Good Companions 50 Plus Club

Financial Statements

Year Ended December 31, 2023

Good Companions 50 Plus Club
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Year Ended December 31, 2023

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KHALFANS
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Good Companions 50 Plus Club

Opinion

We have audited the financial statements of Good Companions 50 Plus Club (the organization), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization 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 Opinion

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 organization 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 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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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***operating through Mahmud Khalfan Professional Corporation, Chartered Professional Accountants**

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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 organization'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 organization'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 organization 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.

Mahmud Khalfan Prof Corp

Calgary, Alberta
February 29, 2024

Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Good Companions 50 Plus Club
Statement of Financial Position
December 31, 2023

		2023		2022
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**97,974**	$	127,306
Restricted cash and cash equivalents		**77,254**		39,450
Grant receivable		**18,450**		-
GST receivable		**2,704**		2,782
GST receivable - restricted		**1,113**		867
Prepaid expenses		**50**		50
		197,545		170,455
PROPERTY AND EQUIPMENT *(Note 4)*		**60,018**		74,473
	$	**257,563**	$	244,928
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**32,222**	$	8,400
Deferred cash contributions *(Note 5)*		**82,514**		44,464
Current portion of obligations under capital lease *(Note 6)*		**1,727**		1,646
Employee deduction payable		**4,013**		3,063
Unearned revenue		**5,533**		6,420
		126,009		63,993
OBLIGATIONS UNDER CAPITAL LEASE *(Note 6)*		**-**		1,728
DEFERRED CAPITAL CONTRIBUTIONS *(Note 7)*		**48,071**		58,328
		174,080		124,049
NET ASSETS				
Unrestricted fund		**73,264**		108,108
Invested in property and equipment fund		**10,219**		12,771
		83,483		120,879
	$	**257,563**	$	244,928

ON BEHALF OF THE BOARD

Mary F. Anderson *Director*

Director

Good Companions 50 Plus Club
Statement of Revenues and Expenses
Year Ended December 31, 2023

	2023	2022
REVENUES		
Grants *(Note 5)*	**$ 99,859**	$ 117,325
Fundraising	**46,706**	35,843
Casino *(Note 5)*	**44,716**	36,396
Program revenue	**29,253**	29,965
Rental	**21,478**	17,338
Amortization of deferred capital contributions	**12,181**	12,528
Membership fees	**11,194**	11,381
Donations	**8,076**	5,245
Interest	**1,163**	84
Newsletter	**146**	60
	274,772	266,165
EXPENSES		
Salaries and benefits	**131,224**	120,849
Repairs and maintenance	**64,808**	52,958
Program and travel	**23,183**	23,600
Fundraising	**20,626**	19,255
Utilities	**17,847**	14,894
Amortization	**16,380**	17,767
Professional fees	**10,355**	10,540
Office	**9,698**	8,184
Insurance	**7,615**	7,176
GST (not recoverable)	**3,247**	687
Miscellaneous	**3,013**	4,300
Casino	**2,351**	694
Interest and bank charges	**1,432**	3,911
Memberships	**257**	331
Interest on capital lease	**132**	209
Lease	**-**	10
	312,168	285,365
DEFICIENCY OF REVENUES OVER EXPENSES	**$ (37,396)**	$ (19,200)

See notes to financial statements

Good Companions 50 Plus Club
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Unrestricted Fund	Invested in property and equipment Fund	**2023**	2022
NET ASSETS - BEGINNING OF YEAR	$ 108,108	$ 12,771	**$ 120,879**	$ 140,079
DEFICIENCY OF REVENUES OVER EXPENSES	(34,844)	(2,552)	**(37,396)**	(19,200)
NET ASSETS - END OF YEAR	$ 73,264	$ 10,219	**$ 83,483**	$ 120,879

See notes to financial statements

Good Companions 50 Plus Club
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	$ (37,396)	$ (19,200)
Items not affecting cash:		
Amortization of property and equipment	16,380	17,767
Amortization of deferred capital contributions	(12,181)	(12,528)
	(33,197)	(13,961)
Changes in non-cash working capital:		
Accounts receivable	(18,450)	37,074
Accounts payable and accrued liabilities	23,821	(2,666)
Deferred cash contributions	38,050	22,043
Employee deductions payable	949	(836)
GST receivable	78	(2,243)
GST receivable - restricted	(246)	598
Unearned revenue	(887)	2,778
	43,315	56,748
Cash flow from operating activities	10,118	42,787
FINANCING ACTIVITY		
Repayment of obligations under capital lease	(1,646)	(1,568)
INCREASE IN CASH FLOW	8,472	41,219
Cash - beginning of year	166,756	125,537
CASH - END OF YEAR	$ 175,228	$ 166,756
CASH CONSISTS OF:		
Cash	$ 97,974	$ 127,306
Restricted cash and cash equivalents	77,254	39,450
	$ 175,228	$ 166,756

See notes to financial statements

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

The Good Companions 50 Plus Club (the "Organization") is a not-for-profit society operating to promote heightened quality of 50 plus life through education, recreation and wellness activities in an environment fostering fun, social interaction and community involvement - safe and accessible to all.

