

KERBY ASSEMBLY
Financial Statements
Year Ended December 31, 2023

KERBY ASSEMBLY
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Kerby Assembly

Opinion

We have audited the financial statements of Kerby Assembly (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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.

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 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.

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.

Independent Auditor's Report to the Members of Kerby Assembly (*continued*)

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.

Calgary, Alberta
March 20, 2024

InFocus Accountants LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

KERBY ASSEMBLY
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 801,316	\$ 1,063,147
Short-term investments (Note 3)	7,129,702	6,825,792
Accounts receivable (Note 5)	337,035	331,789
Inventory	15,709	15,709
Prepaid expenses	80,391	68,122
	8,364,153	8,304,559
Capital assets (Note 6)	1,468,859	1,495,636
	\$ 9,833,012	\$ 9,800,195
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 467,098	\$ 302,634
Deferred revenue (Note 8)	932,011	1,238,954
	1,399,109	1,541,588
NET ASSETS		
Restricted fund	6,304,172	6,495,674
Unrestricted fund	761,077	460,137
Invested in capital assets	1,368,654	1,302,796
	8,433,903	8,258,607
	\$ 9,833,012	\$ 9,800,195

Lease commitment (Note 10)

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

KERBY ASSEMBLY
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
Revenues		
Government grants	\$ 3,269,271	\$ 2,795,778
Donations	2,206,589	4,626,218
Services	1,800,036	1,746,948
Investment revenue (Note 4)	406,942	76,258
	<u>7,682,838</u>	<u>9,245,202</u>
Expenses		
Salaries and wages	4,371,608	3,534,554
Services	1,488,540	1,163,721
Administration	1,450,462	1,151,658
Investment fees	68,535	13,519
Amortization	128,398	104,609
	<u>7,507,543</u>	<u>5,968,061</u>
Excess of revenues over expenses	<u>\$ 175,295</u>	<u>\$ 3,277,141</u>

See notes to financial statements

KERBY ASSEMBLY
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2022 Balance	Revenue	Expenses	Transfers In (Out)	2023 Balance
Externally restricted funds					
Family and Community Support Services Shelter	\$ -	\$ 704,440	\$ (777,770)	\$ 73,330	\$ -
Shelter Rotary House	-	759,250	(857,941)	98,691	-
City of Medicine Hat	-	553,226	(595,454)	42,228	-
	-	2,016,916	(2,231,165)	214,249	-
Internally restricted funds					
Crisis Funds	34,952	-	-	-	34,952
Nexen donation for shelter client moving	7,744	-	(800)	-	6,944
CFEP matching portion for grant	68,090	-	(68,090)	-	-
IT reserve fund	368,088	-	(122,612)	-	245,476
Operating reserve fund	4,000,000	-	-	-	4,000,000
Capital reserve fund	2,016,800	-	-	-	2,016,800
	6,495,674	-	(191,502)	-	6,304,172
Restricted funds	6,495,674	2,016,916	(2,422,667)	214,249	6,304,172
Unrestricted funds	460,137	5,573,287	(4,956,477)	(315,870)	761,077
Invested in capital asset:	1,302,796	92,635	(128,398)	101,621	1,368,654
	\$ 8,258,607	\$ 7,682,838	\$ (7,507,542)	\$ -	\$ 8,433,903

See notes to financial statements

KERBY ASSEMBLY
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
Operating activities		
Excess of revenues over expenses	\$ 175,295	\$ 3,277,141
Items not affecting cash:		
Amortization	128,398	104,609
Unrealized gain on investments	(101,313)	(6,394)
Gain on disposal of investments	(30,474)	(31,522)
	<u>171,906</u>	<u>3,343,834</u>
Changes in non-cash working capital:		
Accounts receivable	(5,246)	(216,113)
Inventory	-	(11,845)
Accounts payable and accrued liabilities	164,466	92,079
Deferred revenue	(306,943)	607,441
Prepaid expenses	(12,269)	(3,474)
	<u>(159,992)</u>	<u>468,088</u>
Cash flow from operating activities	<u>11,914</u>	<u>3,811,922</u>
Investing activities		
Purchase of capital assets	(101,123)	(94,326)
Net purchase / disposal of investments	(172,622)	(6,579,103)
Cash flow used by investing activities	<u>(273,745)</u>	<u>(6,673,429)</u>
Decrease in cash flow	<u>(261,831)</u>	<u>(2,861,507)</u>
Cash - beginning of year	<u>1,063,147</u>	<u>3,924,654</u>
Cash - end of year	<u>\$ 801,316</u>	<u>\$ 1,063,147</u>

See notes to financial statements

KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

1. Purpose of the Organization

Kerby Assembly (the "Organization") operates under the name Unison and is the main body under which various separate funds and services are operated to provide a comprehensive multi-service resource centre to all senior people in Calgary and Southern Alberta. The purpose of the Organization is to facilitate generation of the required data for planning services and activities for senior people as well as provide Albertans with information, education and training related to older people.

