

SouthWest Edmonton Seniors Association
Financial Statements
December 31, 2022

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, 2022, 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, 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 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We have obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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.

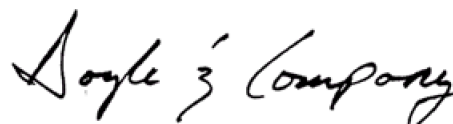
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.

May 11, 2023
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

SouthWest Edmonton Seniors Association

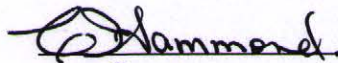
Statement of Financial Position

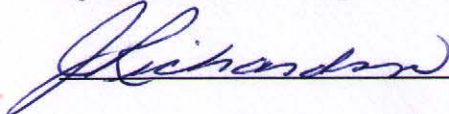
As at December 31, 2022

	2022	2021
	\$	\$
Assets		
Current		
Cash	154,061	153,983
Restricted cash and short-term investments (Note 3)	98,532	54,805
Accounts receivable	-	21,215
Short-term Investments (Note 4)	-	10,630
Prepaid expenses	1,093	1,186
	253,686	241,819
Investments (Note 5)	10,574	-
Internally restricted investment (Note 6)	72,647	71,193
	336,907	313,012
Liabilities		
Current		
Accounts payable and accrued liabilities	9,858	8,194
Deferred revenue (Note 8)	138,359	114,607
	148,217	122,801
Net Assets		
Unrestricted	116,043	119,018
Internally restricted (Note 6)	72,647	71,193
	336,907	313,012

Commitment - Note 9

Approved by the Board of Directors:

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The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Change in Net Assets

For the year ended December 31, 2022

	2022	2021
	\$	\$
<u>Unrestricted</u>		
Balance, beginning of year	119,018	157,986
Excess (Deficiency) of revenue over expenditures	(1,521)	32,225
Transfer (to) restricted - operating fund	(1,454)	(71,193)
Balance, end of year	116,043	119,018
<u>Internally restricted (Note 6)</u>		
Balance, beginning of year	71,193	-
Transfer from unrestricted for operating fund	1,454	71,193
Balance, end of year	72,647	71,193

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Operations

For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
Revenue			
Casino and 50/50 Raffle	59,650	49,278	1,952
Corporate Sponsors	5,000	150	6,450
Donations	40,000	44,189	32,078
Grants	133,524	180,710	192,451
Interest Income	1,000	1,487	1,382
Memberships fees	14,000	15,870	12,479
Program Fees	84,000	75,733	25,316
Special events and fundraising	6,500	6,356	4,314
	343,674	373,773	276,422
Expenditures			
AGM and Board Meetings	2,000	601	-
Advertising and Promotion	7,000	4,299	3,841
Business technology	10,000	11,487	11,183
Casino	-	2,645	-
Communications	5,700	5,770	5,341
Insurance	4,800	3,135	3,011
Member programs	105,925	121,551	40,980
Office	9,255	15,306	12,614
Professional fees	5,250	6,300	5,355
Rent	38,550	36,461	28,232
Special events and fundraising	5,500	1,939	2,948
Staffing and Benefits	168,815	165,800	130,692
	362,795	375,294	244,197
Excess (Deficiency) of Revenue over Expenditures	(19,121)	(1,521)	32,225

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Cash Flow

For the year ended December 31, 2022

	2022	2021
	\$	\$
Cash provided by (Used for) the following activities:		
Operating Activities		
Excess (Deficiency) of revenue over expenditures	(1,521)	32,225
Changes in non-cash working capital accounts:		
Decrease (increase) in accounts receivable	21,215	(16,652)
Decrease (increase) in prepaid expenses	93	4,184
Increase (decrease) in accounts payable and accrued liabilities	1,664	2,134
Increase (decrease) in deferred revenue	23,752	3,006
	45,203	24,897
Investing Activities		
Redeemed or matured short-term investments	10,630	61,340
Purchase of short-term investments	-	(10,630)
Redeemed or matured restricted short-term investments	71,193	20,343
Purchase restricted short-term investments	(72,647)	(71,193)
Redeemed or matured investments	-	10,415
Purchase investments	(10,574)	-
	(1,398)	10,275
Increase (decrease) in Cash During the Year	43,805	35,172
CASH - Beginning of year	208,788	173,616
CASH - End of year	252,593	208,788
Cash is comprised of:		
Cash	154,061	153,983
Restricted cash: Casino chequing account (Note 3)	98,532	54,805
	252,593	208,788

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

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 consists 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 short-term.

