

SouthWest Edmonton Seniors Association
Financial Statements
December 31, 2019

SouthWest Edmonton Seniors Association

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INDEPENDENT AUDITOR'S REPORT

To the Members of SouthWest Edmonton Seniors Association:

Qualified Opinion

We have audited the financial statements of SouthWest Edmonton Seniors Association, which comprise the statement of financial position as at December 31, 2019, 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of SouthWest Edmonton Seniors Association as at December 31, 2019, 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

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.

In common with many not-for-profit organizations, SouthWest Edmonton Seniors Association derives revenue from donations and fundraiser's, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification 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 donations and fundraising revenue, excess of revenues over expenditures, current assets, and net assets.

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 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
April 16, 2020

Doyle & Company
Chartered Professional Accountants

SouthWest Edmonton Seniors Association
Statement of Financial Position
As at December 31, 2019

	2019	2018
	\$	\$
Assets		
Current		
Cash	88,014	76,081
Restricted cash (Note 3)	82,041	59,291
Accounts receivable	577	-
Investments (Note 4)	36,000	30,000
Prepaid expenses	6,898	500
	213,530	165,872
Liabilities		
Current		
Accounts payable	8,561	6,953
Source deductions payable	-	4,038
Deferred revenue (Note 6)	94,270	83,568
	102,831	94,559
Net Assets		
Unrestricted	110,699	71,313
	213,530	165,872

Approved by the Board of Directors:

SouthWest Edmonton Seniors Association

Statement of Change in Net Assets

For the year ended December 31, 2019

	2019 \$	2018 \$
<u>Unrestricted</u>		
Balance, beginning of year	71,313	33,255
Excess of revenue over expenditures	39,386	38,058
Balance, end of year	110,699	71,313

SouthWest Edmonton Seniors Association

Statement of Operations

For the year ended December 31, 2019

	2019 Budget (Unaudited)	2019 Actual	2018 Actual
	\$	\$	\$
Revenue			
Casino and 50/50 draws	45,937	59,989	16,521
Donations	16,100	11,333	-
Grants	97,981	94,466	105,191
Interest Income	300	504	58
Memberships fees	18,000	17,500	15,381
Program Fees	60,000	87,558	55,101
Special events and fundraising	43,000	45,531	39,047
	281,318	316,881	231,299
Expenditures			
AGM and Board Meetings	1,450	1,152	128
Advertising and Promotion	4,650	4,841	2,140
Business technology	15,702	15,152	18,865
Casino	4,000	2,646	-
Communications	6,800	5,539	2,350
Insurance	1,300	1,850	1,744
Member programs	61,000	74,964	44,098
Office	8,150	8,865	6,158
Professional fees	8,500	8,003	5,365
Rent	28,800	29,545	23,400
Special events and fundraising	30,275	24,336	13,068
Staffing and Benefits	100,256	100,602	75,925
	270,883	277,495	193,241
Excess of Revenue over Expenditures	10,435	39,386	38,058

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Cash Flow

For the year ended December 31, 2019

	2019	2018
	\$	\$
Operating Activities		
Cash received from funding agencies and other income	327,583	171,875
Cash paid to vendors and suppliers	(286,323)	(187,751)
	41,260	(15,876)
Investing Activities		
(Increase) in investments	(6,000)	(30,000)
Increase (decrease) in Cash During the Year	35,260	(45,876)
CASH - Beginning of year	135,372	181,248
CASH - End of year	170,632	135,372
 Cash is comprised of:		
Cash	88,014	76,081
Restricted cash (Note 3)	82,041	59,291
	170,055	135,372

SouthWest Edmonton Seniors Association
Schedule of Consolidated Expenditures by Object - Schedule 1
For the year ended December 31, 2019

	2019 Budget (Unaudited)	2019 Actual	2018 Actual
	\$	\$	\$
CONSOLIDATED EXPENSES BY OBJECT			
Bank charges and short-term interest	1,200	1,139	249
Contracted and general services	78,000	77,774	53,701
Insurance	1,300	1,850	1,744
Materials and goods	90,127	73,676	62,347
Salaries, wages and benefits	100,256	123,056	75,200
TOTAL EXPENSES	270,883	277,495	193,241

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2019

Nature of the Organization

SouthWest Edmonton Seniors Association (SWESA) 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. SWESA is a progressive organization creating a vibrant, welcoming, age-friendly community. SWESA empowers older adults in the southwest Edmonton, to be active and to be socially engaged through quality programs and services. SWESA is a registered charity and is not a taxable organization under 149(1)(f) of the Income Tax Act effective September 12, 2019.

1. 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:

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed or the tangible assets are acquired.

(b) Cash

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

(c) Investments

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(d) Tangible Capital Assets

Tangible capital assets are recorded as expenditures in the period they are acquired. Tangible capital assets are reported at cost except for donated assets, which are reported at estimated fair value when acquired.

(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 collected in the current year that are for the subsequent fiscal year are record as a liability. These membership and program fees are then recognized as revenue in the year the service(s) is consumed.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2019

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, except for certain non-arm's length transactions.

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 net income.

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

Financial liabilities measured at amortized cost include accounts payable, source deductions payable, and deferred revenue.

(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) Volunteer Services

SouthWest Edmonton Seniors Association receives a lot of volunteer services through out the year. The organization does not record the value of the volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously: therefore, no value has been included in these financial statements as the fair value is not determinable.

(h) Income Taxes

SouthWest Edmonton Seniors Association is a charitable organization under the Income Tax Act and therefore is not subject to either federal or provincial income taxes.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2019

3. Restricted Cash

The casino funds can only be donated or expenses paid for purposes approved by the Alberta Gaming and Liquor Commission (ALGC), an agent of the Government of Alberta.

The amount of \$5,311 was transferred from the Casino bank account to the General Operating account on January 31, 2020 to reimburse the General Operating account for expenditures paid.

4. Investments

	2019	2018
	\$	\$
Guaranteed Investment Certificate (GIC)	36,000	30,000

Investments represent four Guaranteed Investment Certificates (GICs) with a range of maturity dates from January 24, 2020 to February 2, 2020 and interest rates of 1.80% to 2.35%.

5. Tangible Capital Assets

The purchases during the year were \$11,395 (2018 - \$18,865) for computer equipment and software.

6. 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	2019	2018
	\$	\$	\$	\$	\$
City of Edmonton - Facility					
Conservation	13,178	-	13,178	-	13,178
Casino	59,291	74,291	56,853	76,729	59,291
Memberships	8,010	10,590	8,010	10,590	8,010
Programs	3,089	6,951	3,089	6,951	3,089
	83,568	91,832	81,130	94,270	83,568

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2019

7. 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 organization's ability to generate future surpluses from operations and on the continued financial support from its funders, and ability to provide programs.

8. Financial Instruments and Concentration of 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 any of its fixed and/or floating interest rate financial instruments.

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.

9. Budget Figures

The budget figures have not been audited and are for presentation purposes only.

10. Comparative Figures

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