

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Financial Statements**  
**Year Ended December 31, 2022**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Calgary Between Friends Club

### *Qualified Opinion*

I have audited the financial statements of The Calgary Between Friends Club (the Society), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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 my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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 Society derives revenue from fundraising 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 Society. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022. My audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

I 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 Society in accordance with 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

(continues)

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

Those charged with governance are responsible for overseeing the Society'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 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.

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 Society'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 Society'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 conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society 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  
April 12, 2023




STEVEN POTTER PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANT

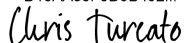
**THE CALGARY BETWEEN FRIENDS CLUB**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 957,866	\$ 757,154
Restricted casino cash (Note 5)	94,882	14,258
Short-term investments (Note 6)	3,072	3,052
Accounts receivable	58,440	75,411
Prepaid expenses	27,980	20,662
Goods and services tax recoverable	6,401	6,740
	<u>1,148,641</u>	877,277
Property and equipment (Note 7)	145,934	87,759
Endowment fund investment (Note 8)	1,660,916	1,754,167
Restricted cash (Note 9)	32,458	126,128
	<u>\$ 2,987,949</u>	<u>\$ 2,845,331</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 46,181	\$ 35,825
Source deduction payable	278	13,067
Deferred contributions related to operations (Note 10)	439,700	239,509
Deferred contributions related to casino (Note 10)	94,882	14,258
	<u>581,041</u>	302,659
Deferred contributions related to property and equipment (Note 9)	146,563	189,147
	<u>727,604</u>	491,806
<b>Net Assets</b>		
Invested in property and equipment	31,829	24,740
General Fund	567,600	574,618
Endowment Fund (Note 8)	1,660,916	1,754,167
	<u>2,260,345</u>	2,353,525
	<u>\$ 2,987,949</u>	<u>\$ 2,845,331</u>

Lease commitments (Note 11)

**ON BEHALF OF THE BOARD**

 4/17/2023  
 DocuSigned by:  
 510AA30F0D8E492... Director

 4/17/2023  
 F1080C0D4E5C46D... Director

See notes to financial statements

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Statement of Operations**  
**Year Ended December 31, 2022**

	2022	2021
<b>Revenues</b>		
Fundraising <i>(Note 12)</i>	\$ 974,517	\$ 1,064,165
Programs	524,931	159,684
Government grants <i>(Notes 13, 14)</i>	138,807	254,584
Investment income - Endowment Fund <i>(Note 8)</i>	40,751	59,889
Investment income - general	14,140	3,653
	<u>1,693,146</u>	<u>1,541,975</u>
<b>Direct costs</b>		
Program wages and benefits	911,960	662,541
Program costs	305,031	216,601
Fundraising wages and benefits <i>(Note 12)</i>	184,943	183,895
Fundraising costs <i>(Note 12)</i>	91,298	68,767
	<u>1,493,232</u>	<u>1,131,804</u>
<b>Operating expenses</b>		
General operating costs	74,706	98,278
Operating wages and benefits	68,161	79,382
Amortization	53,038	31,968
Building occupancy	28,433	28,698
Endowment Fund administration charges <i>(Note 8)</i>	15,466	16,150
Communications - publicity & promotions	13,692	39,537
	<u>253,496</u>	<u>294,013</u>
<b>(Deficiency) excess of revenues over operating expenses</b>	<u>(53,582)</u>	<u>116,158</u>
<b>Other income</b>		
Realized gain on Endowment Fund investment	21,365	73,883
Unrealized (loss) gain on Endowment Fund investment <i>(Note 8)</i>	(140,963)	119,021
	<u>(119,598)</u>	<u>192,904</u>
<b>(Deficiency) excess of revenues over expenses</b>	<u>\$ (173,180)</u>	<u>\$ 309,062</u>

See notes to financial statements

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

	Invested in Property and Equipment	General Fund	Endowment Fund	<b>2022</b>	2021
<b>Net assets - beginning of year</b>	\$ 24,740	\$ 574,618	\$ 1,754,167	<b>\$ 2,353,525</b>	\$ 2,044,463
(Deficiency) excess of revenues over expenses	(10,453)	(68,413)	(94,314)	<b>(173,180)</b>	309,062
Property and equipment acquisition	17,542	(17,542)	-	-	-
Inter-fund transfers	-	78,937	(78,937)	-	-
Endowment contributions	-	-	80,000	<b>80,000</b>	-
<b>Net assets - end of year</b>	<b>\$ 31,829</b>	<b>\$ 567,600</b>	<b>\$ 1,660,916</b>	<b>\$ 2,260,345</b>	<b>\$ 2,353,525</b>

