

COMMUNITYWISE RESOURCE CENTRE

FINANCIAL STATEMENTS
(Audited)

December 31, 2021

DRAFT

A Member of the



COMMUNITYWISE RESOURCE CENTRE

December 31, 2021

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MICHAEL IHEKUNA CPA

Chartered Professional Accountant

Independent Auditor's Report

To the Members of:
CommunityWise Resource Centre

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the Statement of Financial Position of the CommunityWise Resource Centre as at December 31, 2021 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2021.

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the CommunityWise Resource Centre as at December 31, 2021 and the results of its operations and cash flows for the year ended December 31, 2021 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the CommunityWise Resource Centre derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the CommunityWise Resource Centre and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets. I conducted my audit in accordance with Canadian auditing standards. I am independent of the CommunityWise Resource Centre in accordance with the ethical requirements that are relevant to my audit 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.

Management's Responsibility

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 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 CommunityWise Resource 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.

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 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 of 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 judgement, 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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding 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.

Other Matter

The prior year financial's were audited by another Chartered Professional Accountant who expressed a qualified opinion on May 31, 2021.

Calgary, Alberta
Date of board approval

Michael Ihekuna CPA
Chartered Professional Accountant

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COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2021

	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
ASSETS		
Current		
Cash and cash equivalents, unrestricted	\$ 176,523	\$ 76,599
Investment, internally restricted (Note 5) (Note 9)	50,166	43,620
Investments (Note 9)	57,557	63,236
Accounts receivable	14,076	12,514
Goods and services tax recoverable	4,117	2,903
Prepaid expenses	1,165	2,889
	303,604	201,761
Externally Restricted Assets (Note 3)	40,508	245,382
Property and Equipment (Note 4)	197,397	193,722
Long term investments (Note 9)	28,725	28,031
	\$ 570,234	\$ 668,896
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 76,043	\$ 53,567
Deferred revenue	40,278	28,665
Source deductions payable	82	-
Deferred cash contributions (Note 3)	40,508	245,382
Total Current Liabilities	156,911	327,614
Long Term Debt (Note 8)	60,000	-
Deferred Capital Contributions (Note 6)	119,085	110,359
Total Liabilities	335,996	437,973
Net Assets		
Unrestricted	105,760	103,940
Internally restricted fund (Note 5)	50,166	43,620
Invested in property and equipment	78,312	83,363
	234,238	230,923
	\$ 570,234	\$ 668,896

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____ Director

_____ Director

See Notes to the Financial Statements

COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2021

	Unrestricted	Internally restricted funds	Invested in property and equipment	2021 Totals	2020 Totals (Restated)
Balances, beginning of the year	\$ 103,940	43,620	83,363	230,923	174,346
Leasehold Reserve contribution (Note 5)	(6,546)	6,546	-	-	-
Excess / (deficiency) of revenues over expenses	8,366	-	(5,051)	3,315	56,577
Balances, end of the year	<u>\$ 105,760</u>	<u>50,166</u>	<u>78,312</u>	<u>234,238</u>	<u>230,923</u>

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See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
Revenue		
Government grants	\$ 163,213	\$ 130,178
Rental income	115,903	143,088
Non government grants	69,982	86,245
Donations	33,564	30,908
Casino contributions (Note 7)	26,134	48,355
Fee for service	11,109	34,449
Printing	3,483	4,088
Membership	2,360	2,760
Interest	1,684	2,693
Administration	643	275
Bottle return and rebates	137	431
	<u>428,212</u>	<u>483,470</u>
Expenses		
Wages and benefits	241,243	228,085
Repairs and maintenance	48,193	11,071
Information technology	24,471	20,855
Utilities	18,791	19,748
Janitorial	18,167	29,221
Fee for service expenses	15,182	36,294
Professional fees	7,050	4,000
Office	6,700	12,153
Staff wellness and recognition	6,272	6,411
Bad debts	4,013	14,158
Photocopier lease and printing	3,920	3,668
Supplies	2,685	5,753
Insurance	2,613	2,638
Workers compensation board	1,846	929
Honorariums	1,800	2,050
Interest and bank charges	1,656	2,066
Professional development	739	6,677
Membership dues	275	75
	<u>405,616</u>	<u>405,852</u>
Excess of revenue before amortization	22,596	77,618
Less: Amortization expense	(46,788)	(48,424)
Plus: Amortized deferred capital contributions (Note 6)	27,507	27,383
Excess of revenue after amortization	\$ 3,315	\$ 56,577

