

DALHOUSIE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS **(Audited)**

August 31, 2023

a member of

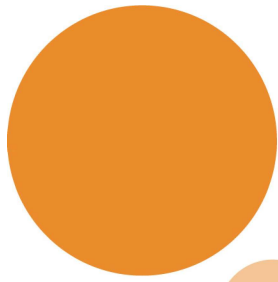


DALHOUSIE COMMUNITY ASSOCIATION

August 31, 2023

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Anthony Chiu

Chartered Professional Accountant

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Independent Auditor's Report

To the Members of:
Dalhousie Community Association

Opinion

I have audited the financial statements of the Dalhousie Community Association (the "Association"), which comprise the Statement of Funds as at August 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, the accompanying financial statements present fairly, in all material respects, the fund balances of the Association as at August 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 Opinion

I have 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 general 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 Association'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 Association'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 Association 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
January 17, 2024



Anthony Chiu
Chartered Professional Accountant

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF FUNDS


(Audited)


As at August 31, 2023

	<u>General Fund</u>	<u>Casino Fund</u>	<u>Capital Fund</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 84,480	\$ -	\$ -	\$ 84,480	\$ 124,989
Externally restricted assets (Note 3)	-	99,204	-	99,204	49,187
Short term investments (Note 4)	346,672	-	-	346,672	344,594
Accounts receivable	52,604	-	-	52,604	11,367
GST receivable	9,238	-	-	9,238	3,862
Inventory	5	-	-	5	5
Prepaid expenses (Note 5)	9,837	-	-	9,837	5,442
	<u>502,836</u>	<u>99,204</u>	<u>-</u>	<u>602,040</u>	<u>539,446</u>
Long term investments (Note 4)	3,827	-	-	3,827	3,694
Capital assets (Note 6)	<u>-</u>	<u>-</u>	<u>1,134,255</u>	<u>1,134,255</u>	<u>1,214,737</u>
	<u>\$506,663</u>	<u>\$99,204</u>	<u>\$ 1,134,255</u>	<u>\$1,740,122</u>	<u>\$1,757,877</u>
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 27,830	\$ -	\$ -	\$ 27,830	\$ 29,200
Damage deposits	10,500	-	-	10,500	5,750
Deferred revenue	12,660	-	-	12,660	14,441
Deferred cash contributions (Note 3)	-	99,204	-	99,204	49,187
	<u>50,990</u>	<u>99,204</u>	<u>-</u>	<u>150,194</u>	<u>98,578</u>
Deferred capital contributions (Note 7)	-	-	628,601	628,601	673,890
	<u>50,990</u>	<u>99,204</u>	<u>628,601</u>	<u>778,795</u>	<u>772,468</u>
Fund balances	<u>455,673</u>	<u>-</u>	<u>505,654</u>	<u>961,327</u>	<u>985,409</u>
	<u>\$ 506,663</u>	<u>\$ 99,204</u>	<u>\$ 1,134,255</u>	<u>\$1,740,122</u>	<u>\$1,757,877</u>

COMMITMENTS (Note 11)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director

 Director

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN FUND BALANCES
(Audited)

For the Year Ended August 31, 2023

	General Fund	Casino Fund	Capital Fund	2023 Totals	2022 Totals
Fund balances, beginning of year	\$ 445,592	\$ -	\$ 539,817	\$ 985,409	\$ 1,146,482
Transfer of funds	(13,006)	-	13,006	-	-
Increase (decrease) in funds	23,087	-	(47,169)	(24,082)	(161,073)
Fund balances, ending of year	<u>\$ 455,673</u>	<u>\$ -</u>	<u>\$ 505,654</u>	<u>\$ 961,327</u>	<u>\$ 985,409</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended August 31, 2023

