

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Financial Statements

Year Ended December 31, 2020

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

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Year Ended December 31, 2020**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Synergy Youth and Community Development Society

We have reviewed the accompanying financial statements of Synergy Youth and Community Development Society that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenses, 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

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 Society derives revenue from 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 Society. 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, 2020, current assets and net assets as at December 31, 2020.

Independent Practitioner's Review Engagement Report to the Members of Synergy Youth and
Community Development Society (*continued*)

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 Synergy Youth and Community Development Society 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.

Calgary, Alberta
May 25, 2021

InFocus Accountants LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 165,537	\$ 79,968
Accounts receivable	15,286	4,395
Government remittances recoverable	1,168	2,204
	<u>181,991</u>	86,567
Equipment (Note 3)	<u>19,931</u>	28,726
	<u>\$ 201,922</u>	<u>\$ 115,293</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 72,619	\$ 25,915
Deferred income (Note 4)	12,029	12,228
	<u>84,648</u>	38,143
NET ASSETS		
Restricted fund	23,552	11,614
Operating fund	73,791	36,811
Net investment in equipment	19,931	28,725
	<u>117,274</u>	77,150
	<u>\$ 201,922</u>	<u>\$ 115,293</u>

Extraordinary event (Note 10)

ON BEHALF OF THE BOARD

_____ Director

See notes to financial statements

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Statement of Revenues and Expenses

Year Ended December 31, 2020

	2020	2019
Restricted revenues		
Rocky View County Family & Community Support Services (RV FCSS) (Note 5)	\$ 93,441	\$ 83,886
Chestermere Family & Community Support Services (Note 6)	92,280	125,712
Enhanced Capacity Advancement Program (Note 7)	60,000	60,000
Family & Community Support Services AB	37,750	-
United Way	26,737	14,237
Canada Summer Jobs	10,760	13,843
Calgary Foundation	8,045	-
RV Community grant	7,126	865
Community Facility Enhancement Program (CFEP)	6,329	-
PC Financial Grant	5,000	-
Chestermere Community	4,675	-
Rural Mental Health	2,134	-
Sandbox	1,406	-
Youth Forum	498	2,470
Canada Alberta Job Grant	465	1,163
Bow North Rec Board	-	7,731
Choosewell Healthy Community Grant	-	2,000
Summer Temporary Employment Program	-	4,287
Community Initiatives Program	-	(148)
Homework Helpers Grant	-	5,000
	356,646	321,046
Restricted expenses		
RV FCSS expenses	93,441	83,886
Chestermere Family & Community Support Services expenses	92,280	125,742
Enhanced Capacity Advancement Program expenses	53,629	71,733
Family & Community Support Services AB expenses	37,750	-
United Way expenses	26,737	14,237
Canada Summer Jobs expenses	7,174	13,843
Calgary Foundation expenses	8,045	-
RV Community Grant expenses	3,730	865
CFEP expenses	6,329	-
PC Financial Grant expenses	5,000	-
Chestermere Community expenses	4,675	-
Rural Mental Health expenses	2,059	-
Sandbox expenses	1,406	-
Youth Forum expenses	498	2,470
Canada Alberta Job Grant expenses	-	1,622
Bow North Rec Board expenses	1,955	5,864
Choosewell Healthy Community Grant expenses	-	2,000
Summer Temporary Employment Program expenses	-	4,287
Community Initiatives Program expenses	-	3,271
Homework Helpers Grant expenses	-	5,000
Chestermere Conrich Rec Board expenses	-	1,359
	344,708	336,179
Excess (deficiency) of restricted revenues over expenses	11,938	(15,133)
Operating fund excess (deficit) (Schedule 1)	28,186	(2,557)
Excess (deficiency) of revenues over expenses	\$ 40,124	\$ (17,690)

See notes to financial statements

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Operating Fund Excess (Deficit)

Year Ended December 31, 2020

(Schedule 1)

