

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**

**Financial Statements**

**Year Ended December 31, 2020**



**DART BRYANT**

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Confederation Park 55+ Activity Centre

### Qualified Opinion

We have audited the financial statements of Confederation Park 55+ Activity Centre (the Centre), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and 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 Centre as at December 31, 2020, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations & contributions, fundraising activities and various functions 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 Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donations & contributions, fundraising revenue, operating excess, and cash flows from operating activities for the year ended December 31, 2020, and fund balances as at January 1 and December 31 for both 2020 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 Centre in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

As described in the Basis of Qualified Opinion section above, we need to obtain sufficient appropriate evidence about the completeness of donations & contributions and fundraising revenues as at and for the year ended December 31, 2019. Accordingly we were unable to conclude whether or not the other information is materially misstated with respect to this matter.

### 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 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of

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## Independent Auditor's Report to the Members of Confederation Park 55+ Activity Centre *(continued)*

accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

### **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 Centre'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 Centre'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 Centre 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.

March 26, 2021



Chartered Professional Accountants

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**

**Statement of Financial Position**

**December 31, 2020**

	Operating Fund 2020	Sustainability & Capital Fund 2020	Casino Fund 2020	<b>Total 2020</b>	Total 2019
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash and cash equivalents <i>(Note 4)</i>	\$ 50,315	\$ 454,597	\$ 28,040	\$ <b>532,952</b>	\$ 603,157
Accounts receivable	7,101	-	-	<b>7,101</b>	14,767
Gift cards	-	-	-	-	85,200
Goods and services tax recoverable	7,342	-	-	<b>7,342</b>	2,321
Prepaid expenses	5,353	-	-	<b>5,353</b>	8,432
	<b>\$ 70,111</b>	<b>\$ 454,597</b>	<b>\$ 28,040</b>	<b>\$ 552,748</b>	<b>\$ 713,877</b>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable	\$ 10,450	\$ -	\$ -	\$ <b>10,450</b>	\$ 15,844
Employee deductions payable	4,470	-	-	<b>4,470</b>	4,368
Deferred Revenue - memberships and registrations	20,816	-	-	<b>20,816</b>	40,647
Deferred Contributions <i>(Note 5)</i>	44,700	-	-	<b>44,700</b>	79,525
	80,436	-	-	<b>80,436</b>	140,384
CEBA Loan <i>(Note 7)</i>	40,000	-	-	<b>40,000</b>	-
	120,436	-	-	<b>120,436</b>	140,384
<b>NET ASSETS</b>					
Unrestricted	-	-	-	-	85,202
Internally restricted	(50,325)	454,597	28,040	<b>432,312</b>	488,291
	(50,325)	454,597	28,040	<b>432,312</b>	573,493
	<b>\$ 70,111</b>	<b>\$ 454,597</b>	<b>\$ 28,040</b>	<b>\$ 552,748</b>	<b>\$ 713,877</b>

**On behalf of the Board**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**  
**Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2020**

	Operating Fund	Sustainability & Capital Fund	Casino Fund	2020	2019
<b>REVENUES</b>					
Family & Community Support Services funding	\$ 199,123	\$ -	\$ -	\$ 199,123	\$ 199,124
Donations and contributions	20,996	-	-	20,996	113,190
Fundraising and other functions	27,328	-	19,118	46,446	101,781
Class registrations	64,932	-	-	64,932	86,111
Facility rental	31,251	-	-	31,251	53,822
Memberships	17,590	-	-	17,590	20,945
Government grants	112,034	-	-	112,034	13,611
Interest, investment & other income	5,900	-	-	5,900	8,767
President's appeal	-	-	-	-	5,275
Government Covid Subsidies	59,735	-	-	59,735	-
	<u>538,889</u>	<u>-</u>	<u>19,118</u>	<u>558,007</u>	<u>602,626</u>
<b>EXPENSES</b>					
Salaries and benefits	275,666	-	19,582	295,248	221,040
Repairs and maintenance	57,706	-	163	57,869	60,239
Utilities & rent	52,278	-	5,734	58,012	61,030
Class instruction	55,882	-	-	55,882	49,589
Office	66,903	-	-	66,903	41,191
Professional services	32,334	-	-	32,334	27,865
Fundraising and other functions	107,858	-	1,343	109,201	29,949
Transportation	470	-	5,934	6,404	19,511
Copier and supplies	6,691	-	-	6,691	8,012
Telephone	3,230	-	-	3,230	4,199
Insurance	3,630	-	-	3,630	4,680
Janitorial	3,785	-	-	3,785	3,978
	<u>666,433</u>	<u>-</u>	<u>32,756</u>	<u>699,189</u>	<u>531,283</u>
<b>OPERATIONAL EXCESS (DEFICIENCY)</b>	<b>(127,544)</b>	<b>-</b>	<b>(13,638)</b>	<b>(141,182)</b>	<b>71,343</b>
NET ASSETS - beginning of year	85,202	448,953	39,339	573,494	502,150
Interfund balances transfers	(7,983)	5,644	2,339	-	-
<b>NET ASSETS - end of year</b>	<b>\$ (50,325)</b>	<b>\$ 454,597</b>	<b>\$ 28,040</b>	<b>\$ 432,312</b>	<b>\$ 573,493</b>

