

COMMUNITYWISE RESOURCE CENTRE

FINANCIAL STATEMENTS (Audited)

December 31, 2022

A Member of the



COMMUNITYWISE RESOURCE CENTRE

December 31, 2022

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10



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

Opinion

I have audited the Statement of Financial Position of the CommunityWise Resource Centre as at December 31, 2022 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, 2022.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the CommunityWise Resource Centre as at December 31, 2022 and the results of its operations and cash flows for the year ended December 31, 2022 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

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 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.

Calgary, Alberta
April 21, 2023



Michael Ihekuna CPA
Chartered Professional Accountant

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COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2022

	2022	2021
ASSETS		
Current		
Cash and cash equivalents, unrestricted	\$ 50,194	\$ 176,523
Investment, internally restricted (Note 5) (Note 9)	56,417	50,166
Investments (Note 9)	124,426	57,557
Accounts receivable	7,741	14,076
Goods and services tax recoverable	2,850	4,117
Prepaid expenses	1,666	1,165
	243,294	303,604
Externally Restricted Assets (Note 3)	103,148	40,508
Property and Equipment (Note 4)	154,009	197,398
Long term investments (Note 9)	28,869	28,725
	\$ 529,320	\$ 570,235
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 34,043	\$ 76,043
Deferred revenue	-	40,278
Source deductions payable	-	82
Deferred cash contributions (Note 3)	103,148	40,508
Total Current Liabilities	137,191	156,911
Long Term Debt (Note 8)	60,000	60,000
Deferred Capital Contributions (Note 6)	92,188	119,085
Total Liabilities	289,379	335,996
Net Assets		
Unrestricted	121,703	105,760
Internally restricted fund (Note 5)	56,417	50,166
Invested in property and equipment	61,821	78,313
	239,941	234,239
	\$ 529,320	\$ 570,235

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, 2022

	Unrestricted	Internally restricted funds	Invested in property and equipment	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 105,760	50,166	78,313	234,239	230,923
Leasehold Reserve contribution (Note 5)	(6,251)	6,251	-	-	-
Excess / (deficiency) of revenues over expenses	22,194	-	(16,492)	5,702	3,316
Balances, end of the year	<u>\$ 121,703</u>	<u>56,417</u>	<u>61,821</u>	<u>239,941</u>	<u>234,239</u>

See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2022

	2022	2021
	<u> </u>	<u> </u>
Revenue		
Rental income	\$ 131,771	\$ 115,903
Non government grants	41,273	69,982
Donations	33,732	33,564
Casino contributions (Note 7)	23,572	26,134
Fee for service	20,726	11,109
Government grants	15,795	163,213
Printing	3,466	3,483
Membership	2,720	2,360
Interest	2,027	1,684
Bottle return and rebates	1,515	137
Administration	700	643
	<u>277,297</u>	<u>428,212</u>
Expenses		
Wages and benefits	130,695	241,243
Fee for service expenses	22,300	15,182
Utilities	22,285	18,791
Repairs and maintenance	18,823	48,193
Information technology	18,477	24,471
Janitorial	12,680	18,167
Professional fees	6,350	7,050
Office	6,082	6,700
Photocopier lease and printing	4,543	3,920
Supplies	3,875	2,685
Insurance	2,977	2,613
Staff wellness and recognition	2,577	6,272
Interest and bank charges	1,149	1,655
Bad debts	803	4,013
Workers compensation board	682	1,846
Professional development	520	739
Membership dues	285	275
Honorariums	-	1,800
	<u>255,103</u>	<u>405,615</u>
Excess of revenue before amortization	22,194	22,597
Less: Amortization expense	(43,389)	(46,788)
Plus: Amortized deferred capital contributions (Note 6)	26,897	27,507
Excess of revenue after amortization	\$ 5,702	\$ 3,316

See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2022

	2022	2021
	<u> </u>	<u> </u>
Cash generated from (used in):		
Operating Activities		
Excess of revenue	\$ 5,702	\$ 3,316
Charges not affecting cash:		
Amortization expense	43,389	46,788
Amortization of deferred capital contributions	(26,897)	(27,507)
	<u>22,194</u>	<u>22,597</u>
Changes in non-cash operating working capital:		
Accounts receivable	6,334	(1,561)
Goods and services tax recoverable	1,267	(1,214)
Prepaid expenses	(501)	1,724
Accounts payable and accrued liabilities	(41,999)	22,477
Source deductions payable	(82)	82
Deferred revenue	(40,278)	11,612
	<u>(75,259)</u>	<u>33,120</u>
Cash flows from operating activities	<u>(53,065)</u>	<u>55,717</u>
Investing Activities		
Furniture and equipment	-	(8,228)
Computer equipment	-	(36,233)
Leasehold improvement	-	(6,003)
Investments	(73,264)	28,604
Cash flows from investing activities	<u>(73,264)</u>	<u>(21,860)</u>
Financing Activities		
Deferred cash contributions	62,640	(204,875)
Deferred capital contributions (Note 6)	-	36,233
Long term debt (Note 8)	-	60,000
Cash flows from financing activities	<u>62,640</u>	<u>(108,642)</u>
Increase (decrease) in cash and cash equivalents	(63,689)	(74,785)
Cash and cash equivalents, beginning of the year	<u>217,031</u>	<u>291,816</u>
Cash and cash equivalents, end of the year	\$ <u>153,342</u>	\$ <u>217,031</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 50,194	\$ 176,523
Externally restricted cash and cash equivalents (Note 3)	103,148	40,508
	<u>\$ 153,342</u>	<u>\$ 217,031</u>

See Notes to Financial Statements

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2022

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, 2022

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>2022</u>	<u>2021</u>
Casino, cash	\$ 74,307	\$ 9,599
Restricted funds held in general bank	<u>28,841</u>	<u>30,909</u>
Total restricted cash	<u>103,148</u>	<u>40,508</u>
Externally restricted assets / deferred cash contributions	<u>\$ 103,148</u>	<u>\$ 40,508</u>

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2022

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	NBV 2022	NBV 2021
Computer equipment	\$ 56,553	29,184	27,369	39,099
Furniture and fixtures	48,635	40,521	8,114	10,142
Leasehold improvements	1,338,784	1,220,258	118,526	148,157
	\$ 1,443,972	1,289,963	154,009	197,398

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:

	2022	2021
Balance, beginning of the year	\$ 119,085	\$ 110,359
Contributions to capital assets	-	36,233
Amortization to revenue	(26,897)	(27,507)
Balance, end of the year	\$ 92,188	\$ 119,085

COMMUNITYWISE RESOURCE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2022

7. CASINO CONTRIBUTIONS

	2022	2021
Casino cash, beginning of the year	\$ 9,599	\$ 5,064
AGLC Casino proceeds	74,491	-
Casino advisor reimbursement	2,351	-
Casino advisor fees	(2,351)	-
Donations	13,788	-
Interest	1	-
(Purchases) / redemption of investments	-	30,669
Less: Casino cash , end of the year (Note 3)	(74,307)	(9,599)
Contributions to operations	\$ 23,572	\$ 26,134

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, 2023, \$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 investments, Internally
restricted leasehold term deposit
(Note 5)

GIC Non-redeemable - Maturing June 23, 2023 @ 3%	\$ 50,417
GIC Non-redeemable - Maturing December 16, 2023 @ 4.5%	6,000
	\$ 56,417

Short term investments, Internally
restricted

GIC Non-redeemable - Maturing December 16, 2023 @ 4.5%	124,426
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Long term investment, Internally
restricted security deposit

GIC Non-redeemable - Maturing May 16, 2023 @ 1.49%	\$ 28,869
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