

BOWNESS SENIORS' CENTRE

FINANCIAL STATEMENTS
(Audited)

December 31, 2023

a member of

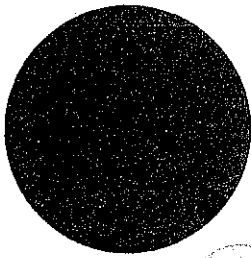


BOWNESS SENIORS' CENTRE

December 31, 2023

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Anthony Chiu

Chartered Professional Accountant

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Independent Auditor's Report

To the Members of
Bowness Seniors' Centre

Qualified Opinion

I have audited the financial statements of the Bowness Seniors' Centre (the "Centre"), which comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Operations, Changes in Fund Balances, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre 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 Centre. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, increase (decrease) in fund balances, and cash flows from operations for the year ended December 31, 2023, current assets as at December 31, 2023, and fund balances as at January 1, 2023 and December 31, 2023. My auditor's opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Centre in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Centre'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 Centre's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Centre 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.

I 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 I identify during my audit.

Calgary, Alberta
April 24, 2024



Anthony Chiu
Chartered Professional Accountant

BOWNESS SENIORS' CENTRE
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2023

	<u>General Fund</u>	<u>FCSS Fund</u>	<u>Capital Conservation Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 8,998	\$ -	\$ 209,491	\$ 218,489	\$ 280,964
Externally restricted cash (Note 3)	31,052	-	-	31,052	72,565
GST receivable	2,683	-	-	2,683	1,855
Prepaid expenses	3,913	-	-	3,913	3,301
	<u>\$ 46,646</u>	<u>\$ -</u>	<u>\$ 209,491</u>	<u>\$ 256,137</u>	<u>\$ 358,685</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 4)	\$ 6,215	\$ -	\$ -	\$ 6,215	\$ 27,638
Deferred revenues	7,275	-	-	7,275	5,815
Damage deposits payable	500	-	-	500	-
Employee deductions payable	4,005	-	-	4,005	5,656
Deferred cash contributions (Note 3)	31,052	-	-	31,052	72,565
	<u>49,047</u>	<u>-</u>	<u>-</u>	<u>49,047</u>	<u>111,674</u>
FUND BALANCES					
General Fund	(2,401)	-	-	(2,401)	37,520
FCSS Fund	-	-	-	-	-
Capital Conservation Fund	-	-	209,491	209,491	209,491
	<u>(2,401)</u>	<u>-</u>	<u>209,491</u>	<u>207,090</u>	<u>247,011</u>
	<u>\$ 46,646</u>	<u>\$ -</u>	<u>\$ 209,491</u>	<u>\$ 256,137</u>	<u>\$ 358,685</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

See Notes to the Financial Statements

BOWNESS SENIORS' CENTRE
STATEMENT OF CHANGES IN FUND BALANCES
(Audited)

For the Year Ended December 31, 2023

	General Fund	FCSS Fund	Capital Conservation Fund	2023	2022
Balances, beginning of the year	\$ 37,520	\$ -	\$ 209,491	\$ 247,011	\$ 262,324
Decrease of funds	(39,921)	-	-	(39,921)	(15,313)
Balances, end of the year	<u>\$ (2,401)</u>	<u>\$ -</u>	<u>\$ 209,491</u>	<u>\$ 207,090</u>	<u>\$ 247,011</u>

See Notes to the Financial Statements

BOWNESS SENIORS' CENTRE
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2023

	General Fund	FCSS Fund	Capital Conservation Fund	2023	2022
REVENUES					
Casino contributions (Note 5)	\$ 41,802	\$ -	\$ -	\$ 41,802	\$ 16,353
Fundraising	21,360	-	-	21,360	8,151
Grant (Note 4)	-	20,790	-	20,790	83,161
Donations	20,207	-	-	20,207	2,840
Rentals	16,450	-	-	16,450	13,025
Program	14,361	-	-	14,361	11,006
Memberships	6,385	-	-	6,385	4,325
Miscellaneous	3,562	-	-	3,562	10,341
Interest income	1,907	-	-	1,907	-
Trip revenue	815	-	-	815	-
	<u>126,849</u>	<u>20,790</u>	<u>-</u>	<u>147,639</u>	<u>149,202</u>
EXPENSES					
Salaries and benefits	55,509	20,790	-	76,299	82,722
Instructor and contracted service	28,716	-	-	28,716	13,735
Utilities	21,719	-	-	21,719	24,563
Insurance	14,388	-	-	14,388	12,221
Professional fees	13,403	-	-	13,403	14,924
Repair and maintenance	12,836	-	-	12,836	11,039
Office and miscellaneous	11,611	-	-	11,611	7,536
Fundraising	7,744	-	-	7,744	4,100
Supplies	419	-	-	419	-
Membership	375	-	-	375	-
Travel	50	-	-	50	75
	<u>166,770</u>	<u>20,790</u>	<u>-</u>	<u>187,560</u>	<u>170,915</u>
Decrease before other items	(39,921)	-	-	(39,921)	(21,713)
Use of surplus funding	-	-	-	-	6,400
DECREASE IN FUND BALANCES	<u>\$(39,921)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(39,921)</u>	<u>\$(15,313)</u>

See Notes to the Financial Statements

BOWNESS SENIORS' CENTRE
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2023

	2023	2022
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Decrease in fund balances	\$ (39,921)	\$ (15,313)
Changes in non-cash operating working capital:		
GST receivable	(828)	(1,241)
Prepaid expense	(612)	(393)
Accounts payable	(21,423)	(31,867)
Damage deposits payable	500	-
Employee deductions payable	(1,651)	353
Deferred revenue	1,460	1,330
	(62,475)	(47,131)
FINANCING ACTIVITY		
(Used) received of deferred cash contributions	(41,513)	58,423
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(103,988)	11,292
Cash and cash equivalents, beginning of the year	353,529	342,237
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 249,541	\$ 353,529

