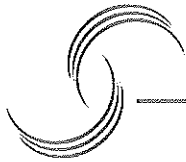


THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Financial Statements
Year Ended December 31, 2015

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Index to Financial Statements
Year Ended December 31, 2015

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 11



Semeschuk*

Chartered Professional Accountant

Suite 404 Willowpark Centre
10325 Bonaventure Drive SE
Calgary, Alberta T2J 7E4
(403) 252-0900 fax 259-8416
brian@semeschuk.com
*operating as D.B.Semeschuk
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of The Calgary Between Friends Club (a not-for-profit organization)

I have audited the accompanying financial statements of The Calgary Between Friends Club, (a not-for-profit organization), which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Calgary Between Friends Club, (a not-for-profit organization), derives revenue from donations, fundraising and program registration 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 Calgary Between Friends Club, (a not-for-profit organization). Therefore, I was not able to determine whether any adjustments might be necessary to donations, fundraising and program registration revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2015, current assets and net assets as at December 31, 2015.

(continues)

Independent Auditor's Report to the Members of The Calgary Between Friends Club *(continued)*

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Calgary Between Friends Club, (a not-for-profit organization), as at December 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
March 6, 2016

Brian Semeschuk
Semeschuk
Chartered Professional Accountant

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Statement of Revenues and Expenditures
For the Year Ended December 31, 2015

	2015	2014
REVENUES		
Fundraising	\$ 1,223,376	\$ 1,286,697
Programs	739,568	586,634
Government Grants	67,880	66,339
Investment income - Endowment Fund	64,933	62,271
Investment income - other	900	1,180
	<u>2,096,657</u>	<u>2,003,121</u>
EXPENSES		
Direct Costs:		
Wages and benefits	925,832	949,760
Program costs	538,906	468,876
Fundraising costs	359,816	338,464
Other:		
General operating costs	65,994	43,775
Wages and benefits	31,158	97,947
Communications - publicity & promotion	21,293	22,983
Building occupancy	18,478	18,182
Endowment fund administration charges	14,865	12,183
Amortization	5,408	5,404
	<u>1,981,750</u>	<u>1,957,574</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	114,907	45,547
OTHER INCOME		
Unrealized gain on Endowment Fund	13,205	71,222
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 128,112</u>	<u>\$ 116,769</u>

THE CALGARY BETWEEN FRIENDS CLUB

(a not-for-profit organization)

Statement of Changes in Net Assets

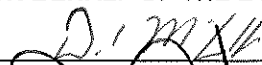
Year Ended December 31, 2015

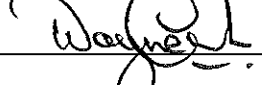
	General Fund	Endowment Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 134,300	\$ 1,215,571	\$ 1,349,871	\$ 1,233,102
Excess of revenues over expenses	64,841	63,271	128,112	116,769
Inter-fund transfers	51,289	(51,289)	-	-
NET ASSETS - END OF YEAR	\$ 250,430	\$ 1,227,553	\$ 1,477,983	\$ 1,349,871

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Statement of Financial Position
December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 528,120	\$ 197,777
Mutual fund investments	176,016	125,700
Accounts receivable	27,976	28,929
Prepaid expenses	24,822	22,090
	<u>756,934</u>	<u>374,496</u>
EQUIPMENT (Note 6)	6,574	14,387
ENDOWMENT FUND INVESTMENTS (Note 7)	<u>1,227,553</u>	<u>1,215,571</u>
	<u>\$ 1,991,061</u>	<u>\$ 1,604,454</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 50,875	\$ 38,818
Deferred income (Note 8)	454,575	205,732
	<u>505,450</u>	<u>244,550</u>
DEFERRED CONTRIBUTIONS IN CAPITAL ASSETS (Note 9)	<u>7,628</u>	<u>10,033</u>
	<u>513,078</u>	<u>254,583</u>
NET ASSETS		
General fund	250,430	134,300
Endowment fund	<u>1,227,553</u>	<u>1,215,571</u>
	<u>1,477,983</u>	<u>1,349,871</u>
	<u>\$ 1,991,061</u>	<u>\$ 1,604,454</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.
 Semeschuk - Chartered Professional Accountant

