

**Calgary Meals on Wheels**  
**Financial Statements**  
*December 31, 2023*

## Management's Responsibility

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To the Members of Calgary Meals on Wheels:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors (the "Board") and Finance and Audit Committee (the "Committee") are composed entirely of Directors who are neither management nor employees of the Charity. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Charity's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

April 16, 2024

A handwritten signature in black ink, appearing to read "Esther Elder", is written over a horizontal line. To the left of the signature is a circular logo with a teal-to-blue gradient and a white stylized 'E' shape inside.

Esther Elder  
Executive Director

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To the Members of Calgary Meals on Wheels:

## Qualified Opinion

We have audited the financial statements of Calgary Meals on Wheels (the "Charity"), which comprise the statement of financial position as at December 31, 2023, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Charity as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many not-for-profit organizations, the Charity derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded by the Charity. Therefore, we were not able to determine whether any adjustments might be necessary to operational fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2023, current assets as at December 31, 2023, and net assets as at January 1 and December 31 for 2023.

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 Charity in accordance with the 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 qualified 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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.

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 Charity'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 Charity'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 Charity 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

April 2, 2024

Except as to Note 8, which is as of April 16, 2024

*MNP LLP*

Chartered Professional Accountants

**Calgary Meals on Wheels**  
**Statement of Financial Position**  
*As at December 31, 2023*

	<i>Operating Fund</i>	<i>Capital Restricted Fund</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents	757,801	227,087	984,888	1,275,349
Restricted cash (Note 4)	1,186,575	801,316	1,987,891	1,498,494
Accounts receivable	478,259	-	478,259	134,264
Goods and Services Tax receivable	12,508	188	12,696	12,356
Accrued revenue	44,296	-	44,296	36,351
Inventory (Note 5)	241,711	-	241,711	184,873
Prepaid expenses and deposits	55,492	-	55,492	13,520
Interfund receivable		537,587	537,587	15,533
	<b>2,776,642</b>	<b>1,566,178</b>	<b>4,342,820</b>	<b>3,170,740</b>
<b>Property and equipment (Note 6)</b>	-	<b>7,369,407</b>	<b>7,369,407</b>	<b>7,566,233</b>
<b>Intangible assets (Note 7)</b>	-	-	-	448
	<b>2,776,642</b>	<b>8,935,585</b>	<b>11,712,227</b>	<b>10,737,421</b>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accruals	176,218	-	176,218	293,443
Deferred contributions (Note 8)	256,521	-	256,521	110,142
Interfund payable	537,587	-	537,587	15,533
	<b>970,326</b>	-	<b>970,326</b>	<b>419,118</b>
<b>Net Assets</b>				
Restricted (Note 9)	-	1,566,178	1,566,178	1,070,769
Investment in property and equipment and intangible assets	-	7,369,407	7,369,407	7,566,681
Unrestricted	1,806,316	-	1,806,316	1,680,853
	<b>1,806,316</b>	<b>8,935,585</b>	<b>10,741,901</b>	<b>10,318,303</b>
	<b>2,776,642</b>	<b>8,935,585</b>	<b>11,712,227</b>	<b>10,737,421</b>

Approved by the Board of Directors



Lesley Bolster, Board Treasurer



Tim Gillespie, Board Chair

# Calgary Meals on Wheels

## Statement of Operations

As at December 31, 2023

	<i>Operating Fund</i>	<i>Capital Restricted Fund</i>	<i>2023</i>	<i>2022</i>
<b>Revenue</b>				
Client meals	1,475,225	-	1,475,225	1,397,360
Group meals	1,522,108	-	1,522,108	1,557,462
<b>Meal fees</b>	<b>2,997,333</b>	<b>-</b>	<b>2,997,333</b>	<b>2,954,822</b>
Operational fundraising	2,156,038	-	2,156,038	1,581,818
Major grants (Note 10)	646,464	-	646,464	752,854
Donations	-	182,000	182,000	45,000
Delivery fees	27,640	-	27,640	20,540
Miscellaneous	26	-	26	783
	<b>5,827,501</b>	<b>182,000</b>	<b>6,009,501</b>	<b>5,355,817</b>
<b>Expenses</b>				
Salaries and benefits	2,475,929	-	2,475,929	2,322,367
Production groceries and packaging (Note 5)	2,089,592	-	2,089,592	1,879,591
Facility and equipment	385,375	-	385,375	376,994
Administrative	200,790	-	200,790	166,312
Volunteer	62,829	-	62,829	56,074
Bank charges and interest	42,789	-	42,789	40,119
Professional fees	40,791	-	40,791	74,207
Philanthropy	12,964	-	12,964	14,062
Marketing	10,062	-	10,062	4,955
	<b>5,321,121</b>	<b>-</b>	<b>5,321,121</b>	<b>4,934,681</b>
<b>Excess of revenue over expenses before other items</b>	<b>506,380</b>	<b>182,000</b>	<b>688,380</b>	<b>421,136</b>
<b>Other items</b>				
Interest income	48,232	41,319	89,551	35,603
Gain on disposal of property and equipment	-	3,000	3,000	5,000
Amortization	-	(357,333)	(357,333)	(343,964)
	<b>48,232</b>	<b>(313,014)</b>	<b>(264,782)</b>	<b>(303,361)</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>554,612</b>	<b>(131,014)</b>	<b>423,598</b>	<b>117,775</b>

