

CANMORE SENIORS ASSOCIATION
Financial Statements
Year Ended June 30, 2021



LOCKWOOD DOYLE
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Canmore Seniors Association

We have reviewed the accompanying financial statements of Canmore Seniors Association (the Association) that comprise the statement of financial position as at June 30, 2021, 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 (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.

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, the Association derives revenue from donations and 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 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 June 30, 2021, current assets and net assets as at June 30, 2021. Our review conclusion on the financial statements for the year ended June 30, 2020 was modified accordingly because of the possible effects of this limitation of scope.

Qualified 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 the financial statements do not present fairly, in all material respects, the financial position of Canmore Seniors Association as at June 30, 2021, 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 (ASNPO).

Lockwood Doyle Professional Corporation

Canmore, AB
September 15, 2021

Chartered Professional Accountants

CANMORE SENIORS ASSOCIATION
Statement of Financial Position
June 30, 2021

	General Fund 2021	Reserve Fund 2021	Total 2021	Total 2020
ASSETS				
CURRENT				
Cash (Note 4)	\$ 90,154	\$ 68,646	\$ 158,800	\$ 171,480
Term deposits (Note 5)	-	163,700	163,700	209,379
Accounts receivable	3,020	-	3,020	3,529
Goods and services tax recoverable	689	-	689	1,675
Prepaid expenses	2,001	-	2,001	1,112
Grant receivable	-	-	-	919
	<u>95,864</u>	<u>232,346</u>	<u>328,210</u>	<u>388,094</u>
LONG TERM				
Term deposits (Note 5)	-	50,766	50,766	-
	<u>\$ 95,864</u>	<u>\$ 283,112</u>	<u>\$ 378,976</u>	<u>\$ 388,094</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Accounts payable and accrued liabilities	\$ 8,468	\$ -	\$ 8,468	\$ 10,014
Hall rental deposits and deferred revenue (Note 6)	19,775	-	19,775	13,734
Deferred revenue - member fees	19,570	-	19,570	24,045
Deferred contributions (Note 7)	6,979	-	6,979	4,963
	<u>54,792</u>	<u>-</u>	<u>54,792</u>	<u>52,756</u>
FUND BALANCES				
Internally restricted	-	283,112	283,112	281,174
Unrestricted	41,072	-	41,072	54,164
	<u>41,072</u>	<u>283,112</u>	<u>324,184</u>	<u>335,338</u>
	<u>\$ 95,864</u>	<u>\$ 283,112</u>	<u>\$ 378,976</u>	<u>\$ 388,094</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

CANMORE SENIORS ASSOCIATION
Statement of Operations and Changes in Fund Balances
Year Ended June 30, 2021

	General Fund 2021	Reserve Fund 2021	Total 2021	Total 2020
REVENUES				
Membership fees	\$ 32,215	\$ -	\$ 32,215	\$ 39,560
Rental	11,517	-	11,517	22,275
Events and activities	-	-	-	15,960
Casino (Note 7)	384	-	384	14,054
Donations	7,434	-	7,434	11,968
Interest	715	5,086	5,801	6,487
Grant	4,387	4,873	9,260	920
Miscellaneous	-	-	-	226
	<u>56,652</u>	<u>9,959</u>	<u>66,611</u>	<u>111,450</u>
EXPENSES				
Property				
Capital assets (Note 8)	-	8,021	8,021	8,232
Repairs and maintenance	8,646	-	8,646	16,351
Utilities	8,760	-	8,760	9,991
Janitorial services and supplies	3,769	-	3,769	9,576
	<u>21,175</u>	<u>8,021</u>	<u>29,196</u>	<u>44,150</u>
Program Delivery				
Events and activities	80	-	80	16,133
Hospitality	6	-	6	1,415
	<u>86</u>	<u>-</u>	<u>86</u>	<u>17,548</u>
General and Administrative				
Office and administration	38,289	-	38,289	40,372
Insurance	2,101	-	2,101	2,121
Donations	1,253	-	1,253	1,952
Professional fees	3,800	-	3,800	3,800
Internet, telephone and cable	1,411	-	1,411	1,590
Non-recoverable portion of GST	1,629	-	1,629	2,412
	<u>48,483</u>	<u>-</u>	<u>48,483</u>	<u>52,247</u>
	<u>69,744</u>	<u>8,021</u>	<u>77,765</u>	<u>113,945</u>
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(13,092)	1,938	(11,154)	(2,495)
FUND BALANCES - BEGINNING OF YEAR	54,164	281,174	335,338	337,833
	41,072	283,112	324,184	335,338
Inter-fund transfers (Note 3)	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ 41,072</u>	<u>\$ 283,112</u>	<u>\$ 324,184</u>	<u>\$ 335,338</u>