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Statement of Cash Flow
Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 128,112	\$ 116,769
Items not affecting cash:		
Amortization of equipment	7,813	7,813
Unrealized gain on Endowment Fund	(13,205)	(71,222)
	<u>122,720</u>	<u>53,360</u>
Changes in non-cash working capital:		
Accounts receivable	953	(8,185)
Accounts payable	12,057	(7,232)
Deferred income	248,843	(9,041)
Prepaid expenses	(2,732)	(317)
Deferred contributions in capital assets	(2,405)	(2,409)
	<u>256,716</u>	<u>(27,184)</u>
Cash flow from operating activities	<u>379,436</u>	<u>26,176</u>
INVESTING ACTIVITY		
Endowment fund	<u>1,223</u>	<u>(2,240)</u>
INCREASE IN CASH FLOW	380,659	23,936
Cash - beginning of year	<u>323,477</u>	<u>299,541</u>
CASH - END OF YEAR	\$ 704,136	\$ 323,477
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 528,120	\$ 197,777
Mutual fund investments	<u>176,016</u>	<u>125,700</u>
	\$ 704,136	\$ 323,477

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Notes to Financial Statements
Year Ended December 31, 2015

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

2. NATURE OF OPERATIONS

The Calgary Between Friends Club ("the Society") is a not-for-profit organization and a registered charity that provides quality social, recreation and self-development opportunities for people with disabilities to connect, grow and belong.

The Society is incorporated under the Societies Act of Alberta and is a registered charity exempt from income tax under the provisions of paragraph 149(1)(f) of the Canadian Income Tax Act.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Calgary Between Friends Club follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Endowment Fund was created to accumulate assets to generate investment income to help fund the Society's operations. The Fund's Investments are maintained in trust by another not-for-profit organization - The Calgary Foundation. Access to capital contributions within the Endowment Fund are restricted until ten years following the initial date of contribution. Net investment income earned on the assets of the Fund is unrestricted and can be used to fund operations of the Society as determined by the Board of Directors. The Society's access to undistributed net investment income is restricted to a maximum of 4.5% of the market value of the Fund's pro-rata share of investments held in trust by The Calgary Foundation. Net investment income earned in excess of the 5% maximum is reinvested back into the Fund.

(continues)

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Notes to Financial Statements
Year Ended December 31, 2015

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

Revenue recognition

The Society 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. Restricted casino proceeds are recognized as revenue of the General Fund as the approved operating and/or capital expenditures, as described in the Society's casino license, are incurred.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured.

Unrestricted investment income, except that earned on the assets of the Endowment Fund, is recognized as revenue of the General Fund when earned.

Donated capital assets are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and when the Society would otherwise have purchased these items.

Endowment contributions are recognized as direct increases in the Endowment Fund balance.

Equipment

Purchased capital assets are stated at cost in the General Fund and are amortized over their estimated useful lives on a straight-line basis over five years. Contributed capital assets are recorded in the General Fund at their fair market value at the date of contribution. All capital assets, including donated assets and their related contribution, are amortized on a straight-line basis over five years. Amortization expense is reported in the General Fund.

Endowment Fund Investments

Investments held within the Endowment Fund are recorded at fair value. The investments are written down to net realizable value when other than a temporary decline occurs.

The investment strategy of the Endowment Fund is governed by the Statement of Investment Policy established, and accepted by the Society, to guide the balanced portfolio of The Calgary Foundation in which the Endowment Fund is invested.

The investment target mix in the Endowment Fund is: Fixed income 25%, Equity 45%, Real estate 10%, Infrastructure 10% and Private equity 10%.

