

EDMONTON DOWN SYNDROME SOCIETY

Financial Statements

Year Ended December 31, 2023

EDMONTON DOWN SYNDROME SOCIETY

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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Down Syndrome Society

Qualified Opinion

We have audited the financial statements of Edmonton Down Syndrome Society (the Society), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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 Society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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

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 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of Edmonton Down Syndrome Society (*continued*)

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 Society'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 Society'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 Society 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.

Edmonton, Alberta
March 27, 2024


RADKE PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

EDMONTON DOWN SYNDROME SOCIETY**Statement of Revenues and Expenditures****Year Ended December 31, 2023**

	2023	2022
REVENUES		
Donations and fundraising	\$ 306,657	\$ 308,136
Casino fundraising	238,953	127,585
Therapy services	55,780	35,625
Grants	28,338	16,500
Advocacy, support and inclusion	22,542	28,692
Membership fees	7,355	6,215
	<u>659,625</u>	<u>522,753</u>
PROGRAM EXPENSES		
Therapy services	110,561	85,097
Fundraising	78,786	92,744
Advocacy, support, and inclusion	61,509	69,093
Facility <i>(Note 8)</i>	32,174	31,681
Public awareness	5,513	6,217
	<u>288,543</u>	<u>284,832</u>
ADMINISTRATIVE EXPENSES		
Salaries and wages	227,865	268,156
Professional fees	43,269	12,777
Facility <i>(Note 8)</i>	20,386	19,417
Computer-related expenses	15,689	12,620
Bank charges and credit card fees	10,402	6,294
Office	7,077	8,048
Insurance	3,192	3,194
Travel	1,587	1,733
Repairs and maintenance	345	1,016
Postage and delivery	288	503
	<u>330,100</u>	<u>333,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>40,982</u>	<u>(95,837)</u>
OTHER INCOME (EXPENSES)		
Interest	16,704	1,916
Amortization of deferred contributions related to equipment <i>(Note 7)</i>	1,313	2,385
Amortization	(2,080)	(3,346)
	<u>15,937</u>	<u>955</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 56,919</u>	<u>\$ (94,882)</u>

EDMONTON DOWN SYNDROME SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2023

	Unrestricted	Invested in Equipment	Total 2023	Total 2022
NET ASSETS - BEGINNING OF YEAR	\$ 221,217	\$ 1,874	\$ 223,091	\$ 317,973
Excess (deficiency) of revenues over expenses	57,686	(767)	56,919	(94,882)
NET ASSETS - END OF YEAR	<u>\$ 278,903</u>	<u>\$ 1,107</u>	<u>\$ 280,010</u>	<u>\$ 223,091</u>

EDMONTON DOWN SYNDROME SOCIETY



Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash (Note 3)	\$ 250,846	\$ 361,382
Term deposits	417,087	207,243
Accounts receivable	4,037	17,430
Interest receivable	6,859	-
Goods and services tax recoverable	10,735	4,770
Prepaid expenses	3,750	534
	<u>693,314</u>	<u>591,359</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>4,670</u>	<u>6,750</u>
	<u>\$ 697,984</u>	<u>\$ 598,109</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 24,546	\$ 39,128
Employee deductions payable	6,151	8,041
Wages payable	8,925	4,811
Deferred revenues	9,462	565
CEBA loan (Note 5)	-	40,000
Deferred contributions (Note 6)	365,326	277,597
	<u>414,410</u>	<u>370,142</u>
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 7)	<u>3,564</u>	<u>4,876</u>
	<u>417,974</u>	<u>375,018</u>
NET ASSETS		
Unrestricted	278,903	221,217
Invested in equipment	1,107	1,874
	<u>280,010</u>	<u>223,091</u>
	<u>\$ 697,984</u>	<u>\$ 598,109</u>

LEASE COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

EDMONTON DOWN SYNDROME SOCIETY**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from donors and members	\$ 768,896	\$ 604,959
Cash paid to suppliers and employees	(633,468)	(598,127)
Interest received	9,844	1,916
Goods and services tax	(5,964)	3,748
	<u>139,308</u>	<u>12,496</u>
Cash flow from operating activities		
FINANCING ACTIVITY		
CEBA loan	(40,000)	-
	<u>99,308</u>	<u>12,496</u>
INCREASE IN CASH FLOW		
Cash - beginning of year	568,625	556,129
	<u>667,933</u>	<u>568,625</u>
CASH - END OF YEAR		
CASH CONSISTS OF:		
Cash	\$ 250,846	\$ 361,382
Term deposits	417,087	207,243
	<u>\$ 667,933</u>	<u>\$ 568,625</u>

EDMONTON DOWN SYNDROME SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE SOCIETY

The Edmonton Down Syndrome Society is a provincial not-for-profit charitable organization incorporated under the Societies Act of the Province of Alberta. The Society is registered as a not-for-profit under the Income Tax Act of Canada and as such is exempt from income taxes.