	<u>General Fund</u>	<u>Casino Fund</u>	<u>Capital Fund</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Revenue					
Amortization of deferred capital	\$ -	\$ -	\$ 48,794	\$ 48,794	\$ 48,444
Casino contributions (Note 8)	-	28,158	-	28,158	20,314
Functions	26,854	-	-	26,854	52,240
Fundraising / donations	13,792	-	-	13,792	6,313
Grant contributions (Note 10)	15,069	-	-	15,069	18,020
Interest	8,748	-	-	8,748	1,763
Membership	11,708	-	-	11,708	4,964
Miscellaneous	50	-	-	50	1,333
Programs	703,242	-	-	703,242	685,131
Rentals	249,483	-	-	249,483	193,830
Subsidies (Note 9)	515,086	-	-	515,086	309,377
Vending machine	-	-	-	-	35
	<u>1,544,032</u>	<u>28,158</u>	<u>48,794</u>	<u>1,620,984</u>	<u>1,341,764</u>
Expenses					
Administrative expenses	56,673	-	-	56,673	43,336
Amortization	-	-	95,963	95,963	108,726
Business fees and licenses	1,632	-	-	1,632	1,355
Donations and fundraising	-	-	-	-	368
Insurance	19,353	-	-	19,353	18,389
Interest and bank charges	14,638	-	-	14,638	25,733
Professional fees	17,113	-	-	17,113	11,456
Program delivery and projects	80,521	-	-	80,521	64,035
Rent and security	28,502	-	-	28,502	28,892
Repair and maintenance	66,224	28,158	-	94,382	86,505
Telephone	16,128	-	-	16,128	15,572
Utilities	54,946	-	-	54,946	42,891
Wages and benefits	1,165,215	-	-	1,165,215	1,055,579
	<u>1,520,945</u>	<u>28,158</u>	<u>95,963</u>	<u>1,645,066</u>	<u>1,502,837</u>
Increase (decrease) in funds	<u>\$ 23,087</u>	<u>\$ -</u>	<u>\$ (47,169)</u>	<u>\$ (24,082)</u>	<u>\$ (161,073)</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended August 31, 2023

	<u>2023</u>	<u>2022</u>
FUNDS PROVIDED BY (USED IN) OPERATIONS:		
Decrease in funds	\$ (24,082)	\$ (161,073)
Amortization	95,963	108,726
Amortization of deferred capital	(48,794)	(48,444)
Changes in non-cash operating working capital:		
Account receivable	(41,237)	85,574
Goods and Services Tax receivable	(5,376)	(1,681)
Prepaid expenses	(4,395)	(204)
Accounts payable and accrued liabilities	(1,370)	10,870
Wage and payroll source deductions payable	-	(310)
Damage deposits	4,750	1,400
Deferred revenue	(1,781)	(12,495)
	<u>(26,322)</u>	<u>(17,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted funds used to purchases capital assets	3,505	107,470
Transfer to (use of) deferred cash contributions	50,017	(45,355)
	<u>53,522</u>	<u>62,115</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Building renovations and leasehold improvements	-	(115,297)
Purchase of furniture and equipment	(15,481)	(5,486)
Reinvestment of patronage dividends	(133)	(78)
Reinvestment of interest	(2,078)	(1,408)
Redemption of term deposits	-	47,999
	<u>(17,692)</u>	<u>(74,270)</u>
Increase (decrease) in cash and cash equivalents	9,508	(29,792)
Cash and cash equivalents, beginning of the year	174,176	203,968
Cash and cash equivalents, end of the year	<u>\$ 183,684</u>	<u>\$ 174,176</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents, unrestricted	\$ 84,480	\$ 124,989
Cash and cash equivalents, restricted	99,204	49,187
	<u>\$ 183,684</u>	<u>\$ 174,176</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

1. NATURE OF THE ORGANIZATION

Dalhousie Community Association (the "Association") was incorporated on July 2, 1970 under the provisions of the Societies Act of the Province of Alberta. The Association is a non-profit organization which operates a community centre in Calgary, Alberta. The Association currently holds charity status.