	2020	2019
Operating fund revenues		
Fundraising <i>(Note 8)</i>	\$ 23,574	\$ 44,860
Building rental income	23,488	17,238
Donations	15,054	13,522
Program workshops and fees	9,324	13,564
Membership	3,150	3,350
Interest	2,077	935
	<u>76,667</u>	<u>93,469</u>
Operating fund expenses		
General expenses	13,581	32,764
Building expenses	9,669	12,468
General program expenses	8,358	20,951
Administrative expenses	8,079	16,971
Amortization	8,794	12,872
	<u>48,481</u>	<u>96,026</u>
Operating fund excess (deficit)	\$ 28,186	\$ (2,557)

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2020

	Restricted Funds	Operating Funds	Net assets invested in equipment	2020	2019
Net assets - beginning of year	\$ 11,614	\$ 36,811	\$ 28,725	\$ 77,150	\$ 94,840
Excess (deficiency) of revenues over expenses	11,938	28,186	-	40,124	(17,690)
Amortization	-	8,794	(8,794)	-	-
Net assets - end of year	\$ 23,552	\$ 73,791	\$ 19,931	\$ 117,274	\$ 77,150

See notes to financial statements

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

**Statement of Cash Flows
Year Ended December 31, 2020**

	2020	2019
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 40,124	\$ (17,690)
Item not affecting cash:		
Amortization	8,794	12,872
	<u>48,918</u>	<u>(4,818)</u>
Changes in non-cash working capital:		
Accounts receivable	(10,891)	(4,395)
Government remittances recoverable	1,036	(1,498)
Accounts payable and accrued liabilities	46,705	2,406
Deferred income	(199)	5,228
	<u>36,651</u>	<u>1,741</u>
Increase (decrease) in cash flow	85,569	(3,077)
Cash - beginning of year	79,968	83,045
Cash - end of year	\$ 165,537	\$ 79,968
Cash consists of:		
Cash	\$ 160,346	\$ 74,853
Term deposits	5,191	5,115
	<u>\$ 165,537</u>	<u>\$ 79,968</u>

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

1. Description of business

Synergy Youth and Community Development Society ("the Society") provides programs focused on healthy relationships and positive youth development, supports youths in finding their passions and purpose as they grow into thriving individuals and community leaders in the City of Chestermere. The Society receives funding from programs and services such as the Chestermere Family & Community Support Services, the Rocky View County Family & Community Support Services, and the Enhanced Capacity Advancement Program.

The Society was incorporated as a not-for-profit organization under the Alberta Societies Act in 2013 and is exempt from tax as a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Society's significant accounting policies are as follows:

Cash and cash equivalents

The Society considers cash on hand, all term deposits and highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Motor vehicles	30%	declining balance method
Computer equipment	55%	declining balance method

The Society regularly reviews its equipment to eliminate obsolete items. Government grants directly related to the purchase of equipment are treated as a reduction of equipment cost.

Equipment acquired through non-monetary transactions are recognized at fair value when received through operating funds and amortized over its estimated useful life at the rates stated above.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Net assets

The Society's net assets are comprised of two funds and net assets invested in equipment:

- a) Restricted funds are funds which have been designated for a specific purpose by the Society's Board of Directors.
- b) Operating funds comprise the excess of operating revenues over operating expenses accumulated by the Society each year, net of transfers. These funds are available for general purposes, purchases of assets and transfers to restricted funds as needed to cover shortfalls.
- c) Net assets invested in equipment represents the amortized amount of equipment purchased with operating funds.

(continues)

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

2. Summary of significant accounting policies (*continued*)

Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenues of the restricted fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenues of the operating fund in the year received or receivable. Billings consist of monthly charges based on approved monthly budgets. The operating fund accounts for the Society's normal operating and administrative activities.

The Society recognizes rental income over the term of the lease agreement and is collectable monthly. Rental income earned from space bookings is recognized as earned.

Allocated expenses

The Society classifies expenses incurred for programs, administration, and salaries and wages by the function of contributions. Expenditures not directly attributable to the function of contributions is allocated to operating funds.

