

CANMORE SENIORS ASSOCIATION
Financial Statements
Year Ended June 30, 2018
(Unaudited)



CHARTERED PROFESSIONAL ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

To the Members of Canmore Seniors Association

We have reviewed the statement of financial position of Canmore Seniors Association as at June 30, 2018 and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Canmore Seniors Association derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Canmore Seniors Association. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to revenue, excess of revenue over expenses, statement of financial position and cash flows from operations.

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Review Engagement Report to the Members of Canmore Seniors Association *(continued)*

Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Canmore Seniors Association as at June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Canmore Seniors Association for the year ended June 30, 2017 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements dated September 11, 2017.

Canmore, AB

September 10, 2018

Lackwood Deyle Professional Corporation

Chartered Professional Accountants

CANMORE SENIORS ASSOCIATION

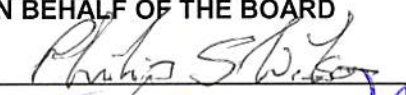
Statement of Financial Position

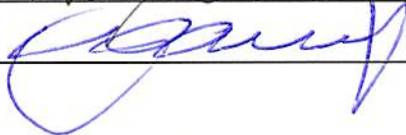
June 30, 2018

(Unaudited)

	General Fund 2018	Reserve Fund 2018	Total 2018	Total 2017
ASSETS				
CURRENT				
Cash (Note 4)	\$ 117,499	\$ 29,064	\$ 146,563	\$ 88,148
Term deposits (Note 5)	-	152,543	152,543	75,350
Accounts receivable	1,230	-	1,230	550
Donation receivable	11,000	-	11,000	-
Grant receivable (Note 7)	-	11,170	11,170	-
	<u>129,729</u>	<u>192,777</u>	<u>322,506</u>	<u>164,048</u>
LONG TERM				
Term deposits (Note 5)	-	101,843	101,843	175,940
	<u>\$ 129,729</u>	<u>\$ 294,620</u>	<u>\$ 424,349</u>	<u>\$ 339,988</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Accounts payable and accrued liabilities	\$ 8,791	\$ -	\$ 8,791	\$ 6,507
Hall rental deposits and deferred revenue (Note 6)	11,465	-	11,465	8,640
Deferred revenue - member fees	24,060	-	24,060	14,000
Deferred contributions (Note 7)	47,279	5,480	52,759	3,102
	<u>91,595</u>	<u>5,480</u>	<u>97,075</u>	<u>32,249</u>
FUND BALANCES				
Internally restricted	-	289,140	289,140	270,548
Unrestricted	38,134	-	38,134	37,191
	<u>38,134</u>	<u>289,140</u>	<u>327,274</u>	<u>307,739</u>
	<u>\$ 129,729</u>	<u>\$ 294,620</u>	<u>\$ 424,349</u>	<u>\$ 339,988</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

CANMORE SENIORS ASSOCIATION
Statement of Operations and Changes in Fund Balances
Year Ended June 30, 2018
(Unaudited)

	General Fund 2018	Reserve Fund 2018	Total 2018	Total 2017
REVENUES				
Events and activities	\$ 40,348	\$ -	\$ 40,348	\$ 12,480
Rental	28,984	-	28,984	25,825
Donations	24,711	-	24,711	3,236
Membership fees	22,000	-	22,000	20,950
Grant (Note 7)	-	5,690	5,690	-
Interest	522	4,282	4,804	4,149
Casino (Note 7)	3,873	-	3,873	9,155
Miscellaneous	267	-	267	136
	<u>120,705</u>	<u>9,972</u>	<u>130,677</u>	<u>75,931</u>
EXPENSES				
Property				
Janitorial services and supplies	15,628	-	15,628	16,479
Capital assets (Note 8)	6,195	-	6,195	15,297
Utilities	9,310	-	9,310	8,830
Repairs and maintenance	8,647	11,380	20,027	12,452
	<u>39,780</u>	<u>11,380</u>	<u>51,160</u>	<u>53,058</u>
Program Delivery				
Events and activities	32,466	-	32,466	10,301
Hospitality	990	-	990	2,127
	<u>33,456</u>	<u>-</u>	<u>33,456</u>	<u>12,428</u>
General and Administrative				
Office and administration	17,427	-	17,427	5,088
Insurance	1,213	-	1,213	1,337
Professional fees	3,800	-	3,800	3,284
Internet, telephone and cable	2,353	-	2,353	2,292
Non-recoverable portion of GST	1,733	-	1,733	1,208
	<u>26,526</u>	<u>-</u>	<u>26,526</u>	<u>13,209</u>
	<u>99,762</u>	<u>11,380</u>	<u>111,142</u>	<u>78,695</u>
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	20,943	(1,408)	19,535	(2,764)
FUND BALANCES - BEGINNING OF YEAR	37,191	270,548	307,739	310,503
	58,134	269,140	327,274	307,739
Inter-fund transfers (Note 3)	(20,000)	20,000	-	-
FUND BALANCES - END OF YEAR	<u>\$ 38,134</u>	<u>\$ 289,140</u>	<u>\$ 327,274</u>	<u>\$ 307,739</u>

