

IRANIAN HERITAGE SOCIETY OF EDMONTON

**FINANCIAL STATEMENTS
(Unaudited - see notice to reader)**

Year Ended August 31, 2021

Table of contents	Page
Notice to reader	1
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	6-7

NOTICE TO READER

On the basis of information provided by management, I have compiled the statement of financial position, statement of operations, changes in net assets and cash flow statement of **Iranian Heritage Society of Edmonton** for the year ended **August 31, 2021**.

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 21, 2021

Email: md.cpa@telus.net

Budget Income Tax & Accounting Ltd.
Mehrdad Derhami, Certified Public Accountant (US)

Mehrdad Derhami

IRANIAN HERITAGE SOCIETY OF EDMONTON
Statement of Financial Position
(Unaudited-see notice to reader)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:	\$	\$
Cash	56,249	56,316
Prepaid expense	1,631	1,631
Allowance for uncollectible accounts	(1,631)	-
Total current assets	<u>56,249</u>	<u>57,947</u>
Property & equipment:		
Cultural artwork	2,400	2,400
Furniture & fixtures (net of accumulated amortization)	7,704	8,523
Office equipment (net of accumulated amortization)	1,030	1,288
Costumes (net of accumulated amortization)	1,557	1,696
Total property & equipment	<u>12,691</u>	<u>13,907</u>
Total assets	<u>68,940</u>	<u>71,854</u>
Liabilities		
Current liabilities:		
Accounts payable & accrued liabilities	<u>8,710</u>	<u>2,625</u>
Total current liabilities	<u>8,710</u>	<u>2,625</u>
Net Assets:		
General fund	47,539	55,322
Capital asset fund	12,691	13,907
Total net assets	<u>60,230</u>	<u>69,229</u>
Total liabilities & net assets	<u>68,940</u>	<u>71,854</u>

Approves by the Board

Director.....

Director.....

(The accompanying notes are an integral part of these financial statements)

IRANIAN HERITAGE SOCIETY OF EDMONTON
Statement of Operations
(Unaudited-see notice to reader)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Revenues:		
Donations	-	17,076
Grants	-	10,411
Cost recoveries	-	5,297
Events	42,995	500
Membership	1,027	260
Interest	-	10
Total Sales and Rental Income	<u>44,022</u>	<u>33,554</u>
 Operating & Administrative Expenses:		
Interest & bank Charges	73	650
Business taxes, licenses and memberships	703	1,266
Donations - restricted & unrestricted	40,995	21,964
Donations - IHSE Board PS752	-	1,000
Meals & entertainment	-	289
Bad debt	1,631	-
Professional fees	2,255	4,636
Rent	4,283	3,620
Office	381	245
Travel	-	20
Advertising and promotion	500	-
Amortization	2,200	2,877
Total	<u>53,021</u>	<u>36,567</u>
Excess (deficiency) of revenues over expenses from operations	<u>(8,999)</u>	<u>(3,013)</u>
Loss from disposal of property & equipment	-	(54)
Excess (deficiency) of revenues over expenses	<u>(8,999)</u>	<u>(3,067)</u>

(The accompanying notes are an integral part of these financial statements)

IRANIAN HERITAGE SOCIETY OF EDMONTON
Statement of Changes in Net Assets
(Unaudited-see notice to reader)
Year Ended August 31, 2021

	General Fund	Capital assets fund	2021	2020
	\$	\$	\$	\$
Net Assets at Beginning of Year	55,322	13,907	69,229	72,296
Deficiency of revenues over expenses	(7,783)	(1,216)	(8,999)	(3,067)
Inter-fund transfers	-	-	-	-
Net Assets at End of Year	<u>47,539</u>	<u>12,691</u>	<u>60,230</u>	<u>69,229</u>

(The accompanying notes are an integral part of these financial statements)

IRANIAN HERITAGE SOCIETY OF EDMONTON
Statement of Cash Flow
(Unaudited-see notice to reader)
Year Ended August 31, 2021

	2021	2020
OPERATION:	\$	\$
Net Income	(8,999)	(3,067)
Add back: Amortization	2,200	2,877
Loss on disposal of property & equipment	-	54
Cash used in operating activities before changes in non-cash working capital	(6,799)	(136)
Net prepaid expenses	1,631	(1,631)
Accounts payable & accrued liabilities	6,085	945
Net change in non-cash working capital items	7,716	(686)
INVESTING ACTIVITIES:		
Purchase of new property & equipment	(985)	-
Proceeds from disposal of property & equipment	-	2,025
Net cash provided by investing activities	(985)	2,025
FINANCING ACTIVITIES:		
	-	-
	-	-
Net cash provided by Financing Activities	-	-
Net cash increase for period	(68)	1,203
Cash at beginning of year	56,316	55,113
Cash at end of period	56,248	56,316

(The accompanying notes are an integral part of these financial statements)

IRANAIAN HERITAGE SOCIETY OF EDMONTON

Notes to Financial Statements

Year ended August 31, 2021

(Unaudited – see notice to reader)

1. Nature of Operations

Iranian Heritage Society of Edmonton (the Society) is incorporated under Society 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 income tax under Section 149(1) of Canadian Income Tax Act.

2. Significant Accounting Policies

Basis of Presentation:

These financial statements are prepared in conformity with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

Unrestricted contributions are recognized as operating revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. All expenses are recognized as incurred. Restricted contributions are recognized as revenue in the year in which related expenses are incurred.

Contributed services

Volunteer services contributed on behalf of the Society in carrying out its operations are not recognized in these financial statements due to difficulty of determining their fair value.

Use of estimates

The preparation of the financial statements of the Society requires management to make some estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses at the date of financial statements. Actual results may differ from those estimates; however, it is management's opinion these financial statements have been appropriately prepared within reasonable limits of materiality and generally accepted accounting principles.

3. Financial Instruments

The Society's financial instruments consist of cash, accounts receivables, accounts payable and accruals. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, credit, currency, liquidity, market or price risks arising out of these financial instruments and fair value of those financial instruments approximates their carrying value.

4. Property and equipment

Property and equipment are recorded at cost. Amortization basis and rates designated to amortize the cost over their useful lives are as follows:

Asset	Rate
Furniture & fixtures	20% Declining Balance
Equipment	20% Declining Balance
Costumes	20% Declining Balance
Cultural artwork	Non-depreciable

These rates are reduced by 50 percent in the year of acquisition.

	Beginning Balance	Addition	Balance at the End of the year	Acc. Amortization beginning	Addition	Balance at the End of the year	Net Book Value
Cultural artwork	2400	-	2400	-	-	-	2400
Furniture & fixture	13317	985	14302	4794	1803	6597	7705
Equipment	2059	-	2059	771	258	1029	1030
Costumes	2650	-	2650	954	139	1093	1557
Total	20426	985	21411	6519	2200	8719	12692

5. Net assets

- a. Net assets invested in property and equipment represents the Society's net investment in property and equipment.
- b. Internally restricted net assets are funds that have been designated for specific purpose by the Society's board of directors.
- c. Unrestricted net assets comprise excess of revenue over expenses that is accumulated each year, not transfers, and are available for general purpose of the Society.

6. Other matters

In March 2019, the Covid – 19 outbreaks was declared a global pandemic by the World Health Organization and Province of Albert declared a public health emergency. Many businesses and individuals in a variety of sectors have been experiencing an economic loss as a result of the pandemic. The related financial impact and duration of this disruption on future financial results and conditions of Iranian Heritage Society of Edmonton cannot be reasonably estimated and accordingly, no adjustments have been made in the accompanying statements.