments, accounts receivable, short-term investments, and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A 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.

(g) Donated Materials and Services

SouthWest Edmonton Seniors Association receives a lot of volunteer hours through out the year. Donated materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by SouthWest Edmonton Seniors Association if the materials and services were not provided by volunteers. Due to the difficulty of determining the fair value of volunteer hours, these donated services are not recognized in the financial statements. There were donated materials and services of \$4,950 recorded for the year ended December 31, 2021 (2020 - \$0).

2. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounts receivable are stated after evaluation as to their collectability and an appropriate accrued liabilities is based on best estimated fees payable at year end. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

3. Restricted Cash and Short-Term Investments

	2021	2020
	\$	\$
Restricted cash:		
Casino and raffle chequing account	54,805	32,315
Restricted short-term investment:		
Fixed Income Security #2 (Casino funds)	-	20,000
Accrued interest	-	343
Internally restricted short-term investments:		
Fixed Income Security #4	30,000	-
Fixed Income Security #5	40,742	-
Accrued interest	451	-
Total restricted and internally restricted short-term investments	71,193	20,343
	125,998	52,658

Restricted cash consists of proceeds from a casino that can only be spent in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

Fixed Income Security #2 matured in March 2021 and was deposited back into restricted casino funds. The cost of the fixed income security was \$20,000 and the market value at the time of maturity was \$20,442.

Fixed Income Security #4 - Has an effective interest rate of 0.81% per annum with maturity date of March 2022. The cost of the fixed income security was \$30,000 and the market value at year end is \$30,183.

Fixed Income Security #5 - Has an effective interest rate of 0.85% per annum with maturity date of March 2022. The cost of the fixed income security was \$40,742 and the market value at year end is \$41,009.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

4. Short-Term Investments

	2021	2020
	\$	\$
ATB Financial - Guaranteed Investment Certificate #1	10,235	-
ATB Financial - Guaranteed Investment Certificate #2	-	10,180
ATB Financial - Guaranteed Investment Certificate #3	-	10,235
Fixed Income Security #1	-	20,000
Fixed Income Security #3	-	20,000
Accrued interest	395	925
	10,630	61,340

The investments are Guaranteed Investment Certificates (GICs) with a range of maturity dates and interest rates as follows:

ATB Financial - Guaranteed Investment Certificate #1 - Has an effective interest rate of 2.10% per annum with maturity date of February 2022.

ATB Financial - Guaranteed Investment Certificate #2 - Matured February 2021 for \$10,389.

ATB Financial - Guaranteed Investment Certificate #3 - Matured August 2021 for \$10,339.

Fixed Income Security #1 matured in March 2021 and was used towards the purchase of Fixed Income Security #5. The cost of the fixed income security was \$20,000 and the market value at the time of maturity was \$20,240.

Fixed Income Security #3 matured March 2021 and was used towards the purchase of Fixed Income Security #5. The cost of the fixed income security was \$20,000 and the market value at the time of maturity was \$20,335.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

5. Investments

	2021 \$	2020 \$
Guaranteed Investment Certificate	-	10,235
Accrued interest	-	180
	-	10,415

ATB Financial - Guaranteed Investment Certificate - bearing interest of 2.10% per annum with maturity date of February 2022. The GIC is now classified as a short term investment as the The ATB Financial Guaranteed Investment Certificate #1 .

6. Tangible Capital Assets

The purchases during the year were \$6,621 (2020 - \$1,132) for computers, equipment and software.

7. Deferred Revenue

The restricted funds have been deferred and will be recognized as revenue in the year which the related expenditures are incurred.

	Opening \$	Additions \$	Consumed \$	2021 \$	2020 \$
Casino and 50/50 Raffle	52,658	2,221	74	54,805	52,658
City of Edmonton Capital	-	9,740	2,478	7,262	-
Edmonton Community Foundation	47,100	-	11,316	35,784	47,100
Memberships	6,539	12,459	10,838	8,160	6,539
Programs	5,304	38,422	35,130	8,596	5,304
	111,601	62,842	59,836	114,607	111,601

8. Continuing Operations

These financial statements have been prepared on the going concern basis which assumes the realization of assets and payments of liabilities in the normal course of operations. The application of the going concern concept is dependent on the SouthWest Edmonton Seniors Association's ability to generate future surpluses from operations and on the continued financial support from its funders, and ability to provide programs.

9. Rent Commitment

SouthWest Edmonton Seniors Association has a one year rental agreement with Blue Quill Community League for January - December 2022 for \$36,000. The other rental agreement is with Yellowbird East Community League is for seven (7) months, January - July 2022 for \$11,900.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

10. Significant Event

As of the date of these financial statements, social distancing measures have been put in place in Alberta as part of the interventions intended to prevent the spread of COVID-19, which has impacted all programs. The Government of Alberta declared a provincial state of public health emergency as per the Province of Alberta's Public Health Act on March 17, 2020 with respect to COVID-19. The length of time these social distancing measures will be put in place is currently unknown. The extent to which COVID-19 impacts the SouthWest Edmonton Seniors Association's results will depend on future developments, which are highly uncertain and cannot be predicted and dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain this or its impact, among others.

11. Financial Instruments and Concentration of Risk

SouthWest Edmonton Seniors Association's financial instruments consists of cash, restricted cash and investments, short-term investments, accounts receivable, and accounts payable and accrued liabilities.

SouthWest Edmonton Seniors Association is exposed to various risks through its financial instruments. The following provides information about the SouthWest Edmonton Seniors Association's risk exposure and concentration as of December 31, 2021.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk, and other price risk. SouthWest Edmonton Seniors Association is mainly exposed to interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. SouthWest Edmonton Seniors Association is exposed to interest rate risk on bank account balances and its fixed and/or floating interest rate financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. SouthWest Edmonton Seniors Association's main credit risk relates to its cash and accounts receivable.

The SouthWest Edmonton Seniors Association mitigates its exposure to credit loss by placing its cash with a major financial institutions. Accounts receivable is comprised of government subsidies. Management believes the SouthWest Edmonton Seniors Association exposure to credit risk is not significant.

Liquidity Risk

Liquidity risk is the risk that SouthWest Edmonton Seniors Association will encounter difficulty in meeting its obligations associated with financial liabilities. SouthWest Edmonton Seniors Association manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfill its financial obligations.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2021

12. Government Assistance

During the year, SouthWest Edmonton Seniors Association utilized the Canada Emergency Wage Subsidy ("CEWS") program which has various requirements with respect to SouthWest Edmonton Seniors Association decrease in revenue, employee baseline remuneration and total remuneration paid to eligible employees during prescribed periods. The SouthWest Edmonton Seniors Association claimed \$75,302 (2020 - \$4,563) under the CEWS program, which has been included in grant revenues.

13. Internally Restricted Funds

The board established an operating reserve fund to support the regular operations in the event of unforeseen shortfall in revenues or increases in expenses. The board approved the following internally restricted funds for the operating reserve.

	2021	2020
	\$	\$
Operating reserve fund	71,193	-

14. Budget Figures

The budget figures have not been audited and are for presentation purposes only. The budget was approved by the membership at the Annual General Meeting.

15. Comparative Figures

Certain comparative figures have been restated to conform to the presentation used in the current year.