The Association was established to serve and promote the interests of the community as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Externally restricted grants and gaming funds are deferred when received or receivable as deferred cash contributions.

Deferred cash contributions spent on operations are recognized as revenue when spent. Deferred cash contributions spent on capital assets are reclassified as deferred capital contributions and revenue is recognized on the same basis that the related capital asset is amortized.

Donations are recorded when received. Memberships are recorded in the year that they relate to. Earned operating revenue is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Fund Accounting

The Association follows the fund accounting method using the following funds:

General Fund

The general fund includes general operating assets, liabilities, revenues and expenses. This fund also includes externally restricted grants that are deferred until spent.

Casino Fund

The casino fund includes externally restricted casino assets, deferred cash contributions from gaming proceeds, casino contributions to revenue during the year and expenses paid from casino funds. This fund must be spent according to Alberta Gaming approved objectives.

Capital Fund

The capital fund includes property and equipment relating to the General Fund and Casino Fund and the related amortization.

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, balances with banks and short term deposits with original maturities of three months or less, both designated and undesignated.

Designated cash is restricted for specified purposes and is not available for the Association's general operations. Undesignated cash represents funds available for the Association's general operations.

(d) Income Taxes

The Association is a not-for-profit organization under section 149.1(l) of the Canadian Income Tax Act and is therefore not subject to income taxes as long as it maintains its not-for-profit status.

(e) Goods and Services Tax

As a registered charity, the Association is eligible to receive 50% of the GST paid out back as a rebate.

(f) Inventory

Inventory is recorded at the lower of cost and net realizable value using the first-in, first-out method. Inventory consists of pop and was valued at \$5 at August 31, 2023.

(g) Prepaid Expenses

Prepaid expenses primarily comprise advance payments made to vendors in the current fiscal year for goods and services to be received in the next fiscal year. Prepaid expenses are recognized as expenses in the period when the goods and services are received.

(h) Capital Assets

Capital assets are recorded at cost and amortized over the estimated useful lives of the assets using the straight line method. Amortization is recorded using the following rates:

Building and improvements	20 years
Computer equipment	4 years
Furniture and fixtures	10 years
HVAC system	30 years
Signage	20 years

(i) Damage Deposits

The Association collects damage deposits from rental engagements that are returned if no damage is incurred.

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Deferred Revenue

Fees that are received for out of school care are deferred until earned. Prepaid memberships are deferred and recognized as revenue in the period that they relate to.

(k) Contributed Services

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

(l) Donated Goods

The Association receives goods donated by individuals and businesses who assist the organization in achieving its mission. The value of these goods is recorded if the value can be verified, the goods are used in ordinary operations and would otherwise have been purchased.

(m) Financial Instruments

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized increase (decrease) in funds.

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

Financial Risk

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

(n) 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 funds date and the reported amounts of revenues and expenses for the period covered.

Estimates and assumptions include the collectibility of accounts receivables, the useful life of capital assets, 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 may be significant.

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Casino revenue and grant funding are restricted to the objectives approved by Alberta Gaming and Liquor Commission or the grant providers. Until spent they are recorded as deferred cash contributions and remain as liabilities. These funds are held as follows:

	2023	2022
Casino bank account - First Calgary	\$ 99,204	\$ 49,187
General funds held in casino bank account	-	-
Total casino cash	<u>\$ 99,204</u>	<u>\$ 49,187</u>

4. INVESTMENTS

The Association holds guaranteed investment certificates as follows:

3.00%, maturing May 01, 2024	\$ 58,151
3.90%, maturing July 27, 2024	107,364
1.50%, maturing July 28, 2024	4,229
3.90%, maturing August 13, 2024	176,928
2.10%, maturing September 24, 2024	1,000
First Calgary Credit Union common shares	<u>2,827</u>
	350,499
Short term investments	<u>(346,672)</u>
Long term investments	<u>\$ 3,827</u>

