

CALGARY SENIORS' RESOURCE SOCIETY

Financial Statements

Year Ended December 31, 2023

CALGARY SENIORS' RESOURCE SOCIETY

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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Seniors' Resource Society

Qualified Opinion

We have audited the financial statements of Calgary Seniors' Resource 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 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.

(continues)

Independent Auditor's Report to the Members of Calgary Seniors' Resource 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.

Vista Accounting
Professional Corporation

Calgary, Alberta
February 16, 2024

VISTA ACCOUNTING PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

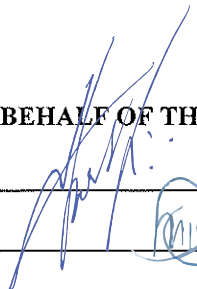
CALGARY SENIORS' RESOURCE SOCIETY

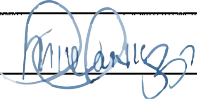
Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 984,043	\$ 698,137
Short term investments (Note 4)	225,055	214,901
Accounts receivable	37,988	238,800
Inventory	33,805	7,710
Goods and services tax recoverable	10,567	6,853
Prepaid expenses	21,779	13,447
Security deposits (Note 5)	23,408	23,408
	1,336,645	1,203,256
PROPERTY AND EQUIPMENT (Note 6)	33,619	32,808
	<u>\$ 1,370,264</u>	<u>\$ 1,236,064</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 66,909	\$ 31,523
Deposits received	1,825	-
Wages payable	4,063	13,236
Deferred income (Note 8)	681,779	699,955
	754,576	744,714
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT	11,184	960
	<u>765,760</u>	<u>745,674</u>
LEASE COMMITMENTS (Note 10)		
NET ASSETS		
Unrestricted net assets	152,069	28,542
Net assets invested in capital assets	22,435	31,848
Internally restricted net assets	430,000	430,000
	604,504	490,390
	<u>\$ 1,370,264</u>	<u>\$ 1,236,064</u>

ON BEHALF OF THE BOARD

 Director

 Director

CALGARY SENIORS' RESOURCE SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2023

	Unaudited Budget	2023	2022
REVENUES			
Designated grants	\$ 1,313,935	\$ 1,933,884	\$ 2,081,139
Family and Community Support Services (Schedule 1)	1,015,836	1,015,836	961,117
Donations and miscellaneous	413,000	272,426	551,965
Interest	-	46,715	18,773
City of Calgary - Capacity Building Fund (Schedule 1)	-	-	25,000
Mill Rate Grant Agreement - CSIF Funding (Schedule 1)	-	2,511	49,251
	<u>2,742,771</u>	<u>3,271,372</u>	<u>3,687,245</u>
EXPENDITURES			
Salaries and wages	1,895,836	1,884,780	2,445,491
Program Costs	131,554	463,871	923,149
Professional fees	312,163	256,406	80,729
Facility expenses	249,120	244,413	226,982
IT development	92,527	92,207	65,983
Office	34,878	88,139	74,165
Transportation	47,321	52,248	70,951
Advertising and promotion	52,324	46,242	37,360
Administration	11,245	15,426	22,762
Amortization	-	13,417	14,954
	<u>2,826,968</u>	<u>3,157,149</u>	<u>3,962,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(84,197)	114,223	(275,281)
LOSS ON DISPOSAL OF CAPITAL ASSET	<u>-</u>	<u>(109)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (84,197)</u>	<u>\$ 114,114</u>	<u>\$ (275,281)</u>

CALGARY SENIORS' RESOURCE SOCIETY**Statement of Changes in Net Assets****Year Ended December 31, 2023**

	Unrestricted net assets	Net assets invested in capital assets	Internally restricted net assets	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 28,542	\$ 31,848	\$ 430,000	\$ 490,390	\$ 765,671
Excess of revenues over expenditures	123,527	(9,413)	-	114,114	(275,281)
Additions to capital asset	(14,336)	14,336	-	-	-
Additions to deferred capital contributions	14,336	(14,336)	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 152,069</u>	<u>\$ 22,435</u>	<u>\$ 430,000</u>	<u>\$ 604,504</u>	<u>\$ 490,390</u>

