

Parkdale Nifty Fifties Seniors Association
Financial Statements
Year Ended December 31, 2022

Parkdale Nifty Fifties Seniors Association
Index to Financial Statements
Year Ended December 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Parkdale Nifty Fifties Seniors Association

Qualified Opinion

We have audited the financial statements of Parkdale Nifty Fifties Seniors Association (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022.

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 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

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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.

Calgary, Alberta
March 20, 2023




Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Parkdale Nifty Fifties Seniors Association
Statement of Financial Position
December 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 127,130	\$ 178,581
Accounts receivable	(1,664)	-
Interest receivable	-	65
Goods and services tax recoverable	1,940	635
Prepaid expenses	6,121	5,802
Restricted cash (Note 6)	4,622	22,298
Short term investments (Note 4)	48,498	48,303
	<u>186,647</u>	<u>255,684</u>
EQUIPMENT (Note 5)	<u>4,295</u>	<u>-</u>
	<u>\$ 190,942</u>	<u>\$ 255,684</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,536	\$ 4,612
Wages payable	4,700	2,388
Deposits received	450	-
Short term debt	-	60,000
Vacation payable	1,483	12,468
Employee deductions payable	3,423	19
Deferred revenue - casino (Note 6)	5,062	28,823
Deferred revenue - other (Note 7)	18,136	12,245
Deferred Contributions (Note 8)	8,359	-
	<u>44,149</u>	<u>120,555</u>
NET ASSETS	<u>146,793</u>	<u>135,129</u>
	<u>\$ 190,942</u>	<u>\$ 255,684</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

Parkdale Nifty Fifties Seniors Association
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUES		
Grant revenue	\$ 83,604	\$ 75,963
Activity income	68,314	30,141
Casino revenue	23,997	35,210
Hall rentals	20,664	11,825
CEBA loan forgivable portion	20,000	-
CEWS wage subsidy	15,838	32,420
Memberships	5,435	3,020
Donations	4,787	3,824
Fundraising	309	1,800
Interest and other income	154	400
	<u>243,102</u>	<u>194,603</u>
EXPENSES		
Salaries and wages	131,833	102,981
Instructor fees	23,527	3,876
Casino reporting and other expense	22,882	35,210
Office	13,766	2,337
Sub - contracts	9,964	16,400
Technology program expense	9,641	-
Food and beverages	5,620	4,469
Professional fees	4,905	4,869
Life cycle	3,485	3,485
Interest and bank charges	1,900	973
Janitorial	2,707	-
Insurance	556	-
Amortization	477	-
Marketing and promotion	104	-
Travel	71	55
Fundraising expenses	-	966
	<u>231,438</u>	<u>175,621</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 11,664</u>	<u>\$ 18,982</u>

See notes to financial statements

Parkdale Nifty Fifties Seniors Association
Statement of Changes in Net Assets
Year Ended December 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 135,129	\$ 116,147
EXCESS OF REVENUES OVER EXPENSES	<u>11,664</u>	<u>18,982</u>
NET ASSETS - END OF YEAR	<u>\$ 146,793</u>	<u>\$ 135,129</u>

See notes to financial statements

Parkdale Nifty Fifties Seniors Association
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 11,664	\$ 18,982
Item not affecting cash:		
Amortization of equipment	477	-
	<u>12,141</u>	<u>18,982</u>
Changes in non-cash working capital:		
Accounts receivable	1,664	3,740
Interest receivable	65	155
Accounts payable and accrued liabilities	(2,076)	256
Deferred revenue - casino	(23,761)	21,094
Prepaid expenses	(319)	(124)
Goods and services tax payable	(1,305)	(109)
Deferred revenue - other	5,891	7,727
Deferred Contributions	8,359	-
Vacation payable	(10,985)	3,727
Wages payable	2,312	210
Employee deductions payable	3,404	(28)
Deposits received	450	-
	<u>(16,301)</u>	<u>36,648</u>
Cash flow from (used by) operating activities	<u>(4,160)</u>	<u>55,630</u>
INVESTING ACTIVITIES		
Purchase of equipment	(4,772)	-
Short term investments	(195)	(439)
	<u>(4,967)</u>	<u>(439)</u>
Cash flow used by investing activities	<u>(4,967)</u>	<u>(439)</u>
FINANCING ACTIVITY		
Short term debt	(60,000)	20,000
	<u>(60,000)</u>	<u>20,000</u>
INCREASE (DECREASE) IN CASH FLOW	(69,127)	75,191
Cash - beginning of year	<u>200,879</u>	<u>125,688</u>
CASH - END OF YEAR	\$ 131,752	\$ 200,879
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 127,130	\$ 178,581
Restricted cash	4,622	22,298
	<u>\$ 131,752</u>	<u>\$ 200,879</u>

