

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Financial Statements
December 31, 2024

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Index to Financial Statements
For the Year Ended December 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
Schedules to the Financial Statements (<i>Schedule 1 and 2</i>)	14



INDEPENDENT AUDITOR'S REPORT

To the Members of The Federation of Calgary Communities Society:

Opinion

We have audited the financial statements of The Federation of Calgary Communities Society (the "Federation"), which comprise the statement of financial position as at December 31, 2024, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 these 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 Federation'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 Federation or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation's financial reporting process.

(continues)



Independent Auditor's Report to the Members of The Federation of Calgary Communities Society:
(continued)

Auditor's Responsibilities for the Audit of 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.

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 Federation'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 Federation'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 Federation 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.

Chartered Professional Accountants

Calgary, Alberta
May 29, 2025

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Unrestricted cash	\$ 425,914	\$ 630,419
Restricted assets (Note 3)	253,838	196,822
Accounts receivable	355,810	146,601
Work in progress (Note 4)	111,574	141,332
Prepaid expenses	68,382	38,121
	<u>1,215,518</u>	<u>1,153,295</u>
Property and equipment (Note 5)	<u>19,816</u>	<u>33,760</u>
	<u>\$ 1,235,334</u>	<u>\$ 1,187,055</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 22,090	\$ 51,844
Audit retainer (Note 4)	221,328	150,336
Goods and services tax payable	20,780	17,584
Unearned revenue	-	38,076
Funds held in trust (Note 6)	92,527	88,752
Current portion of lease inducement (Note 9)	-	10,994
Deferred contributions related to operations (Note 7)	161,311	108,070
	<u>518,036</u>	<u>465,656</u>
Deferred contributions related to property and equipment (Note 8)	<u>-</u>	<u>10,614</u>
	<u>518,036</u>	<u>476,270</u>
Net Assets		
Invested in property and equipment	19,816	23,147
Unrestricted	697,482	687,638
	<u>717,298</u>	<u>710,785</u>
	<u>\$ 1,235,334</u>	<u>\$ 1,187,055</u>
Commitments (Note 10)		

On behalf of the Board

Tina Kakkar
Tina Kakkar (May 27, 2025 10:28 MDT)

Director

Agnes Swilarski
Agnes Swilarski (May 26, 2025 21:29 MDT)

Director

See notes to financial statements

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Statement of Operations
For the Year Ended December 31, 2024

	2024	2023
Revenue		
Service and fees	\$ 1,212,377	\$ 1,159,982
Grants	549,448	503,140
Casino (Note 7)	30,000	30,000
Memberships	65,475	64,458
Fees for contracted services	87,380	59,733
Donations and sponsorships	46,524	40,541
Interest	43,118	39,698
Office and miscellaneous (Schedule 1)	3,129	1,721
	<u>2,037,451</u>	<u>1,899,273</u>
Expenses		
Salaries and benefits	1,723,798	1,557,592
Occupancy	80,571	97,692
Office and administration (Schedule 2)	68,021	71,318
Equipment lease	7,609	10,571
Professional fees	43,770	12,802
Education and training	7,914	4,397
Memberships and audit insurance	14,224	17,338
Website and technology support	9,416	5,102
Convening and group meeting	6,425	7,716
Community resource and promotion	9,418	1,560
Volunteer recognition	1,074	3,205
Library	860	189
CSRF Grant Expenses	35,497	30,600
	<u>2,008,597</u>	<u>1,820,082</u>
Excess of revenue over expenses before amortization	<u>28,854</u>	<u>79,191</u>
Amortization of deferred contributions related to property and equipment (Note 8)	(10,614)	(13,861)
Amortization expense	<u>32,955</u>	<u>33,563</u>
	<u>22,341</u>	<u>19,702</u>
Excess of revenue over expenses for the year	<u>\$ 6,513</u>	<u>\$ 59,489</u>

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Statement of Changes in Net Assets
For the Year Ended December 31, 2024

	Invested in property and equipment	Unrestricted	2024	2023
Net assets - beginning of year	\$ 23,147	\$ 687,638	\$ 710,785	\$ 651,296
Excess (deficiency) of revenue over expenses	(22,341)	28,854	6,513	59,489
Purchase of Capital assets	19,010	(19,010)	-	-
Interfund transfers	-	-	-	-
Net assets - end of year	\$ 19,816	\$ 697,482	\$ 717,298	\$ 710,785