Cash and Cash Equivalents Consisting of:

Cash, General	\$ 8,998	\$ 46,932
Cash, FCSS	-	24,541
Cash, Capital Conservation Fund	209,491	209,491
Cash, Externally Restricted	31,052	72,565
	\$ 249,541	\$ 353,529

See Notes to the Financial Statements

BOWNESS SENIORS' CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

1. GENERAL

Bowness Seniors' Centre (the "Centre") was incorporated on March 8, 1996 under the provisions of the Societies act of the Province of Alberta. The Centre is a not-for-Profit organization, which provides facilities and services for the use of senior citizens living in the Bowness area.

The Centre is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Centre must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

Basis of Accounting

Management has concluded, that the going concern basis of accounting is appropriate for the Centre.

Fund Accounting

The Centre follows the restricted fund method of accounting. Activities of the Centre are segregated in the following funds.

- 1) The General Fund accounts for the Centre's program delivery and administrative activities. The fund reports unrestricted resources, restricted operating grants, and other internally restricted amounts.
- 2) The FCSS Fund accounts for the assets, liabilities, revenue and expenses related to program delivery and administrative activities as funded by The Family and Community Support Services of the City of Calgary Social Services Department ("FCSS"). Under the terms of the Centre's Funding Agreement with the City of Calgary, any funds provided by FCSS which are not used for the specified purposes during the year to which they pertain shall be returned to the City.
- 3) The Capital Conservation Fund accounts for repairs and replacement of major building components or systems due to normal wear and tear. This fund reports both internally and externally restricted funds.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks.

BOWNESS SENIORS' CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are expensed on acquisition. Capital assets held include leasehold improvements related to the premises at 6422 35 Avenue NW, furniture, kitchen equipment, and computers. During the year, the Centre expensed \$Nil (2022 - \$Nil) of expenditures in the capital nature.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, or if no restricted fund exists, they are recognized in the General Fund using the deferral method of accounting.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Programs and services revenue are recognized when the related program and service is provided.

Financial Instruments

Measurement of Financial Instruments

The Centre initially measures its financial assets and financial liabilities at their fair value. The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Any impairment, which is not considered temporary, is recognized in the statement of operations.

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

Financial Risk

It is management's opinion that the Centre is not exposed to significant interest, currency, price, market, or credit risks arising from these financial instruments.

Government Assistance

Government assistance is recognized when there is reasonable assurance that the conditions attached to the government assistance will be met and that assistance will be received. Government assistance is recognized as income over the periods necessary to match it with the related costs that it is intended to compensate.

BOWNESS SENIORS' CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

The Centre relies on volunteers to carry out its activities. Because of the difficulty of determining the hours contributed and their fair value, contributed services are not recognized in the financial statements.

Measurement Uncertainty

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date, and the reported amounts of revenues and expenses for the periods covered.

Estimates and assumptions include the collectability of receivables and the amounts recorded as accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. EXTERNALLY RESTRICTED CASH/ DEFERRED CASH CONTRIBUTIONS

Externally restricted cash represents funds from the Alberta Gaming, Liquor, and Cannabis Commission ("AGLC"). The use of funds is restricted for providing a public facility and covers capital, rental, and operating costs.

	<u>2023</u>	<u>2022</u>
Bank account - Casino	\$ 31,052	\$ 74,065
General funds held by Casino	-	(1,500)
Total casino cash (Note 5)	<u>\$ 31,052</u>	<u>\$ 72,565</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the fiscal year, the Centre received \$20,790 (2022 - \$83,161) of funding from FCSS. The use of these funds was restricted for the provision of the FCSS program. Included in accounts payable and accrued liabilities is \$Nil (2022 - \$18,885, of this amount, \$18,885 was repaid to the City of Calgary in April 2023.) of unspent funding from the FCSS program at the statement of Financial Position date. In accordance with the terms of the Centre's Funding Agreement with the City of Calgary, any funds provided by FCSS which are not used for the specified purposes during the year to which they pertain shall be returned to the City unless approval to carry forward the surplus has been obtained.

The Centre's Funding Agreement with the City of Calgary was ended on March 31, 2023.

BOWNESS SENIORS' CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

5. CASINO CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Casino balance, beginning of the year	\$ 72,565	\$ 14,142
Casino proceeds received during the year	-	74,491
Casino advisor fee paid	-	(2,351)
Casino advisor fee recovery	-	2,351
Raffle proceeds	289	285
Spent on operations	<u>(41,802)</u>	<u>(16,353)</u>
Casino balance, end of the year (Note 3)	<u>\$ 31,052</u>	<u>\$ 72,565</u>

6. ECONOMIC DEPENDENCE

A significant portion of the expenses related to program delivery and administrative activities is funded by FCSS. During this fiscal year, FCSS provides 14.08% (2022 - 55.56%) of the funding for this purpose. Accordingly, the Centre's ability to continue viable operations and program delivery is dependent upon continued receipt of FCSS funding.

7. COMMITMENT

The Centre have entered into a lease agreement with the City of Calgary for the land and facility ending December 31, 2029. Minimum annual lease payments are \$10 per year. It is management's estimate that the balance of Capital Conservation Fund is sufficient to meet the Centre's obligations.

8. RELATED PARTY TRANSACTIONS

The Centre did not enter into any transaction with any directors or officers during the year ended December 31, 2023 (2022 - \$Nil).

