

DALHOUSIE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS **(Audited)**

August 31, 2024

a member of



DALHOUSIE COMMUNITY ASSOCIATION

August 31, 2024

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Funds	3
Statement of Changes in Fund Balances	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13



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, 2024, 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, 2024, 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 21, 2025



Anthony Chiu
Chartered Professional Accountant

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF FUNDS

(Audited)


As at August 31, 2024

	General Fund	Casino Fund	Capital Fund	2024 Totals	2023 Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 541,464	\$ -	\$ -	\$ 541,464	\$ 84,480
Externally restricted assets (Note 3)	13,422	8,052	-	21,474	99,204
Short term investments (Note 4)	59,900	-	-	59,900	346,672
Accounts receivable	63,288	-	-	63,288	52,604
GST receivable	3,467	-	-	3,467	9,238
Inventory	2,359	-	-	2,359	5
Prepaid expenses (Note 5)	11,227	-	-	11,227	9,837
	695,127	8,052	-	703,179	602,040
Long term investments (Note 4)	2,983	-	-	2,983	3,827
Capital assets (Note 6)	-	-	1,070,081	1,070,081	1,134,255
	\$ 698,110	\$ 8,052	\$ 1,070,081	\$ 1,776,243	\$ 1,740,122
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 45,106	\$ -	\$ -	\$ 45,106	\$ 27,830
Wages and payroll source deductions payable	24,912	-	-	24,912	-
Damage deposits	15,158	-	-	15,158	10,500
Deferred revenue	31,025	-	-	31,025	12,660
Deferred cash contributions (Note 3)	13,422	8,052	-	21,474	99,204
	129,623	8,052	-	137,675	150,194
Deferred capital contributions (Note 7)	-	-	588,946	588,946	628,601
	129,623	8,052	588,946	726,621	778,795
Fund balances	568,487	-	481,135	1,049,622	961,327
	\$ 698,110	\$ 8,052	\$ 1,070,081	\$ 1,776,243	\$ 1,740,122

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, 2024

	General Fund	Casino Fund	Capital Fund	2024 Totals	2023 Totals
Fund balances, beginning of year	\$ 455,673	\$ -	\$ 505,654	\$ 961,327	\$ 985,409
Transfer of funds	(22,260)	-	22,260	-	-
Increase (decrease) in funds	135,074	-	(46,779)	88,295	(24,082)
Fund balances, ending of year	<u>\$ 568,487</u>	<u>\$ -</u>	<u>\$ 481,135</u>	<u>\$ 1,049,622</u>	<u>\$ 961,327</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended August 31, 2024

	<u>General Fund</u>	<u>Casino Fund</u>	<u>Capital Fund</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Revenue					
Alberta Childcare Subsidies (Note 9)	\$ 769,823	\$ -	\$ -	\$ 769,823	\$ 515,086
Amortization of deferred capital	-	-	49,810	49,810	48,794
Casino contributions (Note 8)	-	81,001	-	81,001	28,158
Functions	24,340	-	-	24,340	26,854
Fundraising / donations	5,690	-	-	5,690	13,792
Grant contributions (Note 10)	11,578	-	-	11,578	15,069
Interest	16,257	-	-	16,257	8,748
Membership	8,404	-	-	8,404	11,708
Miscellaneous	458	-	-	458	50
Programs	886,768	-	-	886,768	703,242
Rentals	274,222	-	-	274,222	249,483
	<u>1,997,540</u>	<u>81,001</u>	<u>49,810</u>	<u>2,128,351</u>	<u>1,620,984</u>
Expenses					
Administrative expenses	53,470	-	-	53,470	56,673
Amortization	-	-	96,589	96,589	95,963
Business fees and licenses	1,399	-	-	1,399	1,632
Insurance	20,274	-	-	20,274	19,353
Interest and bank charges	27,366	-	-	27,366	14,638
Professional fees	15,824	-	-	15,824	17,113
Program delivery and projects	135,706	-	-	135,706	80,521
Rent and security	27,966	-	-	27,966	28,502
Repair and maintenance	73,832	38,002	-	111,834	94,382
Telephone	10,404	1,106	-	11,510	16,128
Utilities	3,950	41,893	-	45,843	54,946
Wages and benefits	1,492,275	-	-	1,492,275	1,165,215
	<u>1,862,466</u>	<u>81,001</u>	<u>96,589</u>	<u>2,040,056</u>	<u>1,645,066</u>
Increase (decrease) in funds	<u>\$ 135,074</u>	<u>\$ -</u>	<u>\$ (46,779)</u>	<u>\$ 88,295</u>	<u>\$ (24,082)</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended August 31, 2024