**Calgary Meals on Wheels**  
**Statement of Changes in Net Assets**  
*As at December 31, 2023*

	<i>Operating Fund</i>	<i>Capital Restricted Fund</i>	<i>Investment in Property and Equipment</i>	<i>2023</i>	<i>2022</i>
<b>Net assets, beginning of the year</b>	<b>1,806,316</b>	<b>945,306</b>	<b>7,566,681</b>	<b>10,318,303</b>	10,200,528
Excess (deficiency) of revenue over expenses	554,612	223,319	(354,333)	423,598	117,775
Property and equipment and intangible asset additions, net of disposals	-	(157,059)	157,059	-	-
Interfund transfer (Note 9)	(554,612)	554,612	-	-	-
<b>Net assets, end of year</b>	<b>1,806,316</b>	<b>1,566,178</b>	<b>7,369,407</b>	<b>10,741,901</b>	10,318,303

# Calgary Meals on Wheels

## Statement of Cash Flows

For the Year Ended December 31, 2023

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	423,598	117,775
Amortization	357,333	343,964
Gain on disposal of property and equipment	(3,000)	(5,000)
	777,931	456,739
Net change in non-cash working capital (Note 11)	(421,936)	174,847
<b>Net cash flows from operating activities</b>	<b>355,995</b>	<b>631,586</b>
<b>Investing</b>		
Purchase of property and equipment	(160,059)	(87,805)
Proceeds on disposal of property and equipment	3,000	5,000
<b>Net cash flows used in investing activities</b>	<b>(157,059)</b>	<b>(82,805)</b>
<b>Increase in cash</b>	<b>198,936</b>	<b>548,781</b>
<b>Cash, beginning of year</b>	<b>2,773,843</b>	<b>2,225,062</b>
<b>Cash, end of year</b>	<b>2,972,779</b>	<b>2,773,843</b>
<b>Cash is comprised of:</b>		
Cash	984,888	1,275,349
Restricted cash	1,987,891	1,498,494
	2,972,779	2,773,843



# Calgary Meals on Wheels

## Notes to the Financial Statements

For the Year Ended December 31, 2023

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### 1. Operations

Calgary Meals on Wheels (the "Charity") is a charitable organization whose mission is "Promoting health and independence by providing quality, nutritious and affordable meals".

The Charity was incorporated under the Societies Act in the Province of Alberta on April 9, 1976, and, as a registered charity under the Income Tax Act (the "Act"), is exempt from income tax and may issue receipts to donors for tax deductible donations. To maintain its status as a registered charity under the Act, the Charity must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

### 2. Significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### Fund accounting

The Charity follows the restricted fund method of accounting for contributions:

- I. The Operating Fund reports the assets, liabilities, revenues, and expenditures related to meal preparation, delivery and administrative activities.
- II. The Capital Restricted Fund reports the assets, liabilities, revenues, and expenditures related to the Charity's property, equipment and services.

#### Cash and cash equivalents

Cash includes balances with banks, cash on hand and cashable term deposits.

#### Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

#### Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution if fair value can be reasonably determined. When fair value cannot be determined, property and equipment have been recorded at nominal value.

Amortization is provided using the straight-line method at the following rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Automotive	7 years
Building	40 years
Computer equipment	3 years
Computer software	3 years
Equipment	7 years
Office equipment	5 years

**2. Significant accounting policies** *(Continued from previous page)*

**Intangible assets**

Intangible assets are recorded at cost less accumulated amortization using the straight-line method over their estimated useful lives as follows:

	<b>Rate</b>
Intangible fund development materials	5 years

**Revenue recognition**

The Charity follows the restricted fund method of accounting for contributions. Restricted grants, pledges and donations are recognized as revenue in the appropriate fund. All other restricted contributions are recognized as revenue when the specific expenditures are made.

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

Revenue from the sale of meals is recognized at the time the meals are delivered to customers and collection is reasonably assured.

Interest income is recognized as revenue in the appropriate fund when earned.