The Organization is a not-for-profit organization incorporated provincially under the Societies Act of Alberta on April 1, 1976. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Canadian CPA Handbook. The Organization's significant accounting policies are as follows:

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are short term debt securities purchased with a maturity of one year or less. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than one year.

Short-term investments

Short-term investments include banker's acceptances, term deposits, equity, mutual funds and bonds. These investments are classified as held for trading and therefore measured at fair value.

Inventory

Inventory of liquor and food is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Lottery and bingo inventory is valued at cost, based on the first-in, first-out basis.

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KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are stated at the lower of cost or deemed cost less accumulated amortization, or net realizable value. Contributed equipment is recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Land		non-amortizable
Buildings	50 years	straight-line method
Furniture and equipment	3 - 10 years	straight-line method
Computer equipment	3 years	straight-line method
Leasehold improvements	20 years	straight-line method
Prints and paintings		non-amortizable

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The Organization 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. Endowment contributions are recognized as direct increases in net assets. Other sources of revenue are recorded on an accrual basis. Revenue from donations and fundraising activities are recorded when committed and collection is reasonably assured. Pledges are not recognized until they are received.

Revenue from services includes education, publications, retail and food service operations, lottery, bingo, and casino activities and is recognized when the services or goods are delivered. Deferred revenue includes memberships and grant revenue received in the year that relates to activities for the next year.

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KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

2. Summary of significant accounting policies (continued)

Fund accounting

The unrestricted funds are for the administration and operation of the Organization including the provision of various services. The unrestricted fund also makes inter-fund transfers to the other funds to allow them to achieve their objectives.

The restricted funds are internally restricted in their entirety for the following purposes:

- a) Crisis Funds: Funds are designated for emergent needs that cannot be met through general funding.
- b) IT Reserve Fund: Funds are designated to aid in the regular maintenance and possible improvements of the Organization's current information technology system.
- c) Operating Reserve Fund: Funds are designated for emergent needs in general administration and operations of the Organization.
- d) Capital Reserve Fund: Funds are designated for possible needs for capital assets and major building improvements.

Publication policies

Revenue and expenses related to publications produced by the Organization are recorded in the same period as the related issue so that accurate reports can be obtained for each issue.

Donated services and assets

The Organization obtains substantial donated services from its members and the general public. Management recorded volunteer time for the year ended December 31, 2023 to be 40,371 hours (2022 - 40,547). Volunteer services are not reflected in the accounts of the Organization.

Donated assets are recorded at fair value at the date of the donation only when the fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. In-kind donation assets for 2023 were \$Nil (2022 - \$8,750).

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KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

2. Summary of significant accounting policies (continued)

Cost allocation

The Organization allocates certain administrative costs to the various funds. In the year, the allocations were made on the following basis and are based on the best estimates of management:

Advertising: percentage allocation to specific funds

Amortization: percentage allocation to specific funds

Building maintenance: percentage allocation to specific funds

Electricity and water: percentage allocation to specific funds

Heating: percentage allocation to specific funds

Insurance: percentage allocation to specific funds

Professional fees: percentage allocation to specific funds

Office supplies: Direct: specific usage by fund, and Indirect: percentage allocation to specific funds

Postage: Direct: specific usage by fund, and Indirect: percentage allocation to specific funds

Salaries: Direct: specific usage by fund, and Indirect: percentage allocation to specific funds

Telephone: Direct: specific usage by fund, and Indirect: percentage allocation to specific funds

Travel: specific usage by fund

Workers' compensation: specific usage by fund

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial instruments subsequently measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities.

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date. The fair values of accounts receivable and accounts payable approximate their carrying values due to their short term nature.

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KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

2. Summary of significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates under such circumstances include amortization of capital assets, application of revenue recognition policies and accrued liabilities.

3. Short-term investments

	2023	2022
Mutual funds/segregated funds	\$ 5,207,905	\$ 5,708,110
Equities	1,710,276	915,754
Term deposits	211,521	201,928
	\$ 7,129,702	\$ 6,825,792

The term deposits consist of guaranteed investment certificates bearing interest of 4.75% per annum with a maturity date on May 19, 2024. These term deposits are redeemable anytime.

