

SIMON HOUSE RESIDENCE SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2024

SIMON HOUSE RESIDENCE SOCIETY
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Simon House Residence Society

Opinion

We have audited the financial statements of Simon House Residence Society (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations, statement of changes in net assets and statement of 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 Simon House Residence Society as at December 31, 2024, and the results of its operations, changes in net assets 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 Society 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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

INDEPENDENT AUDITOR'S REPORT, continued

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 Society'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 Society'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 Society 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.


Baker Tilly Catalyst LLP

**CALGARY, ALBERTA
APRIL 28, 2025**

**CHARTERED PROFESSIONAL
ACCOUNTANTS**

SIMON HOUSE RESIDENCE SOCIETY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 148,711	\$ 508,996
Restricted cash (Note 7)	121,079	-
Accounts receivable	39,357	31,400
Goods and services tax receivable	8,291	9,619
Prepaid expenditures	37,533	44,403
Short-term investment (Notes 3 & 7)	693,914	764,520
	<u>1,048,885</u>	<u>1,358,938</u>
Capital assets (Note 4)	<u>2,225,158</u>	<u>2,176,629</u>
	<u>\$ 3,274,043</u>	<u>\$ 3,535,567</u>
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	\$ 134,702	\$ 159,219
Deferred contributions (Note 5)	41,858	267,897
	<u>176,560</u>	<u>427,116</u>
Deferred capital contributions (Note 6)	<u>144,616</u>	<u>172,764</u>
	<u>321,176</u>	<u>599,880</u>
Net assets		
Investment in capital assets	2,080,542	2,003,865
Internally restricted	814,993	764,520
Unrestricted surplus	57,332	167,302
	<u>2,952,867</u>	<u>2,935,687</u>
	<u>\$ 3,274,043</u>	<u>\$ 3,535,567</u>

Approved on behalf of the Board
 Director

 Director

SIMON HOUSE RESIDENCE SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Revenues		
Program fees	\$ 2,477,991	\$ 2,254,041
Donations (Note 5)	394,364	199,419
Gaming and casino revenue (Note 5)	259,858	301,464
Grants (Note 5)	225,407	299,313
Fundraising income (Note 8)	164,581	96,378
	<u>3,522,201</u>	<u>3,150,615</u>
Expenditures		
Salaries and related benefits	2,383,507	2,051,873
Food costs and supplies	253,479	251,630
Program expenditures	187,981	54,960
Fundraising expenses: stonewall	151,601	152,147
Office	131,709	107,751
Utilities	116,179	113,941
Consulting fees	62,915	142,093
Professional fees	48,088	40,445
Insurance	47,620	54,609
Vehicle	44,962	49,690
Repairs and maintenance	36,617	50,935
Fundraising development (Note 8)	33,811	18,065
Amortization (Note 4)	24,498	31,134
Supplies	12,337	14,762
Interest and bank charges	5,604	3,735
GST expenditures	1,490	7,823
	<u>3,542,398</u>	<u>3,145,593</u>
Excess (deficiency) of revenues over expenditures before other income	<u>(20,197)</u>	<u>5,022</u>
Other income		
Interest income (Note 7)	<u>37,377</u>	<u>32,520</u>
Excess of revenues over expenditures for the year	<u>\$ 17,180</u>	<u>\$ 37,542</u>

The accompanying notes are an integral part of the financial statements

SIMON HOUSE RESIDENCE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Investment in Capital Assets	Internally Restricted	2024	2023
Net Assets - Beginning of year	\$ 167,302	\$ 2,003,865	\$ 764,520	\$ 2,935,687	\$ 2,898,145
Excess (deficiency) of revenues over expenditures	41,678	(24,498)	-	17,180	37,542
Interfund transfers (Note 7)	(151,648)	101,175	50,473	-	-
Net Assets - End of year	<u>\$ 57,332</u>	<u>\$ 2,080,542</u>	<u>\$ 814,993</u>	<u>\$ 2,952,867</u>	<u>\$ 2,935,687</u>

The accompanying notes are an integral part of the financial statements

SIMON HOUSE RESIDENCE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Cash flows from operating activities		
Excess of revenues over expenditures for the year	\$ 17,180	\$ 37,542
Adjustments for		
Amortization	24,498	31,134
	<u>41,678</u>	<u>68,676</u>
Change in non-cash working capital items		
Accounts receivable	(7,957)	(11,920)
Goods and services tax	1,328	(2,737)
Prepaid expenditures	6,870	(26,246)
Accounts payable and accrued liabilities	(24,517)	15,839
Deferred contributions	(226,039)	70,094
	<u>(208,637)</u>	<u>113,706</u>
Cash flows from investing activities		
Purchase of capital assets	(101,175)	(215,282)
Proceeds on disposal of investment	764,520	100,000
Purchase of investments	(693,914)	(132,520)
	<u>(30,569)</u>	<u>(247,802)</u>
Cash flows from financing activities		
Proceeds from deferred capital contributions	-	185,708
Repayment of CEBA loan	-	(40,000)
	<u>-</u>	<u>145,708</u>
Increase (decrease) in cash	(239,206)	11,612
Cash, beginning of year	<u>508,996</u>	<u>497,384</u>
Cash, end of year	<u>\$ 269,790</u>	<u>\$ 508,996</u>
Cash consists of:		
Unrestricted	\$ 148,711	\$ 241,099
Restricted (Note 7)	121,079	267,897
	<u>\$ 269,790</u>	<u>\$ 508,996</u>