CALGARY SENIORS' RESOURCE SOCIETY

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 114,114	\$ (275,281)
Items not affecting cash:		
Amortization of property and equipment	13,417	14,954
Loss on disposal of property and equipment	109	-
	<u>127,640</u>	<u>(260,327)</u>
Changes in non-cash working capital:		
Accounts receivable	200,812	(45,760)
Inventory	(26,095)	1,120
Accounts payable and accrued liabilities	35,385	(8,245)
Deferred income <i>(Note 8)</i>	(18,176)	(302,355)
Prepaid expenses	(8,332)	(8,593)
Goods and services tax payable	(3,714)	241
Wages payable	(9,173)	(3,162)
Deferred contributions related to equipment	10,224	(1,174)
Deposits received	1,825	-
	<u>182,756</u>	<u>(367,928)</u>
Cash flow from (used by) operating activities	<u>310,396</u>	<u>(628,255)</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(14,336)</u>	<u>(3,301)</u>
INCREASE (DECREASE) IN CASH FLOW	296,060	(631,556)
Cash - beginning of year	<u>913,038</u>	<u>1,544,594</u>
CASH - END OF YEAR	<u>\$ 1,209,098</u>	<u>\$ 913,038</u>
CASH CONSISTS OF:		
Cash	\$ 984,043	\$ 698,137
Short term investments	<u>225,055</u>	<u>214,901</u>
	<u>\$ 1,209,098</u>	<u>\$ 913,038</u>

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE SOCIETY

Calgary Seniors' Resource Society (the "society") is a not-for-profit organization of Alberta. As a registered charity the society is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The society operates to provide services to assist seniors in maintaining their independence and enhancing the quality of their lives.

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 (ASNFP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the society's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment and goodwill;
- the estimated useful lives of assets;
- the allowance for inventory obsolescence;
- the recoverability of tangible assets;
- the recoverability of long term investments;

Financial instruments

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 amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the society issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

Held for trading financial instruments are subsequently measured at their fair value, without any deductions for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the statement of operations.

The society's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

(continues)

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Artwork	non-depreciable
Computer equipment	50% declining balance method
Furniture and fixtures	20% declining balance method
Leasehold improvements	5 years straight-line method

The society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

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

Income taxes

As a not-for-profit organization and a registered charity, the society is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

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 restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors. The Board of Directors policy is that Internally restricted operating surplus shall be accumulated to a minimum of three months and a maximum of 12 months of operating expenditures of the previous annual operating budget. Annually, management, along with the Finance Committee, will recommend to the Board appropriate transfers to internally restricted accumulated surpluses. The Board must give final approval for all transfer of funds. This policy and fund are reviewed annually.
- 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.

Revenue recognition

Calgary Seniors' Resource Society follows the restricted fund method of accounting for contributions.

(continues)

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

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.

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.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources that must be spent on research activities is recognized as revenue of the Research Fund. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Investment income earned on building campaign resources is recognized as revenue of the Capital Asset Fund. Other investment income is recognized as revenue of the General Fund when earned.

Seminar fees are recognized as revenue of the General Fund when the seminars are held.

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.

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 December 31, 2023.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from customers. In order to reduce its credit risk, the society reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The society has a significant number of customers which minimizes concentration of credit risk.

(b) 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 bank indebtedness and credit facilities.

(c) Fair value

The society's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

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

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

4. SHORT TERM INVESTMENTS

Short term investments consists of deposits made in an Investment Savings Account with Raymond James, earning a rate of return of 4.72% (2022 - 1.87%)

	<u>2023</u>	<u>2022</u>
Raymond James	\$ 225,055	\$ 214,901

5. SECURITY DEPOSITS

	<u>2023</u>	<u>2022</u>
Security deposits	\$ 13,372	\$ 13,372
Rent deposits	10,036	10,036
	<u>\$ 23,408</u>	<u>\$ 23,408</u>

Security deposits related to leased property used for operations.

6. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2023 Net book value</u>	<u>2022 Net book value</u>
Artwork	\$ 5,165	\$ -	\$ 5,165	\$ 5,165
Computer equipment	95,188	78,212	16,976	12,392
Furniture and fixtures	13,874	7,512	6,362	8,088
Leasehold improvements	20,871	15,755	5,116	7,163
	<u>\$ 135,098</u>	<u>\$ 101,479</u>	<u>\$ 33,619</u>	<u>\$ 32,808</u>

7. ACCOUNT PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Accrued liabilities	\$ 26,165	\$ 23,560
Accounts Payable	33,889	3,320
Servus Mastercard	5,615	3,727
Servus Mastercard #2	674	-
Due to Social Fund	295	10
Payroll - Staff Expense Claims	270	906
	<u>\$ 66,908</u>	<u>\$ 31,523</u>

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

8. DEFERRED REVENUE

Deferred revenue represents restricted contributions. The deferred revenue balance for the year is derived as follows:

	2023	2022
Beginning balance	\$ 699,955	\$ 1,002,310
Plus contributions received during the year	2,931,544	2,329,050
Less amounts recognized as revenue during the year	(2,949,720)	(2,631,405)
	<u>\$ 681,779</u>	<u>\$ 699,955</u>

9. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Deferred contributions related to property comprise the unamortized portion of contributed equipment.

The changes for the year in the deferred contributions related to equipment balance are summarized as follows:

	2023	2022
Opening balance	\$ 960	\$ 2,134
Additions to deferred contribution	14,336	-
Amounts amortized to revenue	(4,112)	(1,174)
	<u>\$ 11,184</u>	<u>\$ 960</u>

10. LEASE COMMITMENTS

The society has a long term lease with respect to its premises that will expire on October 31, 2025 . The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2024	\$ 191,461
2025	162,170
	<u>\$ 353,631</u>

The society has expressed intent to enter into an agreement with the lessor to negotiate a new lease term, the square footage, or any other essential terms of the New lease on or before June 1, 2025.

11. CHARITABLE FUND-RAISING

The following information has been provided to comply with the disclosure requirement of the Charitable Fund-raising Act and Regulation.

\$53,767 (2022 - \$80,368) was paid as remuneration to raise funds on behalf of the society.

\$48,515 (2022 - \$59,304) was the expense incurred for the purposes of soliciting contributions.

CALGARY SENIORS' RESOURCE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

12. ECONOMIC DEPENDENCE

The society receives approximately 31% (2022 - 28%) of its revenue from one organization. Should this organization substantially change its dealings with the society Management is of the opinion that continued operations would need to be adjusted for.

CALGARY SENIORS' RESOURCE SOCIETY
Statement of FCSS - Calgary Seniors' Resource Society
(Schedule 1)
Year Ended December 31, 2023

	2023	2022
REVENUES		
SeniorConnect Gatekeeper Program	\$ 437,970	\$ 437,970
The WayIn - Older Adult Outreach	305,106	305,106
Social Inclusion Supports	272,760	218,041
Mill Rate Grant Agreement - CSIF Funding	2,511	49,251
City of Calgary - Capacity Building Fund	-	25,000
	<u>1,018,347</u>	<u>1,035,368</u>
EXPENSES		
Salaries and benefits	692,362	777,513
Facility rental	165,202	103,083
IT development	60,767	19,269
Office	48,962	52,791
Transportation	27,639	28,386
Program costs	10,527	17,788
Professional fees	10,209	34,225
Advertising	2,679	2,313
	<u>1,018,347</u>	<u>1,035,368</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>