

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Financial Statements

Year Ended December 31, 2024

CONFEDERATION PARK 55+ ACTIVITY CENTRE

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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Confederation Park 55+ Activity Centre

Qualified Opinion

We have audited the financial statements of Confederation Park 55+ Activity Centre (the Centre), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 Centre as at December 31, 2024, 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 Centre derives revenue from donations and contributions and fundraising and other functions 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, we were not able to determine whether any adjustments might be necessary to donations & contributions, fundraising revenue, operating excess, and cash flows from operating activities for the year ended December 31, 2024, and fund balances as at January 1 and December 31 for both 2024 and 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. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 Centre 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 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

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.

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Independent Auditor's Report to the Members of Confederation Park 55+ Activity Centre *(continued)*

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 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 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

March 19, 2025 Chartered Professional Accountants

CONFEDERATION PARK 55+ ACTIVITY CENTRE Statement of Financial Position

December 31, 2024

Operating Fund
Sustainability &
Capital Fund Casino Fund **Total** Total
2024 2024 2024 **2024** 2023

ASSETS

CURRENT

Cash and cash equivalents \$ 11,307 \$ 113 \$ - **\$ 11,420** \$ 2,303 Restricted cash - - 38,058 **38,058** 20,845
Accounts receivable 1,017 - - **1,017** 123,141 Guaranteed investment certificates - - - - 50,000 Goods and
services tax recoverable **12,191** - - **12,191** 10,325

24,515 113 38,058 **62,686** 206,614

PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5) - 17,128 - 17,135,509 - 315,509 303,444

\$ 24,515 \$ 332,750 \$ 38,058 \$ 395,323 \$ 540,307

LIABILITIES AND NET ASSETS

CURRENT

Accounts payable and accrued liabilities \$ 47,067 \$ - \$ - **\$ 47,067** \$ 48,126 Employee deductions payable 10,554 - - **10,554** 10,018 Deferred Revenue - memberships and registrations 35,838 - - **35,838** 34,313 Deferred Contributions (Note 6) - 15,186 38,058 **53,244** 173,321

93,459 15,186 38,058 **146,703** 265,778

NET ASSETS (DEFICIENCY) (68,944) 317,564 - 248,620 274,529 \$ 24,515 \$ 332,750 \$ 38,058 \$ 395,323 \$ 540,307

On behalf of the Board

Director
Director

The accompanying notes are an integral part of the financial statements 3

CONFEDERATION PARK 55+ ACTIVITY CENTRE Statement of Operations and Changes in Net Assets Year Ended December 31, 2024

Sustainability &

REVENUES

Family and Community Support Services (FCSS)
Operating Fund

funding \$ 205,758 \$ - \$ - **205,758** \$ 199,123 Class registrations 102,129 - - **102,129** 104,536
Fundraising and other functions 29,868 - 78,056 **107,924** 92,680 Donations and contributions 33,166
12,021 4,998 **50,185** 56,354 Government subsidies - - - 20,000 Memberships 19,677 - - **19,677** 20,828
Government grants 30,000 - - **30,000** 31,500

420,598 12,021 83,054 515,673 525,021

EXPENSES

Salaries and benefits 256,420 - 31,698 **288,118** 268,705 Utilities & rent 23,748 - 73,788 **97,536** 92,521
Class instruction 42,993 - - **42,993** 41,156 Professional services 39,111 - - **39,111** 31,984 Office 30,304
4,571 273 **35,148** 50,393 Fundraising and other functions 39,131 - 7,783 **46,914** 32,004 Amortization -
14,175 - **14,175** 12,703 Transportation 2,923 - 5,509 **8,432** 8,899 Copier and supplies 7,841 - - **7,841**
7,918 Insurance 5,031 - - **5,031** 6,386 Repairs and maintenance 899 - - **899** 158 Telephone 778 - - **778**
778

449,179 18,746 119,051 586,976 553,605

DEFICIENCY OF REVENUES OVER EXPENSES

FROM OPERATIONS (28,581) (6,725) (35,997) (71,303) (28,584) (continues)

The accompanying notes are an integral part of the financial statements 4

**CONFEDERATION PARK 55+ ACTIVITY CENTRE Statement of Operations and Changes in
Net Assets (continued) Year Ended December 31, 2024**