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024	2023
Operating activities		
Excess of revenue over expenses	\$ 6,513	\$ 59,489
Items not affecting cash:		
Amortization of property, and equipment	32,955	33,563
Amortization of deferred contributions related to property and equipment	(10,614)	(13,861)
	<u>28,854</u>	<u>79,191</u>
Changes in non-cash working capital:		
Restricted cash	(57,016)	(4,989)
Accounts receivable	(209,209)	148,276
Work in progress	29,758	(60,232)
Accounts payable and accrued liabilities	(29,755)	17,921
Prepaid expenses	(30,261)	5,675
Goods and services tax payable	3,196	3,853
Unearned Revenue	(38,076)	35,001
Audit retainer	70,992	7,976
Funds held in trust	3,775	(14,553)
Lease inducement	(10,994)	(14,657)
Deferred contribution related to operations	53,241	19,542
	<u>(214,349)</u>	<u>143,813</u>
Cash flow from (used by) operating activities	<u>(185,495)</u>	<u>223,004</u>
Investing activity		
Purchase of equipment	<u>(19,010)</u>	<u>(15,802)</u>
Increase (decrease) in cash flow	(204,505)	207,202
Cash - beginning of year	<u>630,419</u>	<u>423,217</u>
Cash - end of year	\$ 425,914	\$ 630,419

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2024

1. Purpose of organization

The Federation of Calgary Communities Society (the "Federation") is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta on August 10, 1961. The Federation is a support organization for 156 Calgary and area Community Associations and for more than 90 service member organizations that include small area non-profits, directly provides capacity building support and guidance for its members, and improves neighbourhood life in Calgary by providing services and programs that create, support and enhance vital and representative community based associations. Under section 149(1) of the Income Tax Act, the Federation has determined that they are not subject to the payment of income tax.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the *CPA Canada Handbook*, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Revenue recognition

The Federation follows the deferral method of accounting for externally restricted contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

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

Membership revenue is recognized in the year to which the membership applies.

Revenue from fundraising events is recognized in the period when the event occurs.

Services and fees are invoiced when the services are rendered and are recorded on an accrual basis in the period to which they relate.

Interest revenue is recognized on accrual basis.

Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value. The Federation currently holds no cash equivalents.

Restricted cash

Cash subject to restrictions imposed by Alberta Gaming, Liquor and Cannabis Commission (AGLC) and other external parties is classified as restricted cash.

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THE FEDERATION OF CALGARY COMMUNITIES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2024

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

Contributed services

Volunteers contribute many hours per year to assist the Federation in carrying out its services and programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life at the following rates and methods:

Leasehold improvements	The term of the lease	straight-line method
Computer equipment	3 years	straight-line method
Office equipment	7 years	straight-line method

The Federation regularly reviews its property and equipment to eliminate obsolete items. Government grants for the acquisition of equipment are recorded as deferred contributions related to property and equipment.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

The Federation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

The Federation currently holds no financial assets measured at fair value.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivable and work in process are stated after evaluation as to their collectability and an appropriate allowance for doubtful amounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Notes to Financial Statements
Year Ended December 31, 2024

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

Impairment of Long Lived Assets

The Federation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

3. Restricted cash

	2024	2023
Funds held in trust (Note 6)	\$ 92,527	\$ 88,752
Deferred contributions related to operations	161,311	108,070
	\$ 253,838	\$ 196,822

4. Work in progress

Work in progress represents the billing value of services provided to the members up to December 31, 2024. These services are completed and billed subsequent to that date. Audit retainers represent payments made in advance by members for audit services to be provided.

5. Property and equipment

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 116,963	\$ 101,559	\$ 15,404	\$ 14,329
Office equipment	33,144	28,732	4,412	1,584
Leasehold improvements	142,776	142,776	-	17,847
Website	11,650	11,650	-	-
	\$ 304,533	\$ 284,717	\$ 19,816	\$ 33,760

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Notes to Financial Statements
Year Ended December 31, 2024

6. Funds held in trust

The Federation is acting as an administrator for three funds: Energizing Spaces Fund which aims to replace inefficient electric appliances and rink lights. Energizing Spaces is funded by ENMAX providing \$86,332 for 2024 (2023: \$85,000) to be used for appliance and lighting replacements for successful applications. The entire balance of this fund has been committed and the Federation is awaiting supporting documentation before releasing the remaining funds of \$72,096 (2023: \$63,281) to Energizing Spaces Recipients.

ActivateYYC is a partnership with the Pedestrian Strategy Department, City of Calgary, Alberta. It is a microgrant which supports programs that invites neighbours to focus on reclaiming public space. Volunteers utilize the microgrants to make low cost transformative changes to create place.

Exploring Communities is a partnership with the University of Calgary, Urban Design program. Microgrants are awarded annually to the winning teams.

	2024	2023
Funds Held in Trust - Energizing Spaces	\$ 72,097	\$ 63,281
Funds Held in Trust - Active YYC	8,894	21,935
Funds Held in Trust - Exploring Communities	1,536	3,536
Funds Held in Trust - AREF	10,000	-
	\$ 92,527	\$ 88,752

7. Deferred contributions related to operations

Deferred contributions related to operations represent the portion of grants received in the current year which relate to a future period.