See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u> (Restated)
Cash generated from (used in):		
Operating Activities		
Excess of revenue	\$ 3,315	\$ 56,577
Charges not affecting cash:		
Amortization expense	46,788	48,424
Amortization of deferred capital contributions	(27,507)	(27,383)
	<u>22,596</u>	<u>77,618</u>
Changes in non-cash operating working capital:		
Accounts receivable	(1,561)	(863)
Goods and services tax recoverable	(1,214)	454
Prepaid expenses	1,724	(1,776)
Accounts payable and accrued liabilities	22,477	(4,385)
Source deductions payable	82	12,257
Deferred revenue	11,612	-
Deposits	-	(4,211)
	<u>33,120</u>	<u>1,476</u>
Cash flows from operating activities	<u>55,716</u>	<u>79,094</u>
Investing Activities		
Purchase of capital assets	-	(13,113)
Furniture and equipment	(8,228)	-
Computer equipment	(36,233)	-
Leasehold improvement	(6,003)	-
Investments	28,604	(165,065)
Cash flows from investing activities	<u>(21,860)</u>	<u>(178,178)</u>
Financing Activities		
Deferred cash contributions	(204,874)	151,485
Deferred capital contributions (Note 6)	36,233	-
Long term debt (Note 8)	60,000	-
Cash flows from financing activities	<u>(108,641)</u>	<u>151,485</u>
Increase (decrease) in cash and cash equivalents	(74,785)	52,401
Cash and cash equivalents, beginning of the year	<u>291,816</u>	<u>239,415</u>
Cash and cash equivalents, end of the year	\$ <u>217,031</u>	\$ <u>291,816</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 176,523	\$ 76,599
Externally restricted cash and cash equivalents (Note 3)	40,508	215,217
	<u>\$ 217,031</u>	<u>\$ 291,816</u>

See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2021

1. GENERAL

The CommunityWise Resource Centre (the Centre) is a not-for-profit organization incorporated under the Societies Act of Alberta on May 22, 1979. Its mission is to be a non-profit hub by providing inclusive, affordable, and equitable space at nominal cost and offering community development programs such as addictions supports and advocacy, hunger alleviation, disability services, mental health supports, ethnocultural community organizing, LGBTQ2+ peer support, indigenous community service, and community arts to support and strengthen diverse grassroots and non-profit members.

The centre is a registered charitable organization as defined in paragraph 149 of the Income Tax Act and as such is exempt from income taxes..

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, of which the most significant policies are:

Revenue Recognition:

Unrestricted contributions are recognized as revenue when received or reasonable assurance is given, that they are receivable.

Contributions from externally restricted assets are recognized according to the deferral method, where revenue is recognized, when the related expense occurred.

Contributions from externally restricted assets for the purchase of property and equipment are recorded as deferred capital contributions. They will be amortized on the same basis and recorded as income, as the related capital asset is amortized and expensed.

Marketable Securities:

Marketable securities are comprised of guaranteed investment certificates. These are valued at the lower of cost and market value.

Property and Equipment:

Property and equipment greater than \$500 are recorded at cost and amortized on a declining balance basis over the estimated life of the asset at the following rates:

Office equipment	20 %
Leasehold improvements	20 %
Furniture and fixtures	30%

The centre regularly reviews its capital assets for obsolescence.

Contributed Goods and Services

Contributed services and donated items are recognized in the financial statements when the fair value can reasonably be estimated, when the services are used in the normal course of the Centres' operations and would otherwise have been purchased.

A number of volunteers have made significant contributions of their time to the Centre. The value of this contributed time is not reflected in these financial statements.