Sustainability &
Capital Fund Casino Fund 2024 2023

OTHER INCOME
Operating Fund

Interest, investment & other income 8,324 9,395 - **17,719** 11,870 Capital Gains - 27,675 - **27,675** 12,221
8,324 37,070 - **45,394** 24,091

**NET EXCESS (DEFICIENCY) OF REVENUES OVER
EXPENSES (20,257) 30,345 (35,997) (25,909) (4,493) NET ASSETS - BEGINNING OF YEAR (107,954)**
356,486 25,997 **274,529** 279,022

(128,211) 386,831 (10,000) **248,620** 274,529
Interfund transfers 59,267 (69,267) 10,000 - - **NET ASSETS - END OF YEAR \$ (68,944)** \$ 317,564 \$ - \$
248,620 \$ 274,529

The accompanying notes are an integral part of the financial statements 5

CONFEDERATION PARK 55+ ACTIVITY CENTRE Statement of Cash Flows

Year Ended December 31, 2024

Sustainability &
Capital Fund Casino Fund 2024 2023

OPERATING ACTIVITIES

Operating Fund

Excess (deficiency) of revenues over expenses \$ (20,257) \$ 30,345 \$ (35,997) **\$ (25,909)** \$ (4,493) Items not affecting cash:

Amortization of property, plant and equipment - 14,175 - **14,175** 12,703 CEBA loan forgiveness - - - (20,000) Unrealized gain on long term investment - (20,804) - **(20,804)** (11,710) Internal transfers **59,267** (69,267) **10,000** - -

39,010 (45,551) (25,997) (32,538) (23,500)

Changes in non-cash working capital:

Accounts receivable 858 - 121,266 **122,124** (122,251) Accounts payable and accrued liabilities (1,059) - - **(1,059**) 3,719 Deferred Revenue - memberships and registrations 1,525 - - **1,525** 62 Goods and services tax payable (1,866) - - **(1,866)** (3,808) Employee deductions payable 536 - - **536** 406 Deferred Contributions (30,000) (12,021) (78,056) **(120,077)** 103,046

(30,006) (12,021) 43,210 1,183 (18,826)

Cash flow from (used by) operating activities 9,004 (57,572) 17,213 (31,355) (42,326)

INVESTING ACTIVITIES

Purchase of property, plant and equipment - (1,054) - **(1,054)** (13,668) Purchase of long term investments - 8,739 - **8,739** (53,400) Restricted cash - - (17,213) **(17,213)** 52,294 Guaranteed investment certificates - **50,000 - 50,000** -

Cash flow from (used by) investing activities - 57,685 (17,213) 40,472 (14,774)

FINANCING ACTIVITY

The accompanying notes are an integral part of the financial statements 6

CONFEDERATION PARK 55+ ACTIVITY CENTRE Statement of Cash Flows (continued)

Year Ended December 31, 2024

Operating Fund

Sustainability &

Capital Fund Casino Fund 2024 2023

Cash flow from (used by) financing activity - - - (40,000) **INCREASE (DECREASE) IN CASH FLOW**

9,004 113 - **9,117** (97,100)

Cash and cash equivalents -

beginning of year 2,303 - 2,303 **99,403 CASH AND CASH EQUIVALENTS - END OF YEAR \$ 11,307 \$**

113 \$ - \$ 11,420 \$ 2,303

The accompanying notes are an integral part of the financial statements 7

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

1. OVERVIEW

Confederation Park 55+ Activity Centre (the "Centre") is a registered society and charity formed to

provide educational, recreational, outreach support programs and special services to members of the community 55 years of age and older to help them maintain an independent life style.

These financial statements include the operations and resources of the Operating, Sustainability & Capital and Casino Funds only. Historically they did not include the operations and resources of any self sufficient but directly controlled Clubs or Committees of the Centre, except for contributions received from these clubs. All Clubs and Committees of the Centre are not included.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The continued operation of the Centre is dependent on the continued support of government and interested individuals and groups.

The Centre follows Canadian accounting standards for not for profit organizations and a summary of significant accounting policies include:

Fund Accounting

Fund accounting is used to ensure the observance of the purposes, limitations, and restrictions on the use of resources made available to the organization as specified by the donors, contributors, and the Board.

