

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION
Financial Statements
Year Ended December 31, 2021

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

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Year Ended December 31, 2021

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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 Association), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenses, 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 Association as at December 31, 2021, 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 Association 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 Association. 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, 2021, current assets and net assets as at December 31, 2021.

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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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
February 28, 2022

Mahmud Khalfan Prof Corp

Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

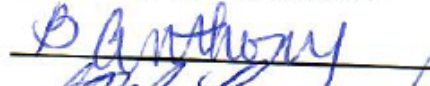
PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Statement of Financial Position


December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 178,581	\$ 123,914
Restricted cash (Note 4)	22,298	1,774
Short term investments (Note 5)	48,303	47,864
Accounts receivable	-	3,740
Interest receivable	65	220
Goods and services tax recoverable	635	526
Prepaid expenses	5,802	5,678
	<u>\$ 255,684</u>	<u>\$ 183,716</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,612	\$ 4,356
Wages payable	2,388	2,178
Vacation payable	12,468	8,741
Employee deductions payable	19	47
Deferred revenue (Note 6)	12,245	4,518
Deferred revenue - casino (Note 4)	28,823	7,729
Short term debt (Note 7)	60,000	40,000
	<u>120,555</u>	<u>67,569</u>
NET ASSETS		
Unrestricted	<u>135,129</u>	<u>116,147</u>
	<u>\$ 255,684</u>	<u>\$ 183,716</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Statement of Revenues and Expenses

Year Ended December 31, 2021

	2021	2020
REVENUES		
Grant revenue (Note 8)	\$ 75,963	\$ 73,963
CEWS wage subsidy	32,420	41,099
Casino revenue (Note 4)	35,210	19,854
Activity income	30,141	39,735
Hall rentals	11,825	12,491
Donations	3,824	1,886
Memberships	3,020	5,679
Fundraising	1,800	73
Interest and other income	400	705
Covid -19 grants (Note 8)	-	62,500
	<u>194,603</u>	<u>257,985</u>
EXPENSES		
<u>CASINO EXPENSES</u>		
Instructors	12,705	7,144
Utilities	8,871	3,165
Insurance	6,205	5,269
Casino reporting and other expense	3,840	1,445
Equipment and program expenses	3,333	1,567
Janitorial	256	224
Repairs and maintenance	-	1,040
	<u>35,210</u>	<u>19,854</u>
<u>GENERAL AND ADMINISTRATIVE EXPENSES</u>		
Salaries and wages	102,334	94,778
Sub - contracts	16,400	17,900
Professional fees	4,869	4,213
Food and beverages	4,469	3,316
Instructor fees	3,876	14,994
Life cycle	3,485	3,485
Office	2,337	14,004
Interest and bank charges	973	478
Fundraising expenses	966	-
Employee benefits	647	612
Travel	55	313
Training	-	2,400
Marketing and promotion	-	579
	<u>140,411</u>	<u>157,072</u>
	<u>175,621</u>	<u>176,926</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 18,982	\$ 81,059

See notes to financial statements

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
NET ASSETS - BEGINNING OF YEAR	\$ 116,147	\$ 35,088
EXCESS OF REVENUES OVER EXPENSES	18,982	81,059
NET ASSETS - END OF YEAR	<u>\$ 135,129</u>	<u>\$ 116,147</u>

See notes to financial statements

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts	\$ 226,839	\$ 222,019
Cash paid to suppliers and employees	(170,561)	(173,150)
Interest received	325	705
Interest paid	(973)	(478)
Cash flow from operating activities	<u>55,630</u>	<u>49,096</u>
INVESTING ACTIVITY		
Sale (Purchase) of GICs, net	<u>(439)</u>	<u>(777)</u>
FINANCING ACTIVITY		
Short term debt acquired	<u>20,000</u>	<u>40,000</u>
INCREASE IN CASH FLOW	75,191	88,319
Cash - beginning of year	<u>125,688</u>	<u>37,369</u>
CASH - END OF YEAR	\$ 200,879	\$ 125,688
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 178,581	\$ 123,914
Restricted cash	<u>22,298</u>	<u>1,774</u>
	\$ 200,879	\$ 125,688

See notes to financial statements

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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

In accordance with optional accounting treatment under ASNPO for small organizations, the Association reports capital assets as expenses in the year they are purchased. Proceeds from the disposition of capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the capital assets reported on the statement of financial position.

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, 2021

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 Association 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. CASINO CONTRIBUTIONS

The Alberta Gaming & Liquor Commission (AGLC) requires the distribution of gaming profits to be made within 24 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 \$22,298 (2020 - \$1,774) of unspent AGLC funds. Management is confident the Association will comply with the spending requirement.

Changes in the deferred casino contributions are disclosed below:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 7,729	\$ 27,472
Funds added	56,304	111
Funds spent	<u>(35,210)</u>	<u>(19,854)</u>
	<u>\$ 28,823</u>	<u>\$ 7,729</u>

5. SHORT TERM INVESTMENTS

Short term investments consist of Redeemable Term Deposits. The term deposits mature between March 2022 and October 2022 and are earning 0.20% to 0.60% (2020 - 0.30% to 2.55%) interest per annum. The cost approximates the fair market value.

PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2021</u>		<u>2020</u>
Deferred revenue - membership	\$ 1,075	\$	325
Deferred revenue - classes and activities	9,910		1,673
Deferred revenue - rental	<u>1,260</u>		<u>2,520</u>
Ending balance	<u>\$ 12,245</u>	\$	<u>4,518</u>

7. SHORT TERM DEBT

Short term debt pertains to the amounts received from the Canada Emergency Business Account (CEBA). As of year end, the Association has received a total loan amount of \$60,000. The loan is interest free and does not have any set repayment terms. The Association will be eligible for loan forgiveness of 25 percent (\$10,000) on the first \$40,000 and 50 percent (\$10,000) on the remaining \$20,000 if the loan is paid back on or before December 31, 2023.

8. DEFERRED CONTRIBUTIONS

	<u>2021</u>		<u>2020</u>
<u>Family and Community Support Services Grant</u>			
Opening balance	\$ -	\$	-
Funds received	73,963		73,963
Funds spent	<u>(73,963)</u>		<u>(73,963)</u>
Ending balance	<u>-</u>		<u>-</u>
<u>Government of Alberta - Restrictions Exemption Program Implementation Grant</u>			
Opening balance	-		-
Funds received	2,000		-
Funds spent	<u>(2,000)</u>		<u>-</u>
Ending balance	<u>-</u>		<u>-</u>
<u>Family and Community Support Services - Covid -19 Grant</u>			
Opening balance	-		-
Funds received	-		22,500
Funds spent	-		<u>(22,500)</u>
Ending balance	<u>-</u>		<u>-</u>
<u>United Way - Covid -19 Grant 1</u>			
Opening balance	-		-
Funds received	-		15,000
Funds spent	-		<u>(15,000)</u>
Ending balance	<u>-</u>		<u>-</u>
<u>United Way - Covid -19 Grant 2</u>			
Opening balance	-		-
Funds received	-		25,000
Funds spent	-		<u>(25,000)</u>

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PARKDALE NIFTY FIFTIES SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

8. DEFERRED CONTRIBUTIONS *(continued)*

	<u>2021</u>	<u>2020</u>
<u>United Way - Covid -19 Grant 2</u>		
Ending balance	-	-
Grand total	<u>\$ -</u>	<u>\$ -</u>

9. CAPITAL ASSETS

During the year, the Association expensed \$nil (2020 - \$Nil) worth of capital assets.

10. 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.

11. 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.

12. COMPARATIVE FIGURES

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

13. 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.