**Contributed services**

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Charity's operations and would otherwise have been purchased.

Volunteers contributed approximately 37,710 hours during the year (2022 – 37,435 hours) to assist the Charity in carrying out its delivery of meals. Because of the difficulty of determining the fair value of time, contributed time by volunteers is not recognized in the financial statements.

**Financial instruments**

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value. At initial recognition, the Charity may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Charity has not made such an election during the year.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

### 2. Significant accounting policies *(Continued from the previous page)*

#### **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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Charity is exposed to interest rate cash flow risk through its interest-bearing investments.

#### **Financial asset impairment**

The Charity assesses impairment of all its financial assets measured at cost or amortized cost. The Charity groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Charity determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Charity 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

The Charity 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 excess of revenue over expenses in the year the reversal occurs.

#### **Use of estimates**

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 period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for spoiled inventory. Amortization is based on the estimated useful lives of property and equipment and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue and expenses in the periods in which they become known.

#### **Government assistance**

Government assistance is recognized when there is reasonable assurance that the conditions attached to the government assistance will be met and that assistance will be received. Government assistance is recognized as income over the periods necessary to match it with the related costs that it is intended to compensate.

# Calgary Meals on Wheels

## Notes to the Financial Statements

For the Year Ended December 31, 2023

### 3. Economic dependence

One of the Charity's primary source of revenue is through donations. The Charity's ability to continue viable operations is dependent upon maintaining its current level of public and private donations. The ability to maintain its level of donations is directly affected upon economic conditions and will fluctuate over the course of time.

### 4. Restricted cash

The Charity has term investments of \$801,316 (2022 - \$760,098) designated for capital replacement and \$1,186,575 (2022 - \$738,396) designated for future program continuity. The Charity has therefore shown these amounts as restricted cash at year-end.

### 5. Inventory

During the year, \$2,089,592 (2022 - \$1,879,591) of inventory was recognized as an expense and included in production groceries and packaging.

### 6. Property and equipment

			<b>2023</b>	2022
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Land	1,125,451	-	1,125,451	1,125,451
Automotive	356,803	317,816	38,987	64,977
Building	7,862,636	2,046,118	5,816,518	6,007,421
Computer equipment	54,352	38,632	15,720	7,978
Computer software	75,987	61,189	14,798	18,906
Equipment	1,619,133	1,272,022	347,111	333,685
Office equipment	51,620	40,798	10,822	7,815
	<b>11,145,982</b>	<b>3,776,575</b>	<b>7,369,407</b>	<b>7,566,233</b>

During the year, \$356,885 (2022 - \$343,451) of amortization of property and equipment expense was included in the amortization expense of \$357,333 (2022 - \$343,964) on the statement of operations.

### 7. Intangible assets

			<b>2023</b>	2022
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Intangible fund development materials	2,563	2,563	-	448

During the year, \$448 (2022 - \$513) of amortization was recorded and is included in the amortization expense of \$357,333 (2022 - \$343,964) on the statement of operations.

# Calgary Meals on Wheels

## Notes to the Financial Statements

For the Year Ended December 31, 2023

### 8. Deferred contributions

	2023	2022
<b>Operating Fund</b>		
Going Home Program	177,036	64,386
Lily Street Foundation	20,000	40,000
Canada Helps	6,559	5,756
Community Service Recovery Fund	52,926	-
	<b>256,521</b>	<b>110,142</b>

All revenue deferred in 2023 is expected to be recognized in 2024.

### 9. Restricted net assets

Restricted funds consist of Endowment Fund (operating) \$nil (2022 - \$125,463) and Capital Restricted Fund (capital) \$1,566,178 (2022 - \$945,306).

During the year, the Board approved the transfer of the Restricted Endowment Fund of \$125,463 (2022 - \$nil) to the Unrestricted Operating Fund. Subsequent to year end, the Board approved the transfer of the current year Operating Fund Excess of revenue over expenses totaling \$554,612 (2022 - \$nil) to the Capital Restricted Fund.

### 10. Major grants

	2023	2022
<b>Operating Fund</b>		
The City of Calgary (FCSS)	446,464	552,854
United Way of Calgary and Area	200,000	200,000
	<b>646,464</b>	<b>752,854</b>

### 11. Net change in non-cash working capital accounts

	2023	2022
Accounts receivable	(343,995)	99,686
Goods and Services Tax receivable	(340)	(2,155)
Accrued revenue	(7,945)	(13,926)
Inventory	(56,838)	9,739
Prepaid expenses and deposits	(41,972)	(6,710)
Accounts payable and accruals	(117,225)	146,111
Deferred contributions	146,379	(57,898)
	<b>(421,936)</b>	<b>174,847</b>