CANMORE SENIORS ASSOCIATION**Statement of Cash Flows****Year Ended June 30, 2018***(Unaudited)*

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 19,535	\$ (2,764)
Changes in non-cash working capital:		
Accounts receivable	(680)	918
Accrued interest	(520)	1,966
Donation receivable	(11,000)	-
Grant receivable	(11,170)	-
Prepaid expenses	-	81
Accounts payable and accrued liabilities	2,284	170
Deferred revenue - member fees	10,060	1,025
Hall rental deposits and deferred revenue	2,825	2,940
Deferred contributions	49,657	(7,205)
	<u>41,456</u>	<u>(105)</u>
Cash flow from operating activities	<u>60,991</u>	<u>(2,869)</u>
INVESTING ACTIVITIES		
Proceeds from term deposits	75,350	226,571
Purchases of term deposits	(77,926)	(200,576)
Cash flow from (used by) investing activities	<u>(2,576)</u>	<u>25,995</u>
INCREASE IN CASH FLOW	58,415	23,126
Cash - beginning of year	<u>88,148</u>	<u>65,022</u>
CASH - END OF YEAR	\$ 146,563	\$ 88,148

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

1. HISTORY AND PURPOSE

The Canmore Committee on Aging was incorporated under the Societies Act of Alberta on July 29, 1976 and changed its name in December 1982 to Canmore Seniors Association (hereinafter referred to as CSA). The CSA is a not-for-profit organization, and is a registered charity within the meaning of Section 149(1) of the Income Tax Act (Canada). The CSA is an Alberta Gaming and Liquor Commission (AGLC) licensee and has received gaming proceeds from Casinos approximately every three years and has conducted 50/50 raffles.

The CSA represents and serves the senior citizens of the Canmore area and organizes activities for the edification and entertainment of its members, aged 55 or older, and operates the Seniors Drop-in Centre (Centre) in Canmore, Alberta. The CSA constructed the original Centre (later called "Townside"), which officially opened in January 1980, on a large parcel of land leased to the CSA by the Town of Canmore (TOC) under the terms of a 49 year lease signed with the TOC in September, 1977. Part of the original Centre was used for a period of time as the TOC Library and TOC administration offices.

The original Centre could only accommodate 120 people and consequently the Creekside Hall expansion began in October 2000 and was completed in April 2002. The total cost of the building and the renovations was just over \$500,000 not including a large amount of volunteer hours. This expansion was built on part of the land leased from the TOC in 1977.

Effective June 1, 2016, the CSA and the TOC entered into a new 49 year lease with rent fixed at \$1 per year which expires on May 31, 2065. Under the terms of the lease, the TOC is responsible for all the outside maintenance of all of the building and the CSA is responsible for all of the inside maintenance and repair including all mechanical systems servicing the Centre. On the expiry or earlier termination of the lease, the CSA will surrender the Leased Premises (the land and buildings on it) to the TOC.

