

**BOW CLIFF SENIORS**

**FINANCIAL STATEMENTS**  
**(Audited)**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

## Independent Auditors' Report

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To the Members of Bow Cliff Seniors:

We have audited the accompanying financial statements of Bow Cliff Seniors, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, 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, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, Bow Cliff Seniors derives revenue from donations and various fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Bow Cliff Seniors. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of Bow Cliff Seniors as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

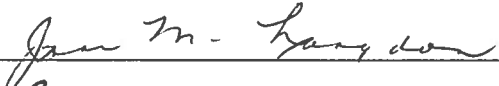
Calgary Alberta  
March 26, 2018


Chartered Professional Accountants

**BOW CLIFF SENIORS**  
**Statement of Financial Position**  
**(Audited)**  
**As at December 31, 2017**

	Note	2017	2016
<b>CURRENT ASSETS</b>			
Cash		\$ 19,697	\$ 3,302
Investment	3	-	33,986
Externally restricted assets	4	66,337	74,953
Accounts receivable		4,541	1,811
GST receivable		-	484
Prepaid expenses		4,842	7,619
		<b>95,417</b>	<b>122,155</b>
<b>CAPITAL ASSETS</b>			
	5	<b>533,966</b>	<b>551,178</b>
<b>TOTAL ASSETS</b>		<b>\$ 629,383</b>	<b>\$ 673,333</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 16,277	\$ 6,002
Deferred revenue	6	78,127	83,112
		<b>94,404</b>	<b>89,114</b>
<b>Deferred capital contributions</b>			
	7	<b>390,914</b>	<b>421,136</b>
		<b>485,318</b>	<b>510,250</b>
<b>NET ASSETS</b>			
Unrestricted		1,013	33,041
Invested in capital assets		143,052	130,042
		<b>144,065</b>	<b>163,083</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 629,383</b>	<b>\$ 673,333</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

  
 \_\_\_\_\_ DIRECTOR

  
 \_\_\_\_\_ DIRECTOR

See notes to the accompanying financial statements

**BOW CLIFF SENIORS**  
**Statement of Changes in Net**  
**Assets**  
**(Audited)**  
**For the year ended December 31,**  
**2017**

	Unrestricted	Invested in Capital Assets	2017	2016
BALANCE, BEGINNING OF YEAR	\$ 33,041	\$ 130,042	\$ 163,083	\$ 170,239
Capital contributions received	8,741	(8,741)	-	-
Deficiency of revenue over expenses	(16,940)	(2,078)	(19,018)	(7,156)
Capital asset additions	(23,829)	23,829	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,013</b>	<b>\$ 143,052</b>	<b>\$ 144,065</b>	<b>\$ 163,083</b>

See notes to the accompanying financial statements

**BOW CLIFF SENIORS**  
**Statement of Operations**  
**(Audited)**  
**For the year ended December 31, 2017**

	Note	2017	2016
<b>REVENUE</b>			
Grants	9	\$ 124,496	\$ 128,310
Programs and events		53,366	48,678
Contributions from gaming		85,718	38,188
Rentals		13,231	12,478
Fundraising events		9,903	12,155
Memberships		18,000	10,385
Donations		328	5,106
Interest and other		8,339	470
		<b>313,381</b>	<b>255,770</b>
<b>EXPENSES</b>			
Wages and benefits		172,804	160,380
Programs, events and supplies		61,864	44,895
Non-refundable portion, GST		3,654	6,920
Professional fees		21,248	11,390
Maintenance and repairs		44,008	35,070
Office (recovery)		8,527	(572)
Telephone and utilities		11,128	3,409
Insurance		6,686	3,682
Travel		102	1,295
Education and training		300	592
Gain on disposal of capital assets		-	(700)
		<b>330,321</b>	<b>266,361</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE AMORTIZATION</b>		<b>(16,940)</b>	<b>(10,591)</b>
Amortization of deferred capital contributions	7	38,963	36,462
Amortization of capital assets		(41,041)	(33,027)
		<b>(2,078)</b>	<b>3,435</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>		<b>\$ (19,018)</b>	<b>\$ (7,156)</b>

See notes to the accompanying financial statements

**BOW CLIFF SENIORS**  
**Statement of Cash Flows**  
**(Audited)**  
**For the year ended December 31, 2017**

	Note	2017	2016
<b>OPERATING ACTIVITIES</b>			
Deficiency of revenue over expenses		\$ (19,018)	\$ (7,156)
Items not affecting cash			
Amortization of capital assets		41,041	33,027
Amortization of deferred capital contributions	7	(38,963)	(36,462)
Changes in non-cash working capital			
Accounts receivable		(2,842)	14
GST receivable		3,206	3,302
Prepaid expenses		2,777	4,803
Accounts payable and accrued liabilities		10,275	(4,944)
Deferred revenue		(4,985)	42,841
<b>CASH (USED IN) PROVIDED BY OPERATIONS ACTIVITIES</b>		<b>(8,509)</b>	<b>35,425</b>
<b>FINANCING ACTIVITIES</b>			
Capital contributions received	7	8,741	54,029
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>8,741</b>	<b>54,029</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of guaranteed investment certificates		(45,000)	(69,000)
Redemption of guaranteed investment certificates		68,986	20,014
Purchases of capital assets		(23,829)	(57,441)
Proceeds on sale of capital assets		-	700
<b>CASH USED IN INVESTING ACTIVITIES</b>		<b>157</b>	<b>(105,727)</b>
<b>NET CHANGE IN CASH</b>		<b>389</b>	<b>(16,273)</b>
Cash, beginning of year		40,473	56,746
<b>CASH, END OF YEAR</b>		<b>\$ 40,862</b>	<b>\$ 40,473</b>
<b>CASH CONSISTS OF:</b>			
Operating cash		19,697	3,302
Restricted cash	4	20,727	30,171
Funds held in trust	4	438	7,000
<b>CASH, END OF YEAR</b>		<b>\$ 40,862</b>	<b>\$ 40,473</b>