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**

**Statement of Cash Flows**

**Year Ended December 31, 2020**

	Operating Fund	Sustainability & Capital Fund	Casino Fund	2020	2019
<b>OPERATING ACTIVITIES</b>					
Operating Excess	\$ (127,544)	\$ -	\$ (13,638)	\$ (141,182)	\$ 71,343
Item not affecting cash:					
Interfund transfers	(7,983)	5,644	2,339	-	-
	<u>(135,527)</u>	<u>5,644</u>	<u>(11,299)</u>	<u>(141,182)</u>	<u>71,343</u>
Changes in non-cash working capital:					
Accounts receivable & prepaid	7,666	-	-	7,666	(5,729)
Gift cards	85,200	-	-	85,200	(85,200)
Accounts payable	(5,393)	-	-	(5,393)	(1,983)
Deferred Revenue - memberships and registrations	(19,831)	-	-	(19,831)	14,126
Prepaid expenses	3,079	-	-	3,079	(5,252)
Goods and services tax recoverable	(5,021)	-	-	(5,021)	(200)
Employee deductions payable	102	-	-	102	(260)
Deferred Contributions	(15,707)	-	(19,118)	(34,825)	79,525
	<u>50,095</u>	<u>-</u>	<u>(19,118)</u>	<u>30,977</u>	<u>(4,973)</u>
Cash flow from (used by) operating activities	<u>(85,432)</u>	<u>5,644</u>	<u>(30,417)</u>	<u>(110,205)</u>	<u>66,370</u>
<b>FINANCING ACTIVITY</b>					
Long Term Debt	40,000	-	-	40,000	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<u>(45,432)</u>	<u>5,644</u>	<u>(30,417)</u>	<u>(70,205)</u>	<u>66,370</u>
Cash - beginning of year	95,747	448,953	58,457	603,157	536,787
<b>CASH - END OF YEAR</b> <i>(Note 4)</i>	<u>\$ 50,315</u>	<u>\$ 454,597</u>	<u>\$ 28,040</u>	<u>\$ 532,952</u>	<u>\$ 603,157</u>

# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2020

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### 1. OVERVIEW

Confederation Park 55+ Activity Centre (the "Centre") is a registered society and charity formed to provide educational, recreational, outreach support programs and special services to members of the community 55 years of age and older to help them maintain an independent life style.

These financial statements include the operations and resources of the Operating, Sustainability & Capital and Casino Funds only. Historically they did not include the operations and resources of any self sufficient but directly controlled Clubs or Committees of the Centre, except for contributions received from these clubs. All Clubs and Committees of the Centre are not included.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The continued operation of the Centre is dependent on the continued support of government and interested individuals and groups.

The Centre follows Canadian accounting standards for not for profit organizations and a summary of significant accounting policies include:

#### Fund Accounting

Fund accounting is used to ensure the observance of the purposes, limitations, and restrictions on the use of resources made available to the organization as specified by the donors, contributors, and the Board.

The funds are summarized for reporting as follows:

#### Operating Fund

- to handle all general fund raising events, general Centre functions, class instruction and support of all other committees and clubs which are in place. It includes government grants relating to budgeted salaries, benefits, rent and utilities. Any deficits are funded by the Sustainability & Capital Fund.

