

OLIVER COMMUNITY LEAGUE
Financial Statements
Year Ended December 31, 2020

Draft for discussion purposes only

OLIVER COMMUNITY LEAGUE

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Year Ended December 31, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Oliver Community League

We have reviewed the accompanying financial statements of Oliver Community League which comprise the statement of financial position as at December 31, 2020 and the statements of operations, changes in 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.

Practitioner's Responsibility for the Financial Statements

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.

Conclusion

Based on our review, 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 Oliver Community League 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.

Edmonton, Alberta
April 20, 2022

Chartered Professional Accountants

Printed: April 14, 2022 8:15 AM
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OLIVER COMMUNITY LEAGUE

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 469,011	\$ 439,650
Restricted cash (Note 3)	102,734	67,458
Accounts receivable	-	1,703
Prepaid expenses	2,155	3,367
	573,900	512,178
TANGIBLE CAPITAL ASSETS (Note 4)	617	-
	\$ 574,517	\$ 512,178
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,121	\$ 4,200
Deferred contributions (Note 5)	102,734	67,458
	107,855	71,658
NET ASSETS		
Invested in tangible capital assets	617	-
Unrestricted	466,045	440,520
	466,662	440,520
	\$ 574,517	\$ 512,178

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

Printed: April 14, 2022 8:15 AM
See notes to financial statements

Prep _____ Added _____ Approved _____

OLIVER COMMUNITY LEAGUE

Statement of Operations

Year Ended December 31, 2020

	2020	2019
REVENUES		
City of Edmonton grants	\$ 44,821	\$ 46,506
Casino (Note 6)	26,848	27,008
Fundraising and programs (Note 7)	3,579	3,957
Interest and other revenue (Note 8)	118	6,412
	75,366	83,883
EXPENSES		
Newspaper and advertising	15,000	15,080
Professional fees	14,005	5,730
Supplies	7,334	2,698
Rental	4,900	9,800
Insurance	3,126	2,529
Casino	2,540	-
Memberships	1,167	1,594
Amortization	234	-
Meals and entertainment	256	1,586
Administrative	237	332
Utilities	193	190
Bank charges	119	102
Programs	113	4,671
Donations	-	500
Repairs and maintenance	-	429
Salaries and wages	-	599
	49,224	45,840
EXCESS OF REVENUES OVER EXPENSES	\$ 26,142	\$ 38,043

OLIVER COMMUNITY LEAGUE

Statement of Changes in Net Assets

Year Ended December 31, 2020

	Invested in Tangible Capital Assets	Unrestricted	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 440,520	\$ 440,520	\$ 402,477
Excess (deficiency) of revenues over expenses	(234)	26,376	26,142	38,043
Purchase of tangible capital assets	851	(851)	-	-
NET ASSETS - END OF YEAR	\$ 617	\$ 466,045	\$ 466,662	\$ 440,520

OLIVER COMMUNITY LEAGUE

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 26,142	\$ 38,043
Item not affecting cash:		
Amortization	234	-
	26,376	38,043
Changes in non-cash working capital:		
Accounts receivable	1,703	(630)
Prepaid expenses	1,212	(2,587)
Accounts payable and accrued liabilities	921	1
Deferred contributions	35,276	(27,008)
	39,112	(30,224)
	65,488	7,819
INVESTING ACTIVITIES		
Redemption of investment	-	204,000
Purchase of tangible capital assets	(851)	-
	(851)	204,000
INCREASE IN CASH	64,637	211,819
Cash - beginning of year	507,108	295,289
CASH - END OF YEAR	\$ 571,745	\$ 507,108
CASH CONSISTS OF:		
Cash	\$ 469,011	\$ 439,650
Restricted cash	102,734	67,458
	\$ 571,745	\$ 507,108

OLIVER COMMUNITY LEAGUE

Notes to Financial Statements
Year Ended December 31, 2020

1. NATURE OF OPERATIONS

Oliver Community League (the "Community League") is incorporated under the Societies Act (Alberta). The Community League offers services and programs to people living in the surrounding community along with maintaining a community league hall. As a not-for-profit organization, the Community League is exempt from corporate income taxes under Section 149(1) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and restricted cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Restricted cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date, as well as a cashable Guaranteed Investment Certificate.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following annual rates:

Computer equipment	55%
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When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. The write down of tangible capital assets is recorded as an expense in the statement of operations. A write-down shall not be reversed.