See notes to the accompanying financial statements

**BOW CLIFF SENIORS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**  
**(Audited)**

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**1. Nature of the Organization**

The Bow Cliff Seniors (the "Society") was incorporated on December 19, 1975 and is a club dedicated to providing a safe, comfortable and fun environment for all seniors to meet and be socially, physically and mentally active. The Society supports the well-being, independence, and active living for the 50+ demographic, specifically in the South West quadrant of Calgary. The Society was registered as a charity under the Income Tax Act on January 1, 1998 and therefore is exempt from income tax under subsection 149 (1) (f).

These financial statements have been prepared with the assumption that the Society will realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. Realization values may be substantially different from the carrying values as presented in the financial statements should the entity be unable to continue as a going concern. It is management's opinion that all adjustments considered necessary for fair presentation of the results for the years presented have been reflected in the financial statements.

**2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit entities. The significant accounting policies are as follows:

(a) Cash

Cash include cash on hand and balances with banks.

(b) Externally restricted assets

Externally restricted assets consist of unspent proceeds from gaming that is restricted by the Alberta Gaming and Liquor Commission. Under the terms of the gaming license application the Society is required to use these funds for specific purposes in the current or future periods. Also included are funds held in trust on behalf of a third party, guaranteed investment certificates and the interest received on the certificates.

(c) Revenue recognition

Externally restricted contributions related to general operations are recognized as revenue of the in the year in which the related expenses are incurred. Unspent restricted contributions are recorded as deferred revenue. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Proceeds for services that are to be provided at a future date are deferred until the associated services are rendered.

(d) Income taxes

The Society is not subject to income taxes.

(e) Contributed services

The Society relies on volunteers to carry out its activities. Because of the difficulty of determining the hours contributed and their fair value, contributed services are not recognized in the financial statements.

**BOW CLIFF SENIORS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**  
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**2. Significant Accounting Policies (continued)**

(f) 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. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(g) Financial asset impairment

The Society assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the deficiency of revenue over expenses in the year the reversal occurs.

(h) Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives using the straight line method as follows:

Kitchen equipment	5 years
Computers	4 years
Parking lot	20 years
Furniture	5 years

(i) 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenues and expenses in the years in which they become known.



**BOW CLIFF SENIORS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**  
**(Audited)**

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**3. Investment**

During the year ended December 31, 2016 the Society purchased \$54,000 in a one year cashable guaranteed investment certificate. The guaranteed investment certificate was recorded at cost, earned interest at 0.78% and matured February 22, 2017. The Society redeemed the remaining guaranteed investment certificate balance \$33,986 (2016 - \$20,014) during fiscal 2017, for operational purposes.

**4. Externally Restricted Assets**

Assets from gaming events are restricted according to Alberta Gaming and Liquor Commission approved objectives. Unspent grant funding is restricted according to approved grant objectives. These deferred cash contributions remain liabilities until spent.

	2017	2016
Restricted cash in bank	\$ 20,727	\$ 30,171
Funds held in trust	438	7,000
Guaranteed investment certificate	45,000	35,000
Interest receivable	172	60
GST receivable	-	2,722
<b>Total externally restricted assets</b>	<b>\$ 66,337</b>	<b>\$ 74,953</b>

The guaranteed investment certificate is recorded at cost, earns interest between 0.52-1.60% (2016 - 1.15%) and matures on May 1, 2018 and August 22, 2018 (2016 - January 22, 2017).

The Society holds funds in trust on behalf of a third party not-for-profit organization.

**5. Capital Assets**

	Accumulated			
	Cost	Amortization	2017	2016
Kitchen equipment	\$ 63,351	\$ 21,179	\$ 42,172	\$ 42,270
Computers	4,296	2,732	1,564	1,897
Parking lot	577,766	101,667	476,099	507,011
Furniture	14,618	487	14,131	-
	<b>\$ 660,031</b>	<b>\$ 126,065</b>	<b>\$ 533,966</b>	<b>\$ 551,178</b>

**BOW CLIFF SENIORS**  
**Notes to the Financial Statements**  
**For the years ended December 31, 2017**  
**(Audited)**

**6. Deferred Revenue**

Deferred revenue comprise of grant funds and program revenues, which have been received but not yet spent or earned. Changes in deferred revenue are as follows:

	2017	2016
Balance, beginning of year	\$ 83,112	\$ 40,271
Amounts received during the year	239,185	234,103
Less: amounts recognized as revenue during the year	(244,170)	(191,262)
Balance, end of year	\$ 78,127	\$ 83,112

**7. Deferred Capital Contributions**

Deferred capital contributions that have been used to fund the purchase of capital assets are deferred and recognized as revenue as the related capital asset is amortized.

	2017	2016
Balance, beginning of year	\$ 421,136	\$ 403,569
Contributions from grants	8,741	54,029
Less: amortization	(38,963)	(36,462)
Balance, end of year	\$ 390,914	\$ 421,136

**8. Fundraising Expenses**

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions for the year ended December 31, 2017 is \$ Nil (2016 - \$ Nil). Amounts paid as remuneration to employees whose principal duties involve fundraising for the year ended December 31, 2017 is \$ Nil (2016 - \$ Nil).

**9. Grants revenue**

During the year ended December 31, 2017, the Society received \$100,497 (2016 - \$100,497) from Family & Community Support Services – City of Calgary.