Contributed services

Volunteers assist the Society in carrying out service delivery. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Notes to Financial Statements
Year Ended December 31, 2015

4. MEASUREMENT UNCERTAINTY

The valuation of capital assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amount recorded for amortization of the capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

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 could be significant.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	General Fund	Casino Account	Total Funds
Unrestricted cash	\$ 487,833	\$ -	\$ 487,833
Restricted cash	-	40,287	40,287
T-bill mutual fund	176,016	-	176,016
	<u>\$ 663,849</u>	<u>\$ 40,287</u>	<u>\$ 704,136</u>

6. EQUIPMENT

	2015		2014	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment	\$ 119,390	\$ 112,887	\$ 119,390	\$ 107,116
Motor vehicles	37,957	37,957	40,457	38,557
Computer software	8,947	8,876	8,947	8,734
Furniture and fixtures	10,909	10,909	10,909	10,909
Leasehold improvements	480,967	480,967	480,967	480,967
	<u>\$ 658,170</u>	<u>\$ 651,596</u>	<u>\$ 660,670</u>	<u>\$ 646,283</u>
Net book value	<u>\$ 6,574</u>		<u>\$ 14,387</u>	

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Notes to Financial Statements
Year Ended December 31, 2015

7. ENDOWMENT FUND

The following is a summary of the Society's endowment fund transactions:

	2015	2014
Balance, beginning of year	\$ 1,215,571	\$ 1,142,109
Investment income	64,932	62,270
Calgary Foundation costs	(14,866)	(12,182)
Fund transfers to general fund	(51,289)	(47,848)
Subtotal	1,214,348	1,144,349
Unrealized gain on endowment fund	13,205	71,222
Balance, end of year	<u>\$ 1,227,553</u>	<u>\$ 1,215,571</u>

The Endowment Fund was created to accumulate assets to generate investment income to help fund the Society's operations. The Fund's investments are maintained by another not-for-profit organization - The Calgary Foundation. Access to capital contributions within the Endowment Fund are restricted until ten years following the initial date of contribution. Net investment income earned on the assets of the Fund is unrestricted and can be used to fund operations of the Society as determined by the Board of Directors. Market value of funds unrestricted for distribution are \$1,227,553 (2014 - \$1,215,571)

8. DEFERRED INCOME

Deferred income reported in the General Fund related to the unspent portion of restricted operating funding received in the current period that is related to the subsequent period. Changes in the deferred income balance reported in the General Fund are as follows:

	2015	2014
Balance, beginning of year	\$ 205,732	\$ 214,773
Recreation program trust	165,000	-
Donations	25,800	100,000
Casino	40,427	-
Memberships	5,890	6,015
Program fees	12,759	1,590
Fundraising	191,499	5,420
Other	-	50,000
Scholarships	13,200	-
	660,307	377,798
Less: Amount recognized as revenue in the year		
Fundraising	(5,420)	-
Donations	(100,000)	(103,120)
Casino proceeds	-	(56,232)
Memberships	(6,015)	(4,714)
Rec. program trust	(23,500)	(8,000)
Program fees	(20,797)	-
Other	(50,000)	-
Balance, end of year	<u>\$ 454,575</u>	<u>\$ 205,732</u>

THE CALGARY BETWEEN FRIENDS CLUB
(a not-for-profit organization)
Notes to Financial Statements
Year Ended December 31, 2015

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets reported in the General Fund include the unamortized portions of contributed capital assets and contributions from public and private donors restricted for the purchase of capital assets.

The changes for the year in the deferred contributions balance are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 10,033	\$ 12,442
Amounts amortized to revenue	<u>(2,405)</u>	<u>(2,409)</u>
Balance, end of year	<u>\$ 7,628</u>	<u>\$ 10,033</u>

10. LEASE COMMITMENTS

The Society is committed under various leases for office space and equipment as well as a fee related to leasing Riveredge Park for the summer. Future minimum rental payments, inclusive of estimate occupancy costs for office premises, and future license fees are as follows:

2016	<u>\$ 36,348</u>
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11. FINANCIAL INSTRUMENTS

The Society's financial instruments are comprised of cash and cash equivalents, T-bill mutual fund, accounts receivable, and accounts payable. Cash and cash equivalents and T-bill mutual fund are carried at cost, which approximates fair value. Accounts receivable, and accounts payable are carried at cost or amortized cost. As at December 31, 2015, the carrying values of these financial instruments approximate their fair values due to their short-term nature. The carrying value and the fair value of the endowment fund investments are as disclosed on the face of the Statement of Financial Position. 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.

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on global equities held in the Endowment Fund managed by The Calgary Foundation.