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Operating activities</b>		
(Deficiency) excess of revenues over operating expenses	\$ (173,180)	\$ 309,062
Items not affecting cash:		
Amortization of property and equipment	53,038	31,968
Recognition of deferred contributions related to property and equipment	(42,584)	(23,771)
Unrealized (loss) gain on Endowment Fund	119,599	(192,903)
Gain on disposal of investments	(21,365)	(73,883)
	<u>(64,492)</u>	<u>50,473</u>
Changes in non-cash working capital:		
Accounts receivable	16,971	51,181
Accounts payable and accrued liabilities	10,356	(5,791)
Unearned revenue	-	(3,175)
Prepaid expenses	(7,318)	(4,348)
Goods and services tax payable	339	(1,454)
Deferred contributions related to operations	200,191	(234,450)
Deferred contributions related to casino	80,624	(40,873)
Source deduction payable	(12,789)	4,252
	<u>288,374</u>	<u>(234,658)</u>
Cash flow from (used by) operating activities	<u>223,882</u>	<u>(184,185)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(17,542)	(27,125)
Change in Endowment Fund	75,016	94,300
Short-term investments	(20)	(9)
	<u>57,454</u>	<u>67,166</u>
Cash flow from investing activities	<u>57,454</u>	<u>67,166</u>
<b>Financing activity</b>		
Deferred contributions restricted for property and equipment	(93,670)	66,128
<b>Increase (decrease) in cash flow</b>	<b>187,666</b>	<b>(50,891)</b>
Cash - beginning of year	<u>897,540</u>	<u>948,431</u>
<b>Cash - end of year</b>	<b>\$ 1,085,206</b>	<b>\$ 897,540</b>
<b>Cash consists of:</b>		
Cash and cash equivalents	\$ 957,866	\$ 757,154
Restricted cash	32,458	126,128
Restricted casino cash	94,882	14,258
	<u>\$ 1,085,206</u>	<u>\$ 897,540</u>

See notes to financial statements

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**1. Purpose of the Society**

The Calgary Between Friends Club (the Society) is a not-for-profit organization incorporated provincially under the Societies Act (Alberta). As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide quality social, recreation, and development opportunities so that people with disabilities can connect, grow and belong.

**2. Basis of presentation**

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

**3. Summary of significant accounting policies**

Fund accounting

For financial reporting purposes, the accounts of the Society have been classified into funds. The Society ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Revenue 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 Endowment Fund's investments are maintained in trust by The Calgary Foundation (TCF). Access to capital contributions within the Endowment Fund are restricted for ten years following the initial date of contributions. Net investment income earned on the assets of the Endowment Fund is unrestricted and can be used to fund operations of the Society as determined by TCF. The Society's access to undistributed net investment income is restricted to a maximum of 4.5% of the market value of the Endowment Fund's pro-rata share of investments held in trust by TCF. Net investment income in excess of the 4.5% maximum is reinvested back into the Endowment Fund.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from donations and fundraising activities are recorded when committed and collection is reasonably assured. Investment income, except that earned on the assets of the Endowment Fund, is recognized as revenue in the year it is earned.

Endowment contributions are recognized as direct increases in net assets. Investment income earned on the assets in the Endowment Fund is recognized as revenue in the Endowment Fund in the year it is earned.

Contributions received for property and equipment are recognized in revenue in proportion to the annual amortization of the related assets for which the contributions were made.

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**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**3. Summary of significant accounting policies (continued)**

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash deposits held with Canadian chartered banking institutions, and cheques issued and outstanding.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Contributed property and equipment are recorded at fair value of the date of contribution. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Leasehold improvements	term of the lease	straight-line method
Computer equipment	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Equipment	5 years	straight-line method

The Society regularly reviews its property and equipment to eliminate obsolete items.

Long-term investments

Investments held within the Endowment Fund are recorded at fair value as they are invested by TCF in publicly traded instruments.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. Transaction costs on acquisition, sale or issue of financial instruments are expensed when incurred. In subsequent periods, financial instruments excluding long-term investments are reported at amortized cost. Long-term investments continue to be measured at fair value.

The financial assets measured at amortized cost include cash and cash equivalents, restricted cash, short-term investments, accounts receivable and the Endowment Fund. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets are tested for impairment at each reporting date.

Contributed services

The operations of the Society depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. Contributed goods are recognized where their fair values are readily determinable and the goods would have been purchased had they not be contributed. The amount of gift in kind received during the year was \$9,432 (2021 - \$5,097).

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**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**3. Summary of significant accounting policies (continued)**

Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASNPO require 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.

Accounts receivable is stated after evaluation of collectability, management considers setting up an allowance for doubtful accounts where necessary.

Amortization of property and equipment is based on estimated useful lives of the underlying assets.

Such estimates are periodically reviewed and any adjustments necessary are reported in statement of operations in the period in which they become known. Actual results could differ from these estimates.

**4. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**5. Restricted casino cash**

Restricted cash are funds that have been collected through casino proceeds and are therefore externally restricted by the Alberta Gaming, Liquor & Cannabis Commission. The Society must use the gaming proceeds within 24 months after receiving the proceeds. The Society maintains a separate bank account for casino funds.