Contributed services

The Society would not be able to carry out its activities without the services of volunteers who donate a number of hours. Because of the difficulty of compiling and valuing these hours, contributed services are not recognized in the financial statements.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost on a straight-line basis.

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

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

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.

Significant accounts subject to such estimates and assumptions include accounts receivable, equipment, and accounts payable and accrued liabilities.

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

**Notes to Financial Statements
Year Ended December 31, 2020**

3. Equipment

	Cost	Accumulated amortization	2020 Net book value
Motor vehicles	\$ 68,921	\$ 49,308	\$ 19,613
Computer equipment	4,814	4,496	318
	\$ 73,735	\$ 53,804	\$ 19,931

During the year ended December 31, 2020, the Society utilized government grants received to purchase equipment with a cost of \$7,825. The government grants directly reduced the cost of the equipment and as at December 31, 2020, the net book value of the equipment is \$nil.

	Cost	Accumulated amortization	2019 Net book value
Motor vehicles	\$ 68,921	\$ 40,902	\$ 28,019
Computer equipment	4,814	4,107	707
	\$ 73,735	\$ 45,009	\$ 28,726

4. Deferred income

The following contributions were received in 2020 relating to programs for 2021:

	2020	2019
Werklund Foundation	\$ 10,000	\$ -
Chestermere Community	1,210	-
Community Facility Enhancement Program	819	7,148
RV Community Grant	-	5,080
	\$ 12,029	\$ 12,228

5. Rocky View County Family & Community Support Services (RV FCSS) Contributions

The Society applies annually to RV FCSS to receive funding for organizational and programming activities. The Society received \$93,441 in 2020 (2019 - \$83,886) which helped fund staff salaries and wages and program operating costs. The Society is required to submit an annual funding report which includes a schedule detailing how the funding was spent.

6. Chestermere Family & Community Support Services (Chestermere FCSS) Contributions

The Society applies for the Chestermere FCSS government grant annually to receive funding for organizational and programming activities. The Society received \$130,030 in 2020 (2019 - \$125,712) which helped the Society fund staff wages and salaries and program operating costs. The Society is required to submit six month and annual funding reports, including a schedule detailing how the contributions were spent.

SYNERGY YOUTH AND COMMUNITY DEVELOPMENT SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

7. Enhanced Capacity Advancement Program (ECAP) Contributions

The Society applied for the three year government grant in 2020 to receive funding for organizational and programming activities. The Society was granted to receive \$60,000 per year from 2020 to 2022, which will provide funding for the Society's staff salaries and wages and program operating costs. As at December 31, 2020, the Society has received \$50,000 of the annual amount and the remaining \$10,000 was received in January 2021. The Society is required to submit an annual funding report for the opportunity to apply for extended funding.

8. Fundraising

In 2020, the Society was a recipient of the Calgary Shaw Charity Classic - Birdies for Kids program. Donations made directly to Birdies for Kids in the Society's name or received through fundraising events between February 2020 and September 2020 were eligible to be matched by the Calgary Shaw Charity Classic Foundation at 50% of the first \$20,000 raised and 15% for the next \$15,000 raised. The Society received total funds of \$23,020 (2019 - \$37,119) in donations and fundraising. The Society is also approved to be a recipient in the 2021 Calgary Shaw Charity Classic.

9. Financial instruments

The following analysis provides information about the Society's exposure to various risks through transactions in financial instruments as of December 31, 2020.

Fair value

The Society's carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and deferred income approximate its fair value due to the immediate or short term maturity of these instruments.

10. Extraordinary event

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the government measures put in place are having multiple impacts on local, provincial, national and global economies.

As at December 31, 2020, the Society is aware of changes in its operations as a result of the COVID-19 crisis. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. As a result, we are unable to estimate the potential impact, if any, on the Society's operations as at the date of these financial statements. Accordingly, management believes going concern will not become an issue.