The Organization is incorporated under the Societies Act of the Province of Alberta and is a registered charity under the Canadian Income Tax Act.

2. BASIS OF PRESENTATION

These financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue from unrestricted cash is recognized when received or reasonable assurance is given, that it is receivable. Revenue from grants, restricted donations or casino generated cash is recognized according to the deferral method, where revenue is recognized when the related expense occurs.

Externally restricted cash contributed to the purchase of property and equipment is recorded as deferred capital contributions. Deferred capital contributions are amortized and brought into income on the same basis as the related capital asset is expensed and amortized to expense.

Cash and cash equivalents

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

Property and equipment

Purchased property and equipment over $500 is recorded at cost. Amortization is provided over the asset's estimated useful life at the following rates:

Leasehold improvements	20%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Equipment under capital lease	Amortized over the lease term	straight-line method

Financial instruments

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

Financial instruments measured at amortized cost include cash and cash equivalents, grant receivable, prepaid expense, accounts payable and accrued liabilities and deferred cash contribution and unearned revenue.

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

Use of estimates

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. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

Donated goods and services

Donated goods and services are recorded if their fair value can be determined reliably. Due to the difficulty of determining their fair value, some of the donated goods and services are not recognized in the financial statements.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	**2023 Net book value**	2022 Net book value
Leasehold improvements	$ 463,178	$ 423,270	**$ 39,908**	$ 49,886
Furniture and equipment	162,222	144,193	**18,029**	20,370
Computer equipment	5,262	4,270	**992**	1,417
Equipment under capital lease	8,556	7,467	**1,089**	2,800
	$ 639,218	$ 579,200	**$ 60,018**	$ 74,473

5. DEFERRED CASH CONTRIBUTIONS -

	Beginning Balance	Funds Recieved	Funds Utilized	**Ending Balance**
2023				
FCSS	-	73,904	(73,904)	**-**
Casino	40,317	84,551	(46,501)	**78,367**
Calgary Foundation	-	7,500	(7,500)	**-**
Other (New Horrizon, Capital Conservation, Community)	4,147	18,450	(18,450)	**4,147**
	44,464	184,405	(146,355)	**82,514**
2022				
FCSS	-	73,904	(73,904)	-
Casino	12,012	65,343	(37,038)	40,317
Calgary Foundation	9,258	-	(9,258)	-
Other (New Horrizon, Capital Conservation, Community)	1,151	54,084	(51,088)	4,147
	22,421	193,331	(171,288)	44,464

6. OBLIGATIONS UNDER CAPITAL LEASE

	2023	2022
Canon copier equipment lease	$ **1,727**	$ 3,374
Amounts payable within one year	**(1,727)**	(1,646)
	$ **-**	$ 1,728

The annual interest rate for the lease is 4.79%. The lease will mature in December 2024.

7. DEFERRED CAPITAL CONTRIBUTIONS

	2023	2022
Beginning balance	$ **58,328**	$ 53,930
Contributions received	**1,925**	16,926
Amounts amortized to revenue	**(12,182)**	(12,528)
Ending balance	$ **48,071**	$ 58,328

8. LEASE COMMITMENTS

The Organization leases premises from the City of Calgary. The lease agreement was renewed in 2012 for another 15 years expiring on December 31, 2027 for a lease payment of $150 at the beginning of the term, which are $10 per year. In addition to the above base rent, the Organization must pay for the utilities, maintenance and other related costs for the leased premises

9. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The Alberta Gaming, Liquor and Cannabis Commission ("AGLC") requires the distribution of gaming profits to be made within 36 months of receipt of the funds. If the Organization fails to comply, the Organization will be subject to AGLC board-directed sanctions, such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. The Organization received $84,551 in 2023 (2022 - $65,343). As at the year end, $78,367 is still required to be spent. Management is confident the Organization will comply with this spending requirement.

10. FINANCIAL INSTRUMENTS

The Organization 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 analysisprovides information about the Company's risk exposure and concentration as of December 31, 2023:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk

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10. FINANCIAL INSTRUMENTS *(continued)*

<u>Interest rate risk</u>

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 organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.