See notes to financial statements

Parkdale Nifty Fifties Seniors Association
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE ASSOCIATION

The Parkdale Nifty Fifties Seniors Association ("the Association") is a not-for-profit organization and not subject to income tax under section 149(1) of the income tax act. The purpose of the Association is to foster community development and interaction.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Due to the short term maturity of these investments, their carrying amount approximates fair value.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20% declining balance method
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The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Parkdale Nifty Fifties Senior Association uses the deferral method of accounting for contributions where contributions are recognized as revenue in the year in which the related expenses are incurred.

Fundraising is recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Services are recognized as revenue in the year the service is provided.

Volunteer contributions

Volunteer services contributed on behalf of the Association in carrying out its activities are not recognized in these financial statements due to the difficulty of determining their fair value.

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Parkdale Nifty Fifties Seniors Association
Notes to Financial Statements
Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

In particular, the Association uses estimates for valuation of accrued liabilities.

Financial instruments

Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost, except for investments 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 consist of cash and cash equivalents, term deposits and accounts receivable.

Financial liabilities measured at amortized cost consist of accounts payable.

4. SHORT TERM INVESTMENTS

Short term investments consist of Redeemable Term Deposits. The term deposits mature between March 2022 and October 2022 and are earning 1.45% to 1.98% (2021 - 0.30% to 2.55%) interest per annum. The cost approximates the fair market value.

5. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and equipment	\$ 4,772	\$ 477	\$ 4,295	\$ -

Parkdale Nifty Fifties Seniors Association
Notes to Financial Statements
Year Ended December 31, 2022

6. CASINO CONTRIBUTIONS

The Alberta Gaming, Liquor & Cannabis Commission "AGLC" requires the distribution of gaming profits to be made within 36 months of receipt of the funds. If the Association fails to comply; it will be subject to AGLC board-directed sanctions such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. As at the year end, the Association had \$5,062 (2021 - \$22,298) of unspent AGLC funds. Management is confident the Association will comply with the spending requirement.

Changes in the deferred casino contributions are disclosed below:

	2022	2021
Opening balance	\$ 28,823	\$ 7,729
Funds added	758	56,304
Funds spent	(24,519)	(35,210)
	\$ 5,062	\$ 28,823

7. DEFERRED REVENUE

Deferred revenue consists of the following:

	2022	2021
Deferred revenue - membership	\$ 1,417	\$ 1,075
Deferred revenue - classes and activities	13,913	9,910
Deferred revenue - rental	2,806	1,260
Ending balance	\$ 18,136	\$ 12,245

8. DEFERRED CONTRIBUTIONS

	Beginning Balance	Funds Recieved	Funds Used	Ending Balance
<u>2022</u>				
Family and Community Support Services Grant	\$ -	\$ 73,963	\$ (73,963)	\$ -
New Horizon Technology Grant	-	18,000	(9,641)	8,359
	\$ -	\$ 91,963	\$ (83,604)	\$ 8,359
<u>2021</u>				
Government of Alberta - Restrictions Exemption Program Implementation Grant	\$ -	\$ 2,000	\$ (2,000)	\$ -
Family and Community Support Services Grant	-	73,963	(73,963)	-
	\$ -	\$ 75,963	\$ (75,963)	\$ -

Parkdale Nifty Fifties Seniors Association
Notes to Financial Statements
Year Ended December 31, 2022

9. LEASE COMMITMENTS

The Association has entered into a lease agreement for building premises expiring on December 31, 2027, with an option to renew for a further five years. The aggregate lease payment for the term of the lease is a nominal amount.

10. FINANCIAL INSTRUMENTS

The Association's is exposed to various risks through its financial instruments. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Association is exposed to this risk mainly from its accounts payable.

11. COVID-19 PANDEMIC

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the Covid-19 pandemic. The global pandemic has disrupted economic activities and supply chains. The Association had to temporarily shut down in March 2020, which has caused a significant reduction in various programs that were offered. The Association has qualified for various government support plans initiated in response to Covid-19 and was also able to acquire emergency Covid-19 funding. The overall financial impact of this pandemic cannot be reasonably estimated at this time.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
