

**IRANIAN HERITAGE SOCIETY OF EDMONTON**

**Financial Statements**

**Year Ended August 31, 2019**

*(Unaudited - See Notice To Reader)*

IRANIAN HERITAGE SOCIETY OF EDMONTON

Index to Financial Statements

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

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	Page
NOTICE TO READER	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 8
Expenses ( <i>Schedule 1</i> )	9
Cultural Events ( <i>Schedule 2</i> )	10

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**NOTICE TO READER**

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On the basis of information provided by management, I have compiled the statement of financial position of Iranian Heritage Society of Edmonton as at August 31, 2019 and the statements of operations, changes in net assets and cash flow for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Edmonton, Alberta

September 11, 2019



Chartered Professional Accountant

**IRANIAN HERITAGE SOCIETY OF EDMONTON**


**Statement of Financial Position**

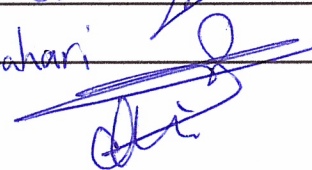
**As at August 31, 2019**

*(Unaudited - See Notice To Reader)*

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 55,113	\$ 45,875
Accounts receivable	-	1,072
	<u>55,113</u>	<u>46,947</u>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 2)</b>	<u>18,863</u>	<u>18,717</u>
	<u>\$ 73,976</u>	<u>\$ 65,664</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,680	\$ 2,740
<b>NET ASSETS</b>		
<b>GENERAL FUND</b>	53,433	44,207
<b>CAPITAL ASSET FUND</b>	<u>18,863</u>	<u>18,717</u>
	<u>72,296</u>	<u>62,924</u>
	<u>\$ 73,976</u>	<u>\$ 65,664</u>

Approved by the Board

Reza Akbari  Director

Amir Ghahari  Director

IRANIAN HERITAGE SOCIETY OF EDMONTON

Statement of Operations

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
<b>REVENUES</b>		
Events	\$ 82,795	\$ 116,624
Grants	16,204	4,777
Other	1,150	1,090
Membership	425	1,071
Interest	180	1,518
Contributions in kind	-	3,911
Donations	-	300
	<u>100,754</u>	<u>129,291</u>
<b>DIRECT COSTS</b>		
Food and materials	50,139	106,638
Venue and rental fees	15,774	-
Subcontracts	9,528	-
Insurance and licenses	4,425	-
	<u>79,866</u>	<u>106,638</u>
	20,888	22,653
<b>EXPENSES (Schedule 1)</b>	<u>11,516</u>	<u>7,898</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 9,372</u>	<u>\$ 14,755</u>

**IRANIAN HERITAGE SOCIETY OF EDMONTON**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2019**  
*(Unaudited - See Notice To Reader)*

	General Fund	Restricted Fund	Capital Asset Fund	<b>2019</b>	2018
<b>NET ASSETS AT BEGINNING OF YEAR</b>	\$ 44,207	\$ -	\$ 18,717	<b>\$ 62,924</b>	\$ 48,169
Excess of revenues over expenses	13,014	-	(3,642)	<b>9,372</b>	14,755
Interfund transfers	(3,788)	-	3,788	-	-
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 53,433</b>	<b>\$ -</b>	<b>\$ 18,863</b>	<b>\$ 72,296</b>	<b>\$ 62,924</b>

IRANIAN HERITAGE SOCIETY OF EDMONTON

Statement of Cash Flow

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 9,372	\$ 14,755
Add items not involving cash		
Amortization of property, plant and equipment	3,642	-
	<u>13,014</u>	<u>14,755</u>
Change in non-cash working capital		
Accounts receivable	1,072	(1,072)
Accounts payable and accrued liabilities	(1,060)	(353)
	<u>12</u>	<u>(1,425)</u>
Cash flow from operating activities	<u>13,026</u>	<u>13,330</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(3,788)	(3,855)
<b>INCREASE IN CASH FLOW</b>	<b>9,238</b>	<b>9,475</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u>45,875</u>	<u>36,400</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 55,113</u>	<u>\$ 45,875</u>

## IRANIAN HERITAGE SOCIETY OF EDMONTON

### Notes to Financial Statements

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

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#### NATURE OF OPERATIONS

Iranian Heritage Society of Edmonton (the "Society") is incorporated provincially under the Societies Act of Alberta in 1987. The purpose of the Society is to preserve, promote, educate, and engage in Iranian cultural holidays, events, customs, and traditions. As a not-for-profit organization, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Presentation

These financial statements may not be in accordance with the recognition, measurement, presentation and disclosure requirements of any of the financial reporting frameworks as set out in the Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies below.