	<u>2024</u>	<u>2023</u>
FUNDS PROVIDED BY (USED IN) OPERATIONS:		
Increase (decrease) in funds	\$ 88,295	\$ (24,082)
Amortization	96,589	95,963
Amortization of deferred capital	(49,810)	(48,794)
Changes in non-cash operating working capital:		
Account receivable	(10,684)	(41,237)
Goods and Services Tax receivable	5,771	(5,376)
Inventory	(2,354)	-
Prepaid expenses	(1,390)	(4,395)
Accounts payable and accrued liabilities	17,276	(1,370)
Wage and payroll source deductions payable	24,912	-
Damage deposits	4,658	4,750
Deferred revenue	18,365	(1,781)
	<u>191,628</u>	<u>(26,322)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted funds used to purchases capital assets	10,155	3,505
(Use of) transfer to deferred cash contributions	(77,730)	50,017
	<u>(67,575)</u>	<u>53,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(32,415)	(15,481)
Reinvestment of patronage dividends	(156)	(133)
Reinvestment of interest	(21,265)	(2,078)
Term deposits reported as cash and cash equivalents	309,037	-
	<u>255,201</u>	<u>(17,692)</u>
Increase in cash and cash equivalents	379,254	9,508
Cash and cash equivalents, beginning of the year	183,684	174,176
Cash and cash equivalents, end of the year	<u>\$ 562,938</u>	<u>\$ 183,684</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents, unrestricted	\$ 541,464	\$ 84,480
Cash and cash equivalents, restricted	21,474	99,204
	<u>\$ 562,938</u>	<u>\$ 183,684</u>

See Notes to the Financial Statements

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2024

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, 2024

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 T-shirts at August 31, 2024.

(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, 2024

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, 2024

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:

	2024	2023
Casino bank account - First Calgary	\$ 8,052	\$ 99,204
General funds held in casino bank account	-	-
Total casino cash	8,052	99,204
Garden grants held in general bank account (Note 10)	8,520	-
ING grant held in general bank account (Note 10)	4,902	-
	\$ 21,474	\$ 99,204

4. INVESTMENTS

The Association holds guaranteed investment certificates as follows:

3.00%, maturing May 1, 2025	\$	59,900
2.50%, maturing October 13, 2024		188,995
2.50%, maturing September 28, 2024		4,356
2.50%, maturing September 27, 2024		114,686
First Calgary Credit Union common shares		2,983
		370,920
Reclassified to cash and cash equivalents - maturing within three months		(308,037)
		62,883
Short term investments		(59,900)
Long term investments	\$	2,983

5. PREPAID EXPENSES

Prepaid expenses consist of a prepaid insurance of \$5,124, prepaid fire alarm service of \$1,567, prepaid online training of \$4,218, prepaid magic show charge of \$256, and prepaid security system charge of \$62.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Building and improvements	\$ 2,620,184	\$ 1,665,232	\$ 954,952	\$ 1,038,897
Computer equipment	70,565	68,138	2,427	2,751
Furniture and fixtures	343,935	288,276	55,659	32,052
HVAC system	199,795	142,752	57,043	60,549
Signage	6,115	6,115	-	6
	\$ 3,240,594	\$ 2,170,513	\$ 1,070,081	\$ 1,134,255

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2024

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.

	2024	2023
Balance, beginning of the year	\$ 628,601	\$ 673,890
Capital assets purchased by grant funding (Note 10)	-	2,081
Capital assets purchased by casino funding (Note 8)	10,155	1,424
Recognized as revenue	(49,810)	(48,794)
	\$ 588,946	\$ 628,601

8. CASINO CONTRIBUTIONS

	2024	2023
Casino balance, beginning of the year	\$ 99,204	\$ 49,187
Plus: Casino proceeds receivable	-	79,593
Plus: Interest less bank charges	4	6
Less: Spent on capital assets (Note 7)	(10,155)	(1,424)
Less: Balance carried forward	(8,052)	(99,204)
Spent on operations	\$ 81,001	\$ 28,158

9. ALBERTA CHILDCARE SUBSIDIES

	2024	2023
Government of Alberta:		
Out of School and Preschool Program	\$ 190,955	\$ 129,239
Affordability Grant	327,650	172,664
Childcare Wage Top-up	210,966	164,021
Staff Attraction Grant	40,252	49,162
	\$ 769,823	\$ 515,086

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2024

10. GRANT CONTRIBUTIONS

	<u>2024</u>	<u>2023</u>
Inspiring Neighbourhood Grant - City of Calgary		
Received	\$ 9,000	\$ -
Spent on operations	(4,098)	-
Carried forward (Note 3)	<u>\$ 4,902</u>	<u>\$ -</u>
Garden Grants		
Received from Calgary Foundation	\$ 10,000	\$ -
Received from Farm Credit Canada	4,000	-
Received from Connect First Credit Union	2,000	-
Spent on operations	(7,480)	-
Carried forward (Note 3)	<u>\$ 8,520</u>	<u>\$ -</u>
Embrace the Outdoor Grant - Parks Foundation		
Received	\$ -	\$ 4,650
Spent on capital assets	-	(2,081)
Carried forward	-	-
Spent on operations	<u>\$ -</u>	<u>\$ 2,569</u>
Total spent on capital assets (Note 7)	<u>\$ -</u>	<u>\$ 2,081</u>
Operating Grants		
Arts & Culture Microgrant - City of Calgary	\$ -	\$ 5,000
Inspiring Neighbour Grant - City of Calgary	4,098	-
Embrace the Outdoor Grant - Parks Foundation	-	2,569
Neighbour Grant - Calgary Foundation	-	7,500
Garden Grants	7,480	-
Spent on operations	<u>\$ 11,578</u>	<u>\$ 15,069</u>

DALHOUSIE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

August 31, 2024

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 (2023 - \$Nil)
- Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2023 - \$Nil).