	Opening	Additions	Utilizations	2024
CSRF	\$ 45,900	\$ -	\$ 45,900	\$ -
City of Calgary - Operating	-	423,000	423,000	-
Casino	62,170	85,619	30,000	117,789
City of Calgary - Subsidy	-	200,000	179,178	20,822
BIA	-	44,000	21,300	22,700
SCP Summer Student	-	12,600	12,600	-
Activate YYC-City of Calgary Operating	-	35,000	35,000	-
	\$ 108,070	\$ 800,219	\$ 746,978	\$ 161,311

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Notes to Financial Statements
Year Ended December 31, 2024

8. Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent donations and grant funding received for the purchase of capital assets. These deferred contributions are being amortized to income on the same basis as the related capital asset.

	2024	2023
Balance, beginning of year	\$ 10,614	\$ 24,475
Less: Utilizations recognized as revenue during the year	<u>(10,614)</u>	<u>(13,861)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 10,614</u>

9. Lease inducement

As part of the Federation's facility lease renewal in 2016, the landlord offered a total of 11 months of free rent and cash allowance of \$90,900. The lease inducement is being recognized as a reduction of the lease expense over the seven year term of the lease.

	2024	2023
Deferred lease inducement, beginning	\$ -	\$ 25,651
Recognition of lease inducement current period	<u>-</u>	<u>(14,657)</u>
Balance, end of year	-	10,994
Less: Current portion	<u>-</u>	<u>(10,994)</u>
Deferred lease inducement, long-term portion	<u>\$ -</u>	<u>\$ -</u>

10. Commitments

The Federation has minimum lease commitments under office and photocopier leases. The lease agreement was amended and renewed for additional 6 years from January 2024 to December 2029. During 2023, the Federation replaced the existing copier with a new lease which will expire in April 2028. Future minimum payments excluding operating costs are as follows:

2025	\$ 58,320
2026	64,380
2027	64,380
2028	63,060
2029	<u>66,660</u>
	<u>\$ 316,800</u>

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2024

11. Controlled not-for-profit organization

The Federation controls The Friends of The Federation of Calgary Communities Society (the "Society") as the Board of Directors is the same for both organizations. The Society was formed in November 1988 to seek financial assistance from corporations and individuals to be used to provide specific services to the member community associations of the Federation. The Society is a registered charity under the Income Tax Act.

	2024	2023
Statement of financial position		
Total assets	\$ 246,525	\$ 280,426
Total liabilities	(111,478)	(159,170)
	<u>\$ 135,047</u>	<u>\$ 121,256</u>
Statement of operations		
Total revenue	\$ 143,112	\$ 73,697
Total expenses	(129,320)	(73,576)
	<u>\$ 13,792</u>	<u>\$ 121</u>
Statement of cash flows		
Cash flows from operating activities	\$ 14,076	\$ (382)
Cash flows from financing activity	(10,000)	(30,000)
	<u>\$ 4,076</u>	<u>\$ (30,382)</u>

In 2024, the Friends paid \$4,500 (2023 - \$4,286) plus GST to the Federation for accounting services and office expenses and \$63,753 (2023 - \$56,250) included GST to the Federation for providing workshops and Janes Walk. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. Financial instruments

The Federation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Federation's risk exposure and concentration as of December 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Federation is exposed to credit risk from customers. In order to reduce its credit risk, the Federation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Federation has a significant number of customers which minimizes concentration of credit risk.

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THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Notes to Financial Statements
Year Ended December 31, 2024

12. Financial instruments (*continued*)

(b) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable, and accrued liabilities.

(c) *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 Federation manages exposure through its normal operating and financing activities.

13. Comparative figures

Some of the comparative figures have been reclassified to conform with the current year's financial statement presentation. This reclassification has no effect on prior year excess of revenues over expenses.

THE FEDERATION OF CALGARY COMMUNITIES SOCIETY
Schedules to the Financial Statements
For the Year Ended December 31, 2022

(Schedule 1)

	2024	2023
Office and miscellaneous revenue		
Postage	\$ 722	\$ 900
Mileage and parking	40	401
Stationary and supplies	320	190
Miscellaneous revenue	1,896	50
Courier	118	11
Photocopier	33	36
Marketing and publications	-	133
	<u>\$ 3,129</u>	<u>\$ 1,721</u>

(Schedule 2)

	2024	2023
Office and administration expenses		
Stationary, supplies and software	\$ 34,369	\$ 33,623
Insurance	23,129	24,294
Telephone	3,790	3,791
Postage	685	2,847
Payroll service charges	2,187	2,696
Copier charges	2,164	2,099
Bank charges	950	538
Small equipment	-	688
Mileage and parking	548	588
Repairs and maintenance	-	39
Merchant account charges	29	48
Courier	170	67
	<u>\$ 68,021</u>	<u>\$ 71,318</u>