The CSA runs most of its' activities for members from the Centre. Activities include indoor and outdoor sporting and fitness activities, lifelong learning presentations and social events. In 1993 some of the members formed the Meanderthals, a group that focuses on hiking, cross-country skiing and snow shoeing activities. The Centre is rented out to third parties when not in use by CSA members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Fund accounting

The CSA uses the fund method of accounting. Revenues and expenses related to program delivery and administrative activities are reported in the unrestricted General Fund. The internally restricted Reserve Fund reports the assets, liabilities, revenues, and expenses related to the Centre.

(continues)

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

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

Revenue recognition

Canmore Seniors Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue on a time proportion basis.

Member fees are recognized as revenue in the fiscal year to which they relate.

Government grants are recorded when there is a reasonable assurance that the CSA had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Casino funds received are related to Casino events held under license from the Alberta Gaming and Liquor Commission (AGLC). These funds are recognized as revenue when approved AGLC expenditures have been incurred.

Cash and cash equivalents

The CSA's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Contributed services and materials

The operations of the CSA depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Goods and Services Tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Capital assets

Capital assets are expensed in the year acquired in accordance with CPA handbook section 4431.03.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

3. RESERVE FUND

The CSA has set up a reserve fund to meet its obligations under article 8.02 of the lease between the TOC and the CSA (in particular article 8.02 (c) – “establish and maintain sufficient funds for the purposes of ongoing maintenance of the leased premises”). In fiscal 2017, the Board of Directors (Board) specifically designated the non-redeemable term deposits in place at the time as assets of the reserve fund to be used for funding this future obligation. Accordingly, all of the interest income earned on those term deposits is designated as revenue for the reserve fund.

An engineering reserve study was completed by the TOC in 2015. The CSA Board reviewed the study and estimated the future costs over the next 25 years, which total almost \$566,000. In order to fund these future costs, the board plans to transfer approximately \$7,000 each year from the general fund to the reserve fund. Key assumptions in the future cost estimate include an average inflation rate of 2.0% for costs and an average interest rate of 2.0% for the term deposit investments.

A 25 year forward spending projection is typical of that used by Condominium Associations when they review their reserve funds. The Board accordingly adopted the same 25 year forward spending projection. The Board anticipates carrying out a review, and update, of the spending projections every 5 years. The estimated expenditures for the next five years is approximately \$65,370. During the year, the board authorized a transfer from the general fund to the reserve fund in the amount of \$20,000.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following balances:

	General Fund 2018	Reserve Fund 2018	Total 2018	Total 2017
Bank balance - general	\$ 72,645	\$ 29,064	\$ 101,709	\$ 37,227
Bank balance - casino	44,279	-	44,279	152
Credit Union shares	475	-	475	475
Petty cash	100	-	100	107
Redeemable term deposit	-	-	-	50,187
	<u>\$ 117,499</u>	<u>\$ 29,064</u>	<u>\$ 146,563</u>	<u>\$ 88,148</u>

The general bank account is shared by the general fund and the reserve fund. Included in the general fund bank balance is \$3,000 (2017 - \$2,950) of externally restricted cash received from the Rotary Club of Canmore (see note 7). The casino account is restricted cash relating to AGLC casino gaming funds.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

5. TERM DEPOSITS

All of the term deposits are not-redeemable (not redeemable prior to the maturity date) and have been designated by the Board as assets of the reserve fund and are to be used to fund the future building interior maintenance costs. Interest is compounded after each annual anniversary date for multi-year deposits and interest has been accrued on each term deposit since the last annual anniversary date of the investment.

Below are the details of the term deposits as at June 30, 2018:

	Term (months)	Interest rate	Amount
Deposit maturing October, 2018	16	1.50%	\$ 50,790
Deposit maturing October, 2018	30	1.65%	25,912
Deposit maturing December, 2018	14	1.80%	50,663
Deposit maturing June, 2019	16	2.00%	25,178
			<u>152,543</u>
Deposit maturing June, 2020	36	1.75%	101,843
			<u>\$ 254,386</u>

6. HALL RENTAL DEPOSITS AND DEFERRED REVENUE

The Centre is rented out when it is not in use by CSA members. Hall rental deposits and deferred revenue is comprised of the following amounts:

	<u>2018</u>	<u>2017</u>
Hall rental deposits	\$ 9,265	\$ 5,595
Deferred hall rental revenue	<u>2,200</u>	<u>3,045</u>
	<u>\$ 11,465</u>	<u>\$ 8,640</u>