##### Revenue recognition

Iranian Heritage Society of Edmonton 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.

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.

##### Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to reported amount of revenues and expenses, assets and liabilities, and disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as useful lives of capital assets and asset impairments.

##### Net assets

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with unrestricted and restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

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# IRANIAN HERITAGE SOCIETY OF EDMONTON

## Notes to Financial Statements

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated amortization. The company amortizes the cost of the assets over their estimated useful lives as determined by management using the following annual rates and methods except for acquisitions in the current year which are amortized at one-half of the annual rates:

Equipment	20%	declining balance
Furniture and fixtures	20%	declining balance
Costumes	20%	declining balance
Cultural artwork		non-depreciable

### 2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Equipment	\$ 4,138	\$ 449	\$ 3,689	\$ 350
Furniture and fixtures	13,317	2,663	10,654	13,317
Costumes	2,650	530	2,120	2,650
Cultural artwork	2,400	-	2,400	2,400
	<u>\$ 22,505</u>	<u>\$ 3,642</u>	<u>\$ 18,863</u>	<u>\$ 18,717</u>

### 3. 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. The following analysis provides information about the Society's risk exposure and concentration as of August 31, 2019. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

#### **(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is not exposed to credit risk from customers.

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## IRANIAN HERITAGE SOCIETY OF EDMONTON

### Notes to Financial Statements

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

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#### 3. FINANCIAL INSTRUMENTS *(continued)*

##### *(b) Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

##### *(c) Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to market risk through its investment portfolio.

##### *(d) Currency risk*

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is not exposed to currency risk. The Society does not use derivative instruments to reduce its exposure to foreign currency risk.

##### *(e) 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. The Society is exposed to interest rate risk primarily through its floating interest rate on investments.

##### *(f) Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to other price risk.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

#### 4. COMPARATIVE FIGURES

Certain of the 2018 comparative figures have been restated to conform with the presentation adopted for the current year.

IRANIAN HERITAGE SOCIETY OF EDMONTON

Expenses

(Schedule 1)

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

	2019	2018
<b>EXPENSES</b>		
Advertising and promotion	\$ 396	\$ -
Amortization	3,642	-
Bank service charges and interest	400	2
Business taxes, licences and memberships	409	-
Donations	670	-
Insurance	311	-
Meals and entertainment	638	2,124
Office	655	2,993
Professional fees	1,680	1,280
Rent and occupancy costs	1,746	1,499
Repairs and maintenance	392	-
Travel	577	-
	<u>\$ 11,516</u>	<u>\$ 7,898</u>

(Schedule 2)

Cultural Events

Year Ended August 31, 2019

(Unaudited - See Notice To Reader)

	Yalda 2019	Novruz 2019	Mini 2019	Heritage 2019	Other 2019	Total 2019	Total 2018
<b>Revenues</b>							
Events	\$ 13,615	\$ 17,532	\$ 3,513	\$ 48,135	\$ -	\$ 82,795	\$ 116,624
Grants	-	-	-	-	16,204	16,204	4,777
Other	-	-	-	-	1,150	1,150	1,090
Membership	-	-	-	-	425	425	1,071
Interest	-	-	-	-	180	180	1,518
Contributions in kind	-	-	-	-	-	-	3,911
Donations	-	-	-	-	-	-	300
<b>Revenues total</b>	<b>13,615</b>	<b>17,532</b>	<b>3,513</b>	<b>48,135</b>	<b>17,959</b>	<b>100,754</b>	<b>129,291</b>
<b>Expenses</b>							
Food and materials	9,034	12,131	1,949	27,024	-	50,138	106,638
Venue and rental fees	5,531	6,448	1,150	2,646	-	15,775	-
Musical entertainment	3,200	6,328	-	-	-	9,528	-
Insurance and licenses	-	-	-	4,425	-	4,425	-
<b>Expenses total</b>	<b>17,765</b>	<b>24,907</b>	<b>3,099</b>	<b>34,095</b>	<b>-</b>	<b>79,866</b>	<b>106,638</b>
<b>Grand Total</b>	<b>\$ (4,150)</b>	<b>\$ (7,375)</b>	<b>\$ 414</b>	<b>\$ 14,040</b>	<b>\$ 17,959</b>	<b>\$ 20,888</b>	<b>\$ 22,653</b>