The Society's purpose is to support persons and families with persons with Down Syndrome, through provision of information, resources and above all connecting members with each other.

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 (ASNFPPO).

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized over the useful life of the asset. Unrestricted contributions are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donation and membership revenue is recognized in the year received.

Service and investment incomes are recognized as revenue when earned.

Fundraising revenue is recognized when earned.

Government grants

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

Government subsidy

Government assistance for current expenses is recorded as other income in the same period the related expense is incurred. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

Cash and marketable securities

The Society considers short-term debt securities purchased with maturity of twelve months or less to be cash equivalents.

Contributed materials and services

The Society is largely dependent upon and thankful for the many hours contributed by volunteers. Contributed materials and services are recorded only when fair value can be determined, when they are used in the normal course of operations and when the Society would have otherwise purchased the material or service. As such, no contributed services and materials are recognized in these financial statements.

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EDMONTON DOWN SYNDROME SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

Fundraising

Fundraising expenditures include only direct costs associated with events and do not include administration costs. No wages are paid to an employee whose principal duty is fundraising.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	45%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its property and equipment to eliminate obsolete items and performs impairment testing whenever events or changes in circumstances indicate the value of capital assets may not be recoverable. Any impairment is included in earnings for the year. Discounted cash flows are used to measure fair value of capital assets.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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 cost or amortized cost.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability.

The Society assess impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year net earnings.

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 earnings in the period in which they become known. Actual results could differ from these estimates.

3. CASH

The Society maintains bank accounts for casino fundraising amounts received from the Alberta Gaming and Liquor Commission. Cash restricted for specified use in these accounts by the Alberta Gaming and Liquor Commission total \$191,043 (2022 - \$268,142).

EDMONTON DOWN SYNDROME SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and fixtures	\$ 11,905	\$ 8,840	\$ 3,065	\$ 3,831
Computer equipment	33,133	31,528	1,605	2,919
Leasehold improvements	261,262	261,262	-	-
Computer software	9,185	9,185	-	-
	<u>\$ 315,485</u>	<u>\$ 310,815</u>	<u>\$ 4,670</u>	<u>\$ 6,750</u>

5. CANADIAN EMERGENCY BUSINESS ACCOUNT LOAN (CEBA)

The Society applied for and received the CEBA loan in the prior fiscal periods from the Government of Canada. The CEBA loan was launched to provide capital to small businesses to see them through the current challenges and better position them to return to providing services and creating employment. The loan is unsecured.

The loan is interest free to December 31, 2023. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023 the full \$60,000 loan will be converted to loan repayable over three years with a 5% interest rate. The forgivable portion of the loan has been included in income. The loan was repaid during the year.

6. DEFERRED CONTRIBUTIONS

Deferred contributions have been restricted externally.

	Casino	Restricted donations	Grants	2023	2022
Opening	\$ 268,142	\$ -	\$ 9,455	\$ 277,597	\$ 180,521
Amounts received (transferred)	155,259	32,250	161,600	349,109	241,161
Recognized as revenue	(238,953)	(684)	(28,338)	(267,975)	(144,085)
Interest income	6,595	-	-	6,595	-
	<u>191,043</u>	<u>31,566</u>	<u>142,717</u>	<u>365,326</u>	<u>277,597</u>

7. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Deferred contributions related to equipment represent restricted funds received to purchase equipment. Contributions are recognized as revenue at the equivalent amortization rate of the equipment.

	2023	2022
Opening	\$ 4,876	\$ 7,261
Recognized as revenues	(1,312)	(2,385)
	<u>\$ 3,564</u>	<u>\$ 4,876</u>

EDMONTON DOWN SYNDROME SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

8. LEASE COMMITMENTS

The Society has a long term lease with respect to its premises. The lease expires August 2025 and provides for payment of occupancy costs such as maintenance costs. Future inclusive lease payments are \$24,920 plus tax.

The Society allocates expenses to programs based on direct use. Facility expense allocated to program expenses represent 62% of total facility expenses.

9. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. It is the opinion of management that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Fair Value

The Society's carrying value of cash, accounts payable and deferred contributions approximates its fair value due to the immediate or short term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of negative cash flow. The Society manages the liquidity risk from liabilities by monitoring cash flows and budgets.

Interest rate risk

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 Society manages exposure through its normal operating and financing activities.