Hall rental deposits are refunded back to the renters after their event has occurred and deferred revenue is recognized in the year in which the hall rental event occurs.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

7. DEFERRED CONTRIBUTIONS

The following contributions are externally restricted by regulation or by the donor or contributor and relate to expenses planned for the next fiscal year. Changes in the deferred contribution balances are summarized below:

	General Fund 2018	Reserve Fund 2018	Total 2018	Total 2017
Balance, beginning of year	\$ 3,102	\$ -	\$ 3,102	\$ 10,307
<i>Add amounts received/receivable from:</i>				
Casino	48,000	-	48,000	-
Community Facility Enhancement Program	-	11,170	11,170	-
Community focus	3,000	-	3,000	-
Canada 150 celebration	-	-	-	1,950
<i>Deduct revenue recognized from:</i>				
Community Facility Enhancement Program	-	(5,690)	(5,690)	-
Casino	(3,873)	-	(3,873)	(9,155)
Canada 150 celebration	(1,950)	-	(1,950)	-
Computer training	(1,000)	-	(1,000)	-
Balance, end of year	47,279	5,480	52,759	3,102
<i>The deferred contribution balances are comprised of:</i>				
Casino gaming funds	\$ 44,279	\$ -	\$ 44,279	\$ 152
Community Facility Enhancement Program - dishwasher purchase	-	5,480	5,480	-
Community focus	3,000	-	3,000	-
Computer training	-	-	-	1,000
Canada 150 celebration	-	-	-	1,950
	47,279	5,480	52,759	3,102

In January, the CSA applied for the Alberta Government Community Facility Enhancement Program grant, a matching grant (the Alberta Government pays 50% of the cost to match the 50% paid by CSA). Shortly after the fiscal year end, the Alberta Government approved the grant application which covers painting cost of \$11,380 (50% of which is \$5,690) incurred in the latter half of fiscal 2018 and 50% of the cost of a new dishwasher, planned for fiscal 2019.

The Community Focus, Canada 150 celebration and computer training were all contributed by the Rotary Club of Canmore.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

8. CAPITAL ASSETS CHARGED TO THE STATEMENT OF OPERATIONS

The following capital asset expenditures were incurred and expensed:

	General Fund 2018	Reserve Fund 2018	Total 2018	Total 2017
Kitchen renovation	\$ 3,984	\$ -	\$ 3,984	\$ 2,030
Filing cabinet	1,699	-	1,699	-
Boardroom furniture	512	-	512	4,100
Bathroom (barrier free)	-	-	-	5,236
Floor cleaner	-	-	-	3,931
	<u>\$ 6,195</u>	<u>\$ -</u>	<u>\$ 6,195</u>	<u>\$ 15,297</u>

Capital assets acquired in prior years includes leasehold improvements, landscaping, and various furniture and equipment.

9. FINANCIAL INSTRUMENTS

The carrying values of the CSA's financial instruments, comprising cash, term deposits, accounts receivable, donations receivable, grants receivable and accounts payable and accrued liabilities, approximate their fair values. The following analysis provides information about the CSA's risk exposure and concentration as of June 30, 2018:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The CSA is exposed to credit risk from its cash, term deposits, donations, grants and accounts receivable. In order to reduce its credit risk, the CSA ensures that its cash and term deposits are held at a financial institution that guarantees its deposits.

Interest rate risk

The CSA is exposed to interest rate risk primarily through its term deposits. Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the CSA manages exposure mainly by ensuring a variety of term deposit maturity dates.

Unless otherwise noted, it is the Board of Director's opinion that the CSA is not exposed to significant liquidity, currency, market or price risks arising from these financial instruments.

10. CAPITAL

The CSA's objectives when managing capital are to ensure that sufficient capital is maintained so that the entity remains solvent and can fulfill its stated goals. The CSA manages its capital by preparing an annual budget and monitoring actual results against the budget on a periodic basis. The CSA's liquidity is limited to its cash balances and to any term deposits that are maturing in the current year. The CSA cannot incur any bank debt without receiving approval from its members.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

11. COMPARATIVE FIGURES

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