#### Sustainability & Capital Fund

- to record all funds received and disbursed for property and equipment acquisition and is used to fund any Operating Fund deficits. Bequests with no specific direction are recorded in this fund as well. The Sustainability & Capital Fund is limited to \$500,000.

#### Casino Fund

- to record all funds received and disbursed from casino for supported events.

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# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2020

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

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The centre's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and CEBA loan which are measured at amortized cost .

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are term deposits and GIC's having the capacity of prompt liquidation.

#### Property and equipment

Property and equipment is recorded at cost. Amortization is recorded over the estimated useful life of the asset or over the life of the lease, as applicable, using the straight-line method.

Purchases more than \$5,000 with a life greater than three years and that are new to the Centre are capitalized. All other purchases are expensed as incurred. Contributed assets are recorded at their estimated fair value at their date of contribution.

#### Impairment of Long Lived assets

The Company tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value

#### Deferred Revenue

Class registration fees, membership fees and facility rental received in advance are recorded as deferred revenue until the class or term is completed.

#### Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Until then, they are recorded as deferred contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fund raising and other function revenue is recorded as received. Investment income is accrued as earned. Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributions from the following clubs are reported net as contributions when received as opposed to the consolidation of the clubs activities as the individual club activity is not considered material to these statements; Camera Club, Confederation Park Seniors Choir and Old Time Gliders Club.

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# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2020

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

#### Contributed Goods & Services

Management estimates that 169 (2019: 259) volunteers contribute about 6,942 (2019: 20,664) hours to assist the Centre in carrying out its service delivery and support activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

During the year, the Centre received \$0 (2019 \$86,380) gifts in kind.

#### 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 are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The most significant estimates included in these financial statements include the estimate of the amounts of accrued liabilities, amount of deferred contributions (Note 6) and calculation of contingent liability.

#### Fundraising Activities

Fundraising revenues and expenses are recorded specifically in the Operating Fund. No salary costs have been allocated to the fundraising costs.

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### 3. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments, which comprise cash, term deposits and GIC's, account receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant liquidity, market or interest rate risks arising from these financial instruments.

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### 4. CASH

	<u>2020</u>	<u>2019</u>
Cash	\$ 162,273	\$ 238,124
Term deposits and GIC's	370,678	365,033
	<u>\$ 532,951</u>	<u>\$ 603,157</u>

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# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2020

### 5. DEFERRED CONTRIBUTIONS

Certain contributions received are externally restricted and are recorded as deferred contributions until funds are expended at which time they are transferred to revenue to match the expense. A summary of the activity follows.

	Opening balances	Restricted contributions received	Amount recognized as revenue	Ending balances
FCSS	\$ -	\$ 199,124	\$ (199,124)	\$ -
Casino funds	19,118	-	(19,118)	-
CIP Grant	48,123	-	(24,061)	24,062
Men's Shed	12,284	-	(5,984)	6,300
Reno Funding	-	22,692	(22,692)	-
Other Grants	-	60,199	(45,861)	14,338
	<u>\$ 79,525</u>	<u>\$ 282,015</u>	<u>\$ (316,840)</u>	<u>\$ 44,700</u>

### 6. LEASE COMMITMENTS

The Centre leases premises under a long term lease that expires on December 31, 2021. Under the lease, the Centre is required to pay its share of the premise's utilities, property taxes, maintenance, capital improvements and other related costs on a pro-rata basis, which is currently at \$5,734 per month.

The Centre also has a photocopier lease. Future minimum lease payments as at year end are as follows:

2021	\$ 2,563
2022	2,563
2023	2,563
2024	641
	<u>\$ 8,330</u>

### 7. CEBA LOAN PAYABLE

The Canadian Emergency Business Account (CEBA) loan payable bears interest at 0% per annum until December 31, 2022. If the loan is not repaid by December 2022, it will be converted into a 3-year term loan bearing interest at 5% per annum.

Confederation Park 55+ Society was advanced \$40,000 during the fiscal year, \$10,000 of which will be forgiven if the loan is repaid by December 2022. The forgiven amount was not recognized as revenue in the year as it is unknown if the loan will be repaid within the established timeline.

### 8. PANDEMIC

During the prior year, the World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has lead to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the Centre in future periods.