

ST. ALBERT SENIORS ASSOCIATION
Financial Statements
Year Ended December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of St. Albert Seniors Association

We have audited the accompanying financial statements of St. Albert Seniors Association, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, net assets 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Independent Auditor's Report to the Members of St. Albert Seniors Association *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, St. Albert Seniors 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 St. Albert Seniors 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, 2017, current assets and net assets as at January 1, 2017 and December 31, 2017

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of St. Albert Seniors Association as at December 31, 2017 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.

Edmonton, Alberta
March 22, 2018


CHARTERED ACCOUNTANTS

ST. ALBERT SENIORS ASSOCIATION

Statement of Financial Position

December 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash (Note 12)	\$ 73,448	\$ 160,514
Accounts receivable	11,394	19,371
Inventory	7,397	5,920
Prepaid expenses	6,519	3,533
Deposit	-	14,500
	<u>98,758</u>	203,838
EQUIPMENT (Note 3)	200,065	121,182
SERVUS CREDIT UNION COMMON SHARES	3,033	2,931
	<u>\$ 301,856</u>	<u>\$ 327,951</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 19,390	\$ 37,525
Deferred grants (Note 4)	135,534	134,170
Deferred income (Note 5)	79,745	63,900
Current portion of long term debt (Note 11)	6,603	-
	<u>241,272</u>	235,595
LONG TERM DEBT (Note 11)	9,613	-
	<u>250,885</u>	235,595
NET ASSETS		
Unrestricted	50,971	92,356
	<u>\$ 301,856</u>	<u>\$ 327,951</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

ST. ALBERT SENIORS ASSOCIATION

Statement of Net Assets

Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
NET ASSETS - BEGINNING OF YEAR	\$ 92,356	\$ 121,465
Deficiency of revenue over expenses	<u>(41,385)</u>	<u>(29,109)</u>
NET ASSETS - END OF YEAR	<u>\$ 50,971</u>	<u>\$ 92,356</u>

ST. ALBERT SENIORS ASSOCIATION
Statement of Revenues and Expenditures
Year Ended December 31, 2017

	2017	2016
REVENUE		
Grants (Note 6)	\$ 387,378	\$ 356,341
Kitchen	249,055	41,192
Course fees	129,530	91,603
Fundraising (Note 7)	92,588	120,910
Memberships	61,565	47,662
Meals on wheels	50,313	52,218
Rental	42,120	10,764
Bus	16,167	10,184
Bus donations	6,638	-
Other	2,499	989
City of St. Albert Move related Grant	-	92,003
	<u>1,037,853</u>	<u>823,866</u>
EXPENSES		
Salaries and benefits (Note 9)	553,837	390,129
Kitchen supplies	120,210	40,178
Maintenance and utilities	102,433	46,211
Office	72,361	72,256
Course instructors	62,270	40,052
Amortization	47,874	29,295
Meals on wheels	46,998	52,794
Fundraising (Note 8)	39,638	39,297
Programs and services	26,492	25,582
Bus	17,800	21,940
Moving	-	17,152
Rent	-	79,589
	<u>1,089,913</u>	<u>854,475</u>
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(52,060)	(30,609)
OTHER INCOME		
Gain on disposal of assets	10,675	1,500
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (41,385)	\$ (29,109)

ST. ALBERT SENIORS ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
OPERATING		
Cash receipts from grants, fundraising and programs	\$ 1,073,715	\$ 824,619
Cash paid to suppliers and employees	<u>(1,050,140)</u>	<u>(818,829)</u>
Cash flow from operating	<u>23,575</u>	5,790
INVESTING		
Purchase of equipment	(126,755)	(122,922)
Servus credit union common shares	<u>(102)</u>	<u>-</u>
Cash flow used by investing	<u>(126,857)</u>	<u>(122,922)</u>
FINANCING		
Proceeds from long term financing	20,000	-
Repayment of long term debt	<u>(3,784)</u>	<u>-</u>
Cash flow from financing	<u>16,216</u>	<u>-</u>
DECREASE IN CASH FLOW	(87,066)	(117,132)
Cash - beginning of year	<u>160,514</u>	<u>277,646</u>
CASH - END OF YEAR	<u>\$ 73,448</u>	<u>\$ 160,514</u>
CASH CONSISTS OF:		
Cash	<u>\$ 73,448</u>	<u>\$ 160,514</u>

ST. ALBERT SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

1. PURPOSE OF CLUB

The St. Albert Seniors Association is an organization that provides an opportunity to come together in social, physical and intellectual pursuits in a caring, sharing, friendly and supportive environment.

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 (ASNFPO).

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Equipment

The club follows a policy of charging all capital expenditures against receipts of the period of purchase. Accumulated equipment expenditures are shown in the balance sheet with an offsetting credit included in the net assets section of the balance sheet. Amortization is charged against the equipment assets and an the offsetting credit reduces the net book value of the equipment assets. The equipment assets are amortized at the following rates:

Motor vehicles	5 years	straight-line method
Computer equipment	5 years	straight-line method
Computer software	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements		Over the term of the lease

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 include providing for amortization of property, plant and equipment and goodwill. Actual results could differ from these estimates.

Revenue recognition

The Club 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. Endowment contributions are recognized as direct increases in net assets. Membership fees are recognized at the time the membership is purchased.