**6. Short-term investments**

	2022	2021
Guaranteed investment certificate, bearing interest at 1.15% (2021 - 0.20%) per annum, maturing on July 1, 2023	<b>\$ 3,072</b>	<b>\$ 3,052</b>

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**7. Property and equipment**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Leasehold improvements	\$ 726,139	\$ 603,611	\$ <b>122,528</b>	\$ 69,700
Computer equipment	17,511	4,289	<b>13,222</b>	524
Furniture and fixtures	47,428	37,244	<b>10,184</b>	17,535
Equipment	18,021	18,021	-	-
	<b>\$ 809,099</b>	<b>\$ 663,165</b>	<b>\$ 145,934</b>	<b>\$ 87,759</b>

**8. Endowment Fund**

The Endowment Fund was created to accumulate assets to generate investment income to help fund the Society's operations. The funds are managed by TCF.

	<b>2022</b>	2021
Balance - beginning of year	\$ <b>1,754,167</b>	\$ 1,581,682
Investment income	<b>40,751</b>	59,889
TCF operational costs	<b>(15,466)</b>	(16,150)
Grants approved by TCF	<b>(78,938)</b>	(64,158)
Contributions	<b>80,000</b>	-
Subtotal	<b>1,780,514</b>	1,561,263
Gain on disposal of Endowment Fund	<b>21,365</b>	73,883
Unrealized (loss) gain on Endowment Fund	<b>(140,963)</b>	119,021
	<b>\$ 1,660,916</b>	<b>\$ 1,754,167</b>

**9. Deferred contribution related to property and equipment**

	<b>2022</b>	2021
Balance - beginning of year	\$ <b>189,147</b>	\$ 86,790
Contributions received	-	126,128
Amount amortized during the year	<b>(42,584)</b>	(23,771)
	<b>\$ 146,563</b>	<b>\$ 189,147</b>

Included in the above deferred contributions is cash restricted by the Society for property and equipment. During the fiscal year, contributions received in prior years of \$32,548 (2021 - \$126,128) have been deferred for future renovations.

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**10. Deferred contribution related to operations and casino**

	<u>2022</u>	<u>2021</u>
Operations		
Balance - beginning of year	\$ 239,509	\$ 473,959
Contributions received	435,300	241,509
Amounts utilized	<u>(235,109)</u>	<u>(475,959)</u>
	<u>\$ 439,700</u>	<u>\$ 239,509</u>
Casino		
Balance - beginning of year	\$ 14,258	\$ 55,131
Contributions received	80,684	8,216
Amounts utilized	<u>(60)</u>	<u>(49,089)</u>
	<u>\$ 94,882</u>	<u>\$ 14,258</u>

Deferred contributions related to operations are summarized by program as follows:

General Operating	\$ 110,000	\$ 80,000
WESOAR / WeConnect Programming	100,000	20,000
Fee Assistance / Subsidy	70,000	25,000
Camp Bonaventure	50,000	56,840
Adventurers Programs	48,300	-
General Programs	27,000	10,000
ICAN Training Module	25,000	27,341
Scholarships	5,000	-
Social Enterprise	4,400	4,400
G.L.O.W.	-	15,928
	<u>\$ 439,700</u>	<u>\$ 239,509</u>

**11. Lease commitments**

The Society has a long-term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2022, are as follows:

2023	\$ 39,595
2024	39,595
2025	39,595
2026	39,595
2027	<u>3,300</u>
	<u>\$ 161,680</u>

**THE CALGARY BETWEEN FRIENDS CLUB**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**12. Additional information to comply with the disclosure requirement of the Charitable Fundraising Act of Alberta and regulations**

	2022	2021
Fundraising revenue	\$ 974,517	\$ 1,064,165

Expenses incurred for the purposes of soliciting contributions were \$91,298 (2021 - \$68,767).

Remuneration paid to employees for fundraising activities were \$184,943 (2021 - \$183,895).

**13. City of Calgary, Family & Community Support Services**

During 2022, the Society received \$110,543 (2021 - \$133,439) from the City of Calgary, Family and Community Support Services (FCSS). The FCSS grants totaling \$110,543 were fully expensed in the calendar period ending December 31, 2022. Expenditures were related to:

- i) Family and Community Support Services Funding: salaries and benefits
- ii) Capacity Building: subcontractor to revamp online Inclusion Training
- iii) Change Can't Wait: salaries, materials and supplies for G.L.O.W. Pilot Workshop

The deferred balance as at December 31, 2021 of \$5,928 was recognized to expenses, in full, by January 31, 2022 as per the Change Can't Wait contracted dates.

**14. Government assistance**

The Society applied for financial assistance available under the COVID-19 government assistance programs related to the Canada Emergency Wage Subsidy. During the year ended December 31, 2022 the Society recognized \$Nil (2021 - \$11,531) of government assistance, which has been included in government grant revenue.

**15. Financial instrument risk**

The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, obligations under rental leases and accounts payable. Management monitors its cash flows periodically to ensure these obligations are settled when due.

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 Society is not exposed to interest rate risk as it does not have financial assets or liabilities bearing these risks. The Society is however, exposed to risk of changes in fair value of its Endowment Fund. Management reviews the short-term investments closely to ensure that these investments are made in low-risk instruments and accounts.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.