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2021

Financial Instruments

Measurement of Financial Instruments:

The Centre initially measures its financial assets and financial liabilities at fair value. The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable, investments and accounts payable.

Financial Risk:

It is management's opinion that the Centre is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

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 collectibility of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

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.

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Externally restricted assets include cash received from casino and bingo events. They are restricted according to Alberta Gaming approved objectives. Unspent grant funding is restricted to approved objectives of the grant provider.

	<u>2021</u>	<u>2020</u>
Casino, cash	\$ 9,599	\$ 5,064
Restricted funds held in general bank	<u>30,909</u>	<u>210,153</u>
Total restricted cash	40,508	215,217
Casino, investments	-	30,165
Externally restricted assets / deferred cash contributions	<u><u>\$ 40,508</u></u>	<u><u>\$ 245,382</u></u>

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2021

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	NBV 2021	NBV 2020
Computer equipment	\$ 56,553	17,455	39,098	11,858
Furniture and fixtures	48,635	38,493	10,142	3,421
Leasehold improvements	1,338,784	1,190,627	148,157	178,443
	<u>\$ 1,443,972</u>	<u>1,246,575</u>	<u>197,397</u>	<u>193,722</u>

5. LEASE COMMITMENTS AND INTERNALLY RESTRICTED FUNDS

The centre's operations are conducted on premises that are part of a lease agreement with the City of Calgary. The most recent lease term agreement was for a period of five years and ended on May 31, 1999. An extension for the lease has not been secured; however, terms of the over-held lease remain in effect. The lease provided for rent of \$10 per year, and the commitment of \$6,000 annually to be put in reserve fund for building preservation. Hence, the board of directors passed a motion to set up an internally restricted fund which is held in a guaranteed investment certificate (Note 9).

The Centre has also signed an operating lease for a photocopier which expires in 2023. The lease requires monthly payments of \$211 plus GST.

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include the unamortized portion of contributions restricted for the purchase of capital assets. The Centre's obligations with respect to these contributions have been met. Unspent contributions are recorded as deferred cash contributions.

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of the year	\$ 110,359	\$ 137,742
Contributions to capital assets	36,233	-
Amortization to revenue	(27,507)	(27,383)
Balance, end of the year	<u>\$ 119,085</u>	<u>\$ 110,359</u>

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2021

7. CASINO CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Casino cash, beginning of the year	\$ 5,064	\$ 17,989
AGLC Casino proceeds	-	55,764
(Purchases) / redemption of investments	30,669	(20,334)
Less: Casino cash , end of the year (Note 3)	<u>(9,599)</u>	<u>(5,064)</u>
Contributions to operations	<u>\$ 26,134</u>	<u>\$ 48,355</u>

8. LONG TERM DEBT

Due to the uncertainty caused by the COVID 19 pandemic and the relief programs offered by the Canadian Government in response, the Centre applied for and received the Canada Emergency Business Account (“CEBA”).

The funds are being used to cover expenses that cannot be avoided. The CEBA currently does not incur any interest and if the balance is repaid before December 31, 2022, \$20,000 of the principal will be forgiven.

9. INVESTMENTS

During the year, the CommunityWise Resource Centre invested in a guaranteed investment certificate (GIC) held at ConnectFirst credit union. The GIC is recorded at cost.

Short term investment,
Unrestricted

	<u>2021</u>
GIC Non-redeemable - Maturing March 28, 2022 @ .60%	\$ 20,664
GIC Non-redeemable - Maturing May 25, 2022 @ .60%	10,164
GIC Non-redeemable - Maturing May 25, 2022 @ .60%	10,164
GIC Non-redeemable - Maturing June 22, 2022 @ .60%	16,565
	<u>\$ 57,557</u>

Short term investments,
Internally restricted
(Note 5)

GIC Non-redeemable - Maturing June 23, 2022 @ .50%	<u>\$ 50,166</u>
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Long term investment,
Unrestricted

GIC Non-redeemable - Maturing May 16, 2023 @ .20%	<u>\$ 28,725</u>
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COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2021

10. SUBSEQUENT EVENT

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Centre's ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

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