4. Investment revenue

Investment revenue is comprised of the following:

	2023	2022
Investment interest	\$ 225,521	\$ 1,928
Unrealized gain on investment	101,313	6,394
Dividends	30,845	6,294
Realized gain on investment	30,474	31,522
Bank interest	13,331	210
Fund distributions	5,452	29,857
Other investment income	6	53
	\$ 406,942	\$ 76,258

5. Accounts receivable

Accounts receivable consists of the following:

	2023	2022
Trade receivable	\$ 328,291	\$ 327,092
GST rebate receivable	8,744	4,697
	\$ 337,035	\$ 331,789

KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

6. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 185,000	\$ -	\$ 185,000	\$ 185,000
Buildings	1,523,065	759,064	764,001	794,462
Equipment	880,746	561,783	318,963	328,830
Computer equipment	219,537	198,338	21,199	29,663
Leasehold improvements	234,810	74,397	160,413	138,398
Prints and Paintings	19,283	-	19,283	19,283
	\$ 3,062,441	\$ 1,593,582	\$ 1,468,859	\$ 1,495,636

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2023	2022
Trade payable and accrued liabilities	\$ 159,960	\$ 190,768
Vacation payable	112,237	84,289
Wages and benefits payable	186,377	19,567
Deposits	8,526	8,010
	\$ 467,100	\$ 302,634

KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

8. Deferred revenue

	2022	Additions	Utilization	2023
Government of Alberta - Housing Registry and Shelter	\$ 205,335	\$ 793,950	\$ (858,437)	\$ 140,848
Shelter Elevator	92,250	-	(9,065)	83,185
Government of Alberta - Community Facility Enhancement Program (CFEP)	146,652	-	(69,934)	76,718
Government of Canada New Horizons Grant	18,926	-	(1,147)	17,779
Casino	35,069	79,593	(44,544)	70,118
Alberta Traffic Safety Fund	18,943	-	-	18,943
Calgary South Rotary	14,966	-	(9,714)	5,252
Family and Community Support Services	-	704,440	(704,440)	-
City of Calgary	9,140	90,274	(19,140)	80,274
City of Medicine Hat - Family and Community Support Services	187,932	499,901	(508,357)	179,476
Women's Shelters Canada	158,625	-	(158,625)	-
Canadian Heritage	55,200	-	(55,200)	-
United Way of Calgary and Area	100,000	-	(100,000)	-
Government of Alberta - Elder Abuse Grant	45,266	70,000	(68,599)	46,667
Government of Alberta - Return to Play Grant	18,300	-	(18,300)	-
Total externally restricted funds	1,106,604	2,238,158	(2,625,502)	719,260
Total operation fund	132,350	212,750	(132,349)	212,751
Total deferred revenue	\$ 1,238,954	\$ 2,450,908	\$ (2,757,851)	\$ 932,011

Deferred revenue of \$719,260 (2022 - \$1,106,604) consists of the unexpended amount that has been externally restricted to fund the Organization. Of this amount, \$191,913 (2022 - \$284,547) relates to contributions to be used for purchase of capital assets.

9. Defined contribution pension plan

In 1980, the Organization set up a defined contribution pension plan for its salaried employees. Total expense for the year ended December 31, 2023 was \$81,249 (2022 - \$65,771).

10. Lease commitment

The Organization has a lease with respect to its premises under which the Organization is committed to pay basic rent, operating costs and parking. The lease commenced April 1, 2022 for a six year term expiring March 31, 2028. The total minimum annual lease obligations are as follows:

2024	\$ 71,598
2025	71,598
2026	71,598
2027	71,598

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KERBY ASSEMBLY
Notes to Financial Statements
Year Ended December 31, 2023

10. Lease commitment (continued)

2028	17,900
	<u>\$ 304,292</u>

11. Economic dependence

The Organization receives significant revenue from certain government bodies. As such, certain programs of the Organization are dependent on the receipt of such monies for their continued operations.

12. Financial instruments

The following analysis provides information about the Organization's financial risks through transactions with financial instruments 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. The Organization is exposed to market risk with respect to short-term investments held in mutual funds and equity instruments. This risk is managed through the use of an independent broker to achieve the investment objectives based on the Organization's risk tolerances.

Interest rate risk

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.

Fair value

The fair value of financial instruments including cash, short term investments, accounts receivable, and accounts payable and accrued liabilities approximate their carrying amount due to the short term maturity of these instruments.

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