See notes to financial statements

CANMORE SENIORS ASSOCIATION

Statement of Cash Flows

Year Ended June 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (11,154)	\$ (2,495)
Changes in non-cash working capital:		
Accounts receivable	509	(2,641)
Accrued interest	(330)	(343)
Grant receivable	919	3,690
Accounts payable and accrued liabilities	(1,546)	(11,791)
Deferred revenue - member fees	(4,475)	1,745
Hall rental deposits and deferred revenue	6,041	2,929
Deferred contributions	2,016	(14,139)
Prepaid expenses	(889)	15
Goods and services tax payable	986	(470)
	<u>3,231</u>	<u>(21,005)</u>
Cash flow from operating activities	<u>(7,923)</u>	<u>(23,500)</u>
INVESTING ACTIVITIES		
Proceeds from term deposits	50,749	105,345
Purchases of term deposits	(55,506)	(55,153)
Cash flow from (used by) investing activities	<u>(4,757)</u>	<u>50,192</u>
INCREASE (DECREASE) IN CASH FLOW	(12,680)	26,692
Cash - beginning of year	<u>171,480</u>	<u>144,788</u>
CASH - END OF YEAR	<u>158,800</u>	<u>171,480</u>
 CASH CONSISTS OF:		
General fund cash	\$ 90,154	\$ 96,103
Reserve fund cash	<u>68,646</u>	<u>75,377</u>
	\$ 158,800	\$ 171,480

See notes to financial statements

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

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 exempt from income tax as 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 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 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, 2021

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.

Revenues from rent and other events are recognized at the time of the events when such activities are held.

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, 2021

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 \$484,000. In order to fund these future costs, the board plans to transfer the necessary funds each year from the general fund to the reserve fund. An assumption in the future cost estimate is that inflation and interest rates will be close enough to equal that their effects can be ignored in the plan.

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. During the year, the Board authorized a transfer from the general fund to the reserve fund in the amount of \$Nil (2020 - \$Nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following balances:

	General Fund 2021	Reserve Fund 2021	Total 2021	Total 2020
Bank balance - general	\$ 83,297	\$ 68,646	\$ 151,943	\$ 165,958
Bank balance - casino	6,382	-	6,382	5,047
Credit Union shares	475	-	475	475
	<u>\$ 90,154</u>	<u>\$ 68,646</u>	<u>\$ 158,800</u>	<u>\$ 171,480</u>

The general bank account is shared by the general fund and the reserve fund. Included in the general fund bank balance is \$2,400 (2020 - \$nil) 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. Subsequent to year-end, a portion of cash in the casino account has been allocated for eligible use of proceeds in the current year.

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

5. TERM DEPOSITS

Term deposits held by the CSA are both redeemable (annually on each anniversary date) and non-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, 2021:

	Term (months)	Interest rate	Amount
Deposit maturing October, 2021 (redeemable)	36	3.0%	\$ 82,412
Deposit maturing December, 2021 (redeemable)	36	2.9%	54,457
Deposit maturing June, 2022 (redeemable)	36	2.7%	26,831
Deposit maturing June, 2023 (non-redeemable)	24	0.8%	50,766
			<u>\$ 214,466</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:

	2021	2020
Hall rental deposits	\$ 16,620	\$ 10,428
Deferred hall rental revenue	3,155	3,306
	<u>\$ 19,775</u>	<u>\$ 13,734</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, 2021

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 2021	Reserve Fund 2021	Total 2021	Total 2020
Balance, beginning of year	\$ 4,963	\$ -	\$ 4,963	\$ 19,102
<i>Add amounts received/receivable from:</i>				
Community Focus (LLL)	2,400	-	2,400	-
<i>Deduct revenue recognized from:</i>				
Casino	(384)	-	(384)	(14,054)
Community Focus (LLL)	-	-	-	(85)
Balance, end of year	6,979	-	6,979	4,963
<i>The deferred contribution balances are comprised of:</i>				
Casino gaming funds	\$ 4,579	\$ -	\$ 4,579	\$ 4,963
Community Focus (LLL)	2,400	-	2,400	-
	6,979	-	6,979	4,963

The Community Focus funds were contributed by the Rotary Club of Canmore.

8. CAPITAL ASSETS CHARGED TO THE STATEMENT OF OPERATIONS

The following capital asset expenditures were incurred and expensed:

	General Fund 2021	Reserve Fund 2021	Total 2021	Total 2020
6th St. Seniors Centre sign	\$ -	\$ 4,293	\$ 4,293	\$ 3,250
Door and locks upgrade	-	2,313	2,313	-
Irrigation system	-	1,415	1,415	-
Keyless entry system	-	-	-	3,582
Recreation equipment	-	-	-	1,400
	\$ -	\$ 8,021	\$ 8,021	\$ 8,232

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

CANMORE SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

9. FINANCIAL INSTRUMENTS

The carrying values of the CSA's financial instruments, comprising cash, term deposits, accounts receivable, donations receivable, grants receivable, goods and services tax 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, 2021:

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. The CSA's policy is not to record other accounts receivable unless collection is reasonably assured.

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'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.

11. CREDIT FACILITY

The Association has credit cards with Bow Valley Credit Union, with credit limits totaling \$24,000. The amounts owing as at June 30, 2021 are included in accounts payable and accrued liabilities.

12. IMPACT OF COVID-19 PANDEMIC

In March 2020, the COVID-19 pandemic created significant uncertainty in the general economy and resulted in governments worldwide enacting emergency measures to control the spread of the virus. The effect on the Association has been significant, resulting in reduced activity in many programs, events and initiatives. Given the uncertainty which remains around COVID-19 vaccination programs and variants, there is a risk a material impact could affect the Association's revenue and/or operations in the 2022 fiscal year and beyond.