Contributed services

The Community League is largely dependant on the contributed services provided by its many volunteers. The fair value of contributed services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

OLIVER COMMUNITY LEAGUE

Notes to Financial Statements
Year Ended December 31, 2020

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

Revenue recognition

The Community League follows the deferral method of accounting for contributions.

Restricted contributions are recognized 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Hall rentals and other revenue are recognized when the service has been provided or the goods have been delivered and collectability is reasonably assured.

Financial instruments policy

Measurement of Financial Instruments

Financial instruments are financial assets or financial liabilities of the Community League where, in general, the Community League has the right to receive cash or another financial asset from another party or the Community League has the obligation to pay another party cash or other financial assets.

The Community League initially measures its financial assets and liabilities at fair value.

The Community League subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in operations.

Use of estimates

The preparation of these 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. Significant estimates included in the financial statements are amortization of tangible capital assets and accrued liabilities. Actual results could differ from these estimates.

OLIVER COMMUNITY LEAGUE

Notes to Financial Statements
Year Ended December 31, 2020

3. RESTRICTED CASH

	2020	2019
Bank current account	\$ 83,578	\$ 48,398
Guaranteed Investment Certificate	19,156	19,060
	\$ 102,734	\$ 67,458

Restricted cash consists of proceeds from casinos which are held in a bank account and a guaranteed investment certificate.

Restricted cash can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis.

The guaranteed investment certificate bears interest at 0.5% per annum (2019 - 0.5% per annum) and matures October 2021 (2019 - October 2020).

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 851	\$ 234	\$ 617	\$ -

5. DEFERRED CONTRIBUTIONS

Deferred contributions are comprised of contributions received in the year that are recognized as revenue in future years as the related expenses are incurred.

	Balance, Beginning of Year	Casino proceeds	Amounts Recognized as Revenue	Balance, End of Year
Casino	\$ 67,458	\$ 62,124	\$ (26,848)	\$ 102,734

OLIVER COMMUNITY LEAGUE

Notes to Financial Statements
Year Ended December 31, 2020

6. CASINO

Casino proceeds are recognized as revenue when expenses are incurred. Amounts drawn from the casino account are spent in accordance with the licensing agreements with the Alberta Gaming, Liquor and Cannabis. During the year, the following disbursements were made from casino proceeds and recognized as revenue on the Statement of Operations:

	2020	2019
Promotional activities and newspaper	\$ 15,000	\$ 11,250
Rent	5,600	9,800
Repairs and maintenance, utilities and insurance	3,255	429
Casino expenses	2,540	3,461
Office	238	-
Telephone	193	142
Bank charges	119	102
Membership expenses	-	418
Website	-	1,217
Community garden	-	284
Interest income	(97)	(95)
	\$ 26,848	\$ 27,008

7. FUNDRAISING AND PROGRAMS

	2020	2019
Community garden	\$ 2,429	\$ 3,440
Programs	1,150	258
Donations	-	209
Membership	-	50
	\$ 3,579	\$ 3,957

8. INTEREST AND OTHER REVENUE

	2020	2019
Interest	\$ 118	\$ 5,356
Edmonton Marathon Cheer Team prize	-	1,000
History book sales	-	56
	\$ 118	\$ 6,412

9. ECONOMIC DEPENDENCE

The Community League received 59% (2019 - 55%) of its funding from the City of Edmonton. The Community League's ability to continue its programs and services is dependent on this funding.

OLIVER COMMUNITY LEAGUE

Notes to Financial Statements
Year Ended December 31, 2020

10. RISK MANAGEMENT

The Community League's financial instruments consist of cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities.

The Community League is exposed to various risks through its financial instruments. The following provides information about the Community League's risk exposure and concentration as of December 31, 2020.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Community League is exposed to credit risk from accounts receivable, which are generally the result of services to community members and funding from government. The Community League does not believe it is subject to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It is the Community League's opinion that there is no significant liquidity risk as of December 31, 2020.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Community League is exposed to interest rate risk on its interest bearing assets which is in place with a major financial institution.