5. PREPAID EXPENSES

Prepaid expenses consist of a prepaid insurance of \$4,902, prepaid fire alarm service of \$685, and prepaid magic show charge of \$4,250.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Building and improvements	\$ 2,619,689	\$ 1,580,792	\$ 1,038,897	\$ 1,124,342
Computer equipment	70,565	67,814	2,751	1,776
Furniture and fixtures	312,015	279,963	32,052	24,553
HVAC system	199,795	139,246	60,549	64,054
Signage	6,115	6,109	6	12
	<u>\$ 3,208,179</u>	<u>\$ 2,073,924</u>	<u>\$ 1,134,255</u>	<u>\$ 1,214,737</u>

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

7. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted assets like casino funds and grant funding contributed to the purchase of property and equipment is deferred and recognized as revenue on the same basis that the related capital assets are amortized.

	2023	2022
Balance, beginning of the year	\$ 673,890	\$ 614,864
Capital assets purchased by grant funding (Note 10)	2,081	107,470
Capital assets purchased by casino funding (Note 8)	1,424	-
Recognized as revenue	(48,794)	(48,444)
	<u>\$ 628,601</u>	<u>\$ 673,890</u>

8. CASINO CONTRIBUTIONS

	2023	2022
Casino balance, beginning of the year	\$ 49,187	\$ 69,226
Plus: Casino proceeds receivable	79,593	-
Plus: Interest less bank charges	6	275
Less: Spent on capital assets (Note 7)	(1,424)	-
Less: Balance carried forward	(99,204)	(49,187)
Spent on operations	<u>\$ 28,158</u>	<u>\$ 20,314</u>

9. SUBSIDIES

	2023	2022
Government of Alberta:		
Out of School and Preschool Program	\$ 129,239	\$ 40,246
Affordability Grant	172,664	94,120
Admin Top-up Subsidy	164,021	109,796
Staff Attraction Grant	49,162	65,215
	<u>\$ 515,086</u>	<u>\$ 309,377</u>

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

10. GRANT CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Capital Conservation Grant - City of Calgary		
Received	\$ -	\$ 82,154
Spent on capital assets	-	(82,154)
Carried forward	<u>\$ -</u>	<u>\$ -</u>
Community Facility Enhancement Program - Province of Alberta		
Balance, end of last year	\$ -	\$ 25,316
Spent on capital assets	-	(25,316)
Carried forward	<u>\$ -</u>	<u>\$ -</u>
Embrace the Outdoor Grant - Parks Foundation		
Received	\$ 4,650	\$ -
Spent on capital assets	(2,081)	-
Carried forward	-	-
Spent on operations	<u>\$ 2,569</u>	<u>\$ -</u>
Total spent on capital assets (Note 7)	<u><u>\$ 2,081</u></u>	<u><u>\$ 107,470</u></u>
Operating Grants		
Canada Emergency Wage Subsidy - Government of Canada	\$ -	\$ 9,690
COVID-19 Operations and Property Relief Support - Province of Alberta	-	6,830
Arts & Culture Microgrant - City of Calgary	5,000	-
Ward Community Event Grant - City of Calgary	-	1,500
Embrace the Outdoor Grant - Parks Foundation	2,569	-
Neighbour Grant - Calgary Foundation	7,500	-
Spent on operations	<u><u>\$ 15,069</u></u>	<u><u>\$ 18,020</u></u>

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2023

11. COMMITMENTS

- (a) The Association leases land, on which its community facility is located for a nominal fee of \$150 for the total lease period from the City of Calgary. The lease expires on December 31, 2027.
- (b) The Association has entered into various lease agreements pertaining to janitorial services, garbage removal, security services, general maintenance and monthly IT services for various terms including month-to-month lease agreements. These leases are considered to be in the normal course of operations.

12. FUNDRAISING

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

- Direct costs incurred for the purpose of soliciting contributions \$Nil (2022 - \$Nil)
- Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2022 - \$Nil).