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ST. ALBERT SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

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

Statement of changes in cash flows

The statement of cash flows is prepared using the direct method.

Income taxes

The association is a not for profit and a registered charity and therefore is exempt from income taxes.

3. EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Motor vehicles	\$ 97,145	\$ 14,572	\$ 82,573	\$ -
Computer equipment	18,675	18,093	582	831
Furniture and fixtures	171,756	71,043	100,713	102,725
Leasehold improvements	34,299	18,102	16,197	17,626
	<u>\$ 321,875</u>	<u>\$ 121,810</u>	<u>\$ 200,065</u>	<u>\$ 121,182</u>

4. DEFERRED GRANTS

	2016	Received during the year	Recognized during the year	2017
CFEP	\$ 92,964	\$ -	\$ 25,000	\$ 67,964
Bus donations	41,206	3,048	6,638	37,616
City of St Albert Capital.	-	35,240	5,286	29,954
	<u>\$ 134,170</u>	<u>\$ 38,288</u>	<u>\$ 36,924</u>	<u>\$ 135,534</u>

5. DEFERRED INCOME

	2016	Received during the year	Recognized during the year	2017
Memberships	\$ 29,453	\$ 64,232	\$ 61,565	\$ 32,120
Courses	34,447	136,160	129,530	41,077
Activity fees	-	3,510	-	3,510
Gift certificates	-	996	-	996
Special events.	-	2,042	-	2,042
	<u>\$ 63,900</u>	<u>\$ 206,940</u>	<u>\$ 191,095</u>	<u>\$ 79,745</u>

ST. ALBERT SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

6. GRANTS

Grants comprised of the following as at December 31.

	2017	2016
Family and Community Support	\$ 120,905	\$ 119,353
City of St. Albert Club Facility	73,590	73,590
City of St. Albert - Bus Grant	70,000	54,574
City of St. Albert-Meals on Wheels	48,436	44,130
Community Facility Enhancement	25,000	32,036
New Horizon	21,066	11,219
Friends of FCSS	16,065	14,099
City of St Albert capital program	5,286	-
Canada 150	4,000	-
St. Albert Community Foundation - Isolation	3,000	3,000
Canada Summer Jobs	-	3,509
City of St. Albert Enviro Initiative Grant	-	830
Other	30	-
	<u>\$ 387,378</u>	<u>\$ 356,340</u>

7. FUNDRAISING REVENUES

Fundraising revenues consisted of the following for the year end December 31:

	2017	2016
Willows gift shop	\$ 23,233	\$ 13,877
Special events	20,818	48,591
Run Wild Marathon	11,000	-
Donations corporate	9,735	6,535
Seniors in need	8,892	6,777
Raffles	6,352	-
Woodworking shop	4,377	1,196
Sewing	3,374	10
50/50	1,949	2,200
Donations Individual	1,667	183
Photography Club Sales	1,170	1,515
Other	21	3,000
Casino	-	28,976
Christmas Gala	-	4,665
Fire & Ice	-	2,870
Bingo	-	516
	<u>\$ 92,588</u>	<u>\$ 120,911</u>

ST. ALBERT SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

8. FUNDRAISING EXPENSES

Fundraising expenses consisted of the following for the year end December 31:

	<u>2017</u>	<u>2016</u>
Willows gift shop	\$ 13,844	\$ 3,336
Seniors in need	12,325	2,317
Special events	6,921	21,228
Canada 150 Grant expense	3,810	-
Woodworking shop	2,174	2,358
Sports	564	608
CFEP expense	-	9,450
	<u>\$ 39,638</u>	<u>\$ 39,297</u>

9. SALARIES AND BENEFITS

The salaries and wages relate to the following programs:

	<u>2017</u>	<u>2016</u>
Administration	\$ 216,413	\$ 168,942
Kitchen	153,700	38,342
FCSS	108,268	106,148
Meals On Wheels	38,443	27,166
Bus	37,013	38,331
Transporation Coordinator	-	11,200
	<u>\$ 553,837</u>	<u>\$ 390,129</u>

10. CAPITAL DISCLOSURES

The association defines capital as the sum of unrestricted net assets and internally restricted net assets. In managing capital, the Association focuses on liquid resources available for operations. The Association's objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget.

ST. ALBERT SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

11. LONG TERM DEBT

	<u>2017</u>	<u>2016</u>
Coteau Process Advisory Services Inc. loan bearing interest at 2.25 % per annum, repayable in monthly blended payments of \$575.00. The loan matures on May 28, 2020 and is unsecured. The company is controlled by a member of the board of directors.	\$ 16,216	\$ -
Amounts payable within one year	<u>(6,603)</u>	-
	<u>\$ 9,613</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2018	\$ 6,603
2019	6,753
2020	<u>2,860</u>
	<u>\$ 16,216</u>

12. RESTRICTED FUNDS

The bingo and casino funds are restricted for uses approved by the Alberta Gaming Commission.

13. CONTRIBUTED VOLUNTEER SERVICES

The donated services of volunteers assist the club in the performance of its objectives. Because of the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements. The management of The St. Albert Seniors Association estimate that there are 300 volunteers contributing over 28,000 hours of service during the year. Donations of property and equipment are recorded as revenue and expenditures when the fair value can be reasonably estimated.

14. COMPARATIVE FIGURES

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