The funds are summarized for reporting as follows:

Operating Fund

- to handle all general fund raising events, general Centre functions, class instruction and support of all other committees and clubs which are in place. It includes government grants relating to budgeted salaries, benefits, rent and utilities. Any deficits are funded by the Sustainability & Capital Fund.

Sustainability & Capital Fund

- to record all funds received and disbursed for property and equipment acquisition and is used to fund any Operating Fund deficits. Bequests with no specific direction are recorded in this fund as well. The Sustainability & Capital Fund is limited to \$500,000.

Casino Fund

- to record all funds received and disbursed from casino for supported events.

(continues)

Financial instruments policy

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.

The Centre's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, guaranteed investment certificates, accounts payable and employee deductions payable, which are measured at amortized cost. Under long term investments, cash and cash equivalents and high interest savings are measured at amortized cost, fixed income and equities are measured at fair value.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are term deposits and GIC's having the capacity of prompt liquidation or original maturities of 3 months or less.

Property and Equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods.

Leasehold improvements	Term of lease	straight-line method	Computer equipment
5 years	straight-line method		

Impairment of Long Lived assets

The Company tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value

Deferred Revenue

Class registration fees, membership fees and facility rental received in advance are recorded as deferred revenue until the class or term is completed.

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Until then, they are recorded as deferred contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fund raising and other function revenue, class registrations, facility rental and memberships are recorded as earned and when collection is reasonably assured. Investment and other income is accrued as earned. Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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

Contributed Goods & Services

Management estimates that 131 (2023: 193) volunteers contribute about 4,819 (2023: 6,585) hours to assist the Centre in carrying out its service delivery and support activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

During the year, the Centre received \$0 (2023 \$0) gifts in kind.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The most significant estimates included in these financial statements include the estimate of the amounts of accrued liabilities and allocations of deferred contribution expenditures. (Note 7).

Fundraising Activities

Fundraising revenues and expenses are recorded specifically in the Operating Fund. No salary costs have been allocated to the fundraising costs.

3. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments, which comprise cash, term deposits and GIC's, account receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant liquidity, market or interest rate risks arising from these financial instruments.

4. LONG-TERM INVESTMENTS

2024 2023

Cash and cash equivalents	\$ 4,736	\$ 4,025	Fixed income	81,000	131,220	Equities	158,813
131,336 High interest savings account	70,960	36,863					

\$ 315,509 \$ 303,444

5. PROPERTY, PLANT AND EQUIPMENT

		2024	2023
	Cost	Accumulated	Net book
	<u>amortization</u>	<u>value</u>	<u>Net book</u>
Computer equipment	\$ 14,721	\$ 4,206	\$ 10,515
Leasehold improvements	\$ 12,301	\$ 45,344	\$ 38,731
6,613	17,948		
		<u>\$ 60,065</u>	<u>\$ 42,937</u>
		<u>\$ 17,128</u>	<u>\$ 30,249</u>

6. DEFERRED CONTRIBUTIONS

Certain contributions received are externally restricted and are recorded as deferred contributions until funds are expended at which time they are transferred to revenue to match the expense. A summary of the current year activity follows:

	Restricted contributions	Amount recognized as <u>received</u>	Ending <u>revenue</u>	balances
Opening <u>balances</u>				
FCSS	\$ - \$ 205,758	\$ (205,758)	\$ - Casino funds	116,114
	4,998	(83,053)	38,059	CIP Grant 25,000
	- (25,000)			
- (25,000)				
- Deferred contribution for lift and boutique	14,598	- (9,220)	5,378	Deferred contribution for computers 12,609
			- (2,802)	9,807
Calgary Foundation	<u>5,000</u>	<u>- (5,000)</u>		
				<u>\$ 173,321</u>
				<u>\$ 210,756</u>
				<u>\$ (320,833)</u>
				<u>\$ 53,244</u>

7. LEASE COMMITMENTS

The Centre leases premises under a long term lease that expires on May 30, 2027. The Centre also has a photocopier lease. Future minimum lease payments are as follows:

2025	\$ 100,176
2026	100,416
2027	25,104
	<u>\$ 225,696</u>

8. SUBSEQUENT EVENTS

FCSS funding has been reduced by \$102,000 from 2024 levels for fiscal 2025 and 2026. Management has a plan to continue to operate the Centre and is managing the decrease in funding.