The accompanying notes are an integral part of the financial statements

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. Nature of operations

Simon House Residence Society (the "Society") is a non-profit organization providing residential treatment services for men in the community to help them achieve long-term recovery from addiction. The Society is registered as a charity and is incorporated under the Societies Act of the Province of Alberta. The Society is exempt from taxes pursuant to section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the report date.

(b) Capital assets

Capital assets are recorded at cost less accumulated amortization. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Buildings	1%
Furniture and equipment	20%
Vehicles	30%
Computer equipment	30%

Capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. Significant accounting policies, continued

(c) Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions include; casino income, bingo income and grant income. Casino income is subject to external restrictions established by the Alberta Gaming and Liquor Commission.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collected is reasonably assured. Unrestricted contributions include; program fees and donations.

(d) Internally restricted reserve

The internally restricted reserve has been put in place by the Board of Directors of the Society to cover any unexpected costs to the Society in order to ensure its continued operations. The funds are internally restricted by means of deposit into Guaranteed Investment Certificates as described in Note 3 to these financial statements.

(e) Contributed materials and services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. These are only recorded in the financial statements if the fair value of donated materials and services can be reasonably determined and if they are in the normal course of operations.

(f) Measurement uncertainty

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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: estimated useful lives of capital assets and deferred capital contributions. Actual results may differ from management's best estimates as additional information becomes available in the future.

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. Significant accounting policies, continued

(g) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-investment and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The society has not designated any financial asset or financial liability to be measured at at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

3. Short-term investment

Short-term investment is comprised of one Guaranteed Investment Certificate ("GIC") which bears interest of 4.85% per annum and matures on June 30, 2025.

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

4. Capital assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Buildings	\$ 1,598,035	\$ 207,697	\$ 1,390,338	\$ 1,307,702
Land	689,137	-	689,137	689,137
Furniture and equipment	470,599	345,832	124,767	155,959
Computer equipment	105,365	85,811	19,554	21,885
Vehicles	48,680	47,318	1,362	1,946
	<u>\$ 2,911,816</u>	<u>\$ 686,658</u>	<u>\$ 2,225,158</u>	<u>\$ 2,176,629</u>

The fair market value of the land and building at December 31, 2024 is \$3,549,000 (2023 - \$3,282,000) per the City of Calgary property assessments.

Amortization of capital assets is \$52,646 and deferred capital contributions is \$28,148 (Note 6).

5. Deferred contributions

	Balance, Beginning	Contributions	Contributions Utilized	Balance, Ending
Bingo income	\$ 35,780	\$ 172,812	\$ (178,991)	\$ 29,601
Stonewall	26,295	94,891	(111,826)	9,360
Casino income	82,371	-	(80,866)	1,505
Beds for brothers	1,392	-	-	1,392
United Way	63,990	-	(63,990)	-
City of Calgary	25,250	-	(25,250)	-
Job grant	3,993	-	(3,993)	-
Civil society	28,826	-	(28,826)	-
	<u>\$ 267,897</u>	<u>\$ 267,703</u>	<u>\$ (493,742)</u>	<u>\$ 41,858</u>

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

6. Deferred capital contributions

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 172,764	\$ -
Contributions during the year	-	185,708
Deferred capital contribution amortization	<u>(28,148)</u>	<u>(12,944)</u>
	<u>\$ 144,616</u>	<u>\$ 172,764</u>

7. Interfund transfers and internally restricted funds

During the year, \$37,377 of interest received on funds already internally restricted and \$13,096 was transferred from the unrestricted surplus to the internally restricted funds for short-term investments for Board priorities.

Also during the year, \$101,175 was transferred from the unrestricted surplus to the investment in capital assets for capital purchases.

The internally restricted funds are funded by \$121,079 of restricted cash.

8. Charitable Fundraising Act of Alberta

Gross contributions received were \$164,581 (2023 - \$96,378).

Gross contributions received were used in accordance with the internal and external restrictions imposed by the donor's request and the Society's disbursement policies. Undesignated donations are allocated for use by the Board of Directors of the Society.

All expenditures incurred, directly and indirectly, for the purpose of soliciting contributions were \$33,811 (2023 - \$18,065). No remuneration was paid for fundraising activities.

9. Economic dependence

The Society derives 65% (2023 - 71%) of its revenues directly from Alberta Health Services. It is the opinion of management that if Alberta Health services were to substantially change its relationship with the Society, the continued operations of the Society would depend upon the Society's ability to secure alternative sources of operating funds.

SIMON HOUSE RESIDENCE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

11. Financial instruments

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Society's exposure to these risks.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its accounts receivable.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate financial instruments subject the Society to a fair value risk.

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