(d) Internally Restricted Investment

Internally restricted investment consists of fixed income security with a maturity date of twelve months from date of acquisition. These investments are to fund the operating reserve and are classified as short-term. If these funds are required to be used within twelve months, then this portion of the investment will be classified as current.

(e) 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.

(f) 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.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies - continued

(f) Revenue Recognition - continued

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.

(g) 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, 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.

(h) Donated Materials and Services

SouthWest Edmonton Seniors Association receives a lot of volunteer hours throughout 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 \$Nil recorded for the year ended December 31, 2022 (2021 - \$4,950).

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

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 liability 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.

3. Restricted Cash and Short-Term Investments

	2022	2021
	\$	\$
Restricted cash:		
Casino and raffle chequing account	98,532	54,805
Restricted short-term investment:		
Internally restricted short-term investments:		
Fixed Income Security #4	-	30,000
Fixed Income Security #5	-	40,742
Fixed Income Security #6	71,331	-
Accrued interest	1,316	451
Total restricted and internally restricted short-term investments	72,647	71,193
	171,179	125,998

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 #4 - Matured March 2022. The cost of the fixed income security was \$30,000 and the market value at maturity was \$30,243.

Fixed Income Security #5 - Matured March 2022. The cost of the fixed income security was \$40,742 and the market value at maturity was \$41,088.

Fixed Income Security #6 - Has an effective interest rate of 2.56% per annum with maturity date of March 2023. The cost of the fixed income security was \$71,331 and the market value at year end is \$72,647.

4. Short-Term Investments

	2022	2021
	\$	\$
ATB Financial - Guaranteed Investment Certificate #1	-	10,235
Accrued interest	-	395
	-	10,630

ATB Financial - Guaranteed Investment Certificate #1 - Matured February 2022.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

5. Investments

	2022	2021
	\$	\$
Guaranteed Investment Certificate	10,450	-
Accrued interest	124	-
	10,574	-

ATB Financial - Guaranteed Investment Certificate - bearing interest of 1.30% per annum with maturity date of February 2024.

6. Internally Restricted Investment

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.

	2022	2021
	\$	\$
Operating reserve fund	71,331	71,193
Accrued interest	1,316	-
	72,647	71,193

The operating reserve fund is funded by a fixed income security, see note 3. The investment is under short-term since it is not anticipated that the funds will be used within one year.

7. Tangible Capital Assets

The purchases during the year were \$7,265 (2021 - \$6,621) for computers, equipment, maintenance and software. The expenses are included in the following expense objects in the statement of operations: Business technology \$1,995 (2021 - \$1,670), member programs \$1,411 (2021 - \$2,478), and office \$3,859 (2021 - \$2,473).

8. 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	2022	2021
	\$	\$	\$	\$	\$
Casino and 50/50 Raffle	54,805	90,466	46,739	98,532	54,805
City of Edmonton Capital	7,262	-	7,262	-	7,262
Edmonton Community Foundation	35,784	-	35,784	-	35,784
Red Cross Grant	-	20,947	2,980	17,967	-
Memberships	8,160	8,630	7,980	8,810	8,160
Programs	8,596	17,105	12,651	13,050	8,596
	114,607	137,148	113,396	138,359	114,607

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

9. Commitment

SouthWest Edmonton Seniors Association has a one year rental agreement with Blue Quill Community League for January - December 2023 for \$12,000.

The rental agreement with Yellowbird East Community League is currently month to month and has no fixed expiry or commitment period.

10. 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, 2022.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument 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 institution. Accounts receivable are 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 fulfil its financial obligations.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2022

11. Government Assistance

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 \$Nil (2021 - \$75,302) under the CEWS program, which has been included in grant revenues.

12. 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.

13. Comparative Figures

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