

SouthWest Edmonton Seniors Association
Financial Statements
December 31, 2023

SouthWest Edmonton Seniors Association

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Change in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to the Financial Statements	7 - 12

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

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, 2023, 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, 2023, 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.

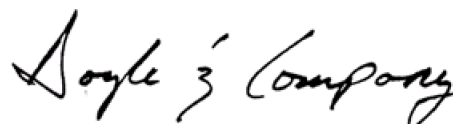
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.

April 18, 2024
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

SouthWest Edmonton Seniors Association

Statement of Financial Position

As at December 31, 2023

	2023	2022
	\$	\$
Assets		
Current		
Cash	122,919	154,061
Restricted cash and short-term investments (Note 3)	46,264	98,532
Short-term Investments (Note 4)	10,450	-
Prepaid expenses	1,000	1,093
	180,633	253,686
Investments (Note 5)	-	10,574
Internally restricted investment (Note 3)	75,673	72,647
	256,306	336,907
Liabilities		
Current		
Accounts payable and accrued liabilities	18,562	9,858
Deferred revenue (Note 8)	60,364	138,359
	78,926	148,217
Net Assets		
Unrestricted	101,706	116,043
Internally restricted (Note 6)	75,674	72,647
	256,306	336,907

Commitment - Note 9

Approved by the Board of Directors:





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, 2023

	2023	2022
	\$	\$
<u>Unrestricted</u>		
Balance, beginning of year	116,043	119,018
Excess (Deficiency) of revenue over expenditures	(11,310)	(1,521)
Transfer (to) restricted - operating fund	(3,027)	(1,454)
Balance, end of year	101,706	116,043
<u>Internally restricted (Note 6)</u>		
Balance, beginning of year	72,647	71,193
Transfer from unrestricted for operating fund	3,027	1,454
Balance, end of year	75,674	72,647

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Operations

For the year ended December 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
Revenue			
Casino and 50/50 Raffle	1,800	55,240	49,278
Corporate Sponsors	500	2,300	150
Donations	35,000	26,271	44,189
Grants	119,987	119,026	180,710
Casino proceeds and interest	56,240	3,130	1,487
Memberships fees	19,500	20,640	15,870
Program Fees	130,000	107,001	75,733
Special events and fundraising	21,500	6,307	6,356
	384,527	339,915	373,773
Expenditures			
AGM and Board Meetings	2,500	1,524	601
Advertising and Promotion	12,128	7,782	4,299
Business technology	15,380	14,945	11,487
Casino	-	-	2,645
Communications	8,710	4,134	5,770
Insurance	3,400	2,946	3,135
Member programs	114,532	99,167	121,551
Office	8,934	13,937	15,306
Professional fees	6,700	6,563	6,300
Rent	54,150	32,166	36,461
Special events and fundraising	3,400	1,614	1,939
Staffing and Benefits	173,691	166,447	165,800
	403,525	351,225	375,294
Excess (Deficiency) of Revenue over Expenditures	(18,998)	(11,310)	(1,521)

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Statement of Cash Flow

For the year ended December 31, 2023

	2023	2022
	\$	\$
Cash provided by (Used for) the following activities:		
Operating Activities		
Excess (Deficiency) of revenue over expenditures	(11,310)	(1,521)
Changes in non-cash working capital accounts:		
Decrease (increase) in accounts receivable	-	21,215
Decrease (increase) in prepaid expenses	93	93
Increase (decrease) in accounts payable and accrued liabilities	8,704	1,664
Increase (decrease) in deferred revenue	(77,995)	23,752
	(80,508)	45,203
Investing Activities		
Redeemed or matured short-term investments	-	10,630
Purchase of short-term investments	(10,450)	-
Redeemed or matured restricted short-term investments	72,647	71,193
Purchase restricted short-term investments	(75,673)	(72,647)
Redeemed or matured investments	10,574	-
Purchase investments	-	(10,574)
	(2,902)	(1,398)
Increase (decrease) in Cash During the Year	(83,410)	43,805
CASH - Beginning of year	252,593	208,788
CASH - End of year	169,183	252,593
Cash is comprised of:		
Cash	122,919	154,061
Restricted cash: Casino chequing account (Note 3)	46,264	98,532
	169,183	252,593

The accompanying notes form part of these financial statements.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2023

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, 2023

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, 2023 (2022 - \$Nil).

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2023

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

	2023	2022
	\$	\$
Restricted cash:		
Casino and raffle chequing account	46,264	98,532
Restricted short-term investment:		
Internally restricted short-term investments:		
Fixed Income Security #6	73,157	71,331
Accrued interest	2,516	1,316
Total restricted and internally restricted short-term investments	75,673	72,647
	121,937	171,179

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 #6 - Has an effective interest rate of 4.81% per annum with maturity date of April 2024. The cost of the fixed income security was \$73,157 and the market value at year end is \$72,647.

4. Short-Term Investments

	2023	2022
	\$	\$
ATB Financial - Guaranteed Investment Certificate	10,450	-
	10,450	-

ATB Financial - Guaranteed Investment Certificate - Maturing February 2024.

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2023

5. Investments

	2023	2022
	\$	\$
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.

	2023	2022
	\$	\$
Operating reserve fund	73,157	71,331
Accrued interest	2,516	1,316
	75,673	72,647

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 \$Nil (2022 - \$7,265) for computers, equipment, maintenance and software. The expenses are included in the following expense objects in the statement of operations: Business technology \$Nil (2022 - \$1,995), member programs \$Nil (2022 - \$1,411), and office \$Nil (2022 - \$3,859).

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	2023	2022
	\$	\$	\$	\$	\$
Casino and 50/50 Raffle	98,532	185	52,453	46,264	98,532
Red Cross Grant	17,967	12,568	30,535	-	17,967
Memberships	8,810	14,080	8,810	14,080	8,810
Programs	13,050	20	13,050	20	13,050
	138,359	26,853	104,848	60,364	138,359

SouthWest Edmonton Seniors Association

Notes to the Financial Statements

December 31, 2023

9. Commitment

SouthWest Edmonton Seniors Association has entered into a rental agreement with YMCA (Young Men's Christian Association of Edmonton) on January 15, 2024. The term length of the rental is for three years from the date of the agreement, with the option to renew for another three years. The annual rent for 2024 is \$20,292. The rent is subject to adjustments by the Annual Alberta Consumer Price Index (All Items) at each anniversary of the agreement throughout the initial term and the renewal period.

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

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, 2023.

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, 2023

11. 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.

12. Comparative Figures

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