

# **The Bridge on 20th Fellowship Centre Inc.**

## **Financial Statements**

**October 31, 2022**

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## Independent Auditor's Report

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To the directors of  
The Bridge on 20th Fellowship Centre Inc.

### *Qualified Opinion*

We have audited the financial statements of The Bridge on 20th Fellowship Centre Inc., which comprise the statement of financial position as at October 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at October 31, 2022 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.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the organization derives revenue from fundraising and donation activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended October 31, 2022 and 2021, current assets as at October 31, 2022 and 2021, and net assets as at November 1 and October 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended October 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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. matter independent of the organization 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 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.



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## Independent Auditor's Report, continued

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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. 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.

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**Independent Auditor's Report, continued**

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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.

*Laskowski & Wright LLP*

Chartered Professional Accountants

Warman, Saskatchewan  
March 15, 2023

# The Bridge on 20th Fellowship Center Inc. Statement of Financial Position

As at October 31, 2022

	Operating Fund	Capital Fund	2022 Total	2021 Total
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 177,881	\$ 182,497	\$ 360,378	\$ 172,936
Accounts receivable	-	37,382	37,382	-
Restricted Accounts receivable		15,000	15,000	
GST rebate receivable	19,856	-	19,856	2,165
	197,737	234,879	432,616	175,101
Property, plant, and equipment (Note 3)	-	3,281,159	3,281,159	2,548,708
	\$ 197,737	\$ 3,516,038	\$ 3,713,775	\$ 2,723,809
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities (Note 4)	\$ 28,051	135,730	\$ 163,781	\$ 23,044
Demand loan payable (Note 5)	-	30,304	30,304	88,720
	28,051	166,034	194,085	111,764
Commitments (Note 9)				
<b>Fund balances</b>				
Operating	169,686	-	169,686	83,197
Capital				
Externally restricted capital fund (Note 6)	-	61,767	61,767	69,175
Internally restricted capital fund		7,078	7,078	(89,035)
Invested in tangible capital assets (Note 7)	-	3,281,159	3,281,159	2,548,708
	-	3,350,004	3,350,004	2,528,848
	169,686	3,350,004	3,519,690	2,612,045
	\$ 197,737	\$ 3,516,038	\$ 3,713,775	\$ 2,723,809

Approved by the Board

Director



Director





# The Bridge on 20th Fellowship Center Inc.

## Statement of Operations

For the year ended October 31

	Operating Fund	Capital Fund	2022 Total	2021 Total
<b>Revenues</b>				
Donations	\$ 992,594	\$ 845,112	\$ 1,837,706	\$ 842,034
Donations - gift in kind (Note 8)	7,846	-	7,846	50,735
Grants	-	13,500	13,500	22,500
Temporary wage subsidy	12,498	-	12,498	-
	<u>1,012,938</u>	<u>858,612</u>	<u>1,871,550</u>	<u>915,269</u>
<b>Expenditures</b>				
Advertising and promotion	1,880	-	1,880	238
Amortization	-	115,055	115,055	94,858
Automotive	1,757	-	1,757	1,343
Caregiving, worship and discipleship (Note 8)	9,364	-	9,364	12,775
Donations	1,800	-	1,800	2,150
Food and kitchen supplies (Note 8)	12,296	-	12,296	48,861
Insurance	11,864	-	11,864	11,586
Interest and bank charges	7,205	2,744	9,949	10,737
Office	27,770	-	27,770	21,230
Professional fees	9,222	-	9,222	9,481
Repairs and maintenance	11,967	-	11,967	10,084
Staff and volunteer appreciation	2,685	-	2,685	2,792
Travel	1,195	-	1,195	735
Utilities	33,280	-	33,280	27,696
Wages and benefits	714,196	-	714,196	609,114
	<u>846,481</u>	<u>117,799</u>	<u>964,280</u>	<u>863,680</u>
<b>Other Income</b>				
Gain on disposal of equipment	-	375	375	645
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 166,457</u>	<u>\$ 741,188</u>	<u>\$ 907,645</u>	<u>\$ 52,234</u>

## The Bridge on 20th Fellowship Center Inc. Statement of Changes in Fund Balances

For the year ended October 31

	Operating Fund	Capital Fund	2022 Total	2021 Total
<b>Balance, beginning of the year</b>	\$ 83,197	\$ 2,528,848	\$ 2,612,045	\$ 2,559,811
Excess (deficiency) of revenue over expenses	166,457	741,188	907,645	52,234
Interfund balance (Note 6)	(79,968)	79,968	-	-
<b>Balance, end of the year</b>	<u>\$ 169,686</u>	<u>\$ 3,350,004</u>	<u>\$ 3,519,690</u>	<u>\$ 2,612,045</u>

See accompanying notes

# The Bridge on 20th Fellowship Centre Inc.

## Statement of Cash Flows

For the year ended October 31	2022	2021
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 907,645	\$ 52,234
Adjustments for		
Amortization	115,055	94,858
Gain on disposal of property, plant and equipment	(375)	(645)
Contributed capital - automobile (Note 8)	-	(2,500)
	<u>1,022,325</u>	<u>143,947</u>
Change in non-cash working capital items		
Accounts receivable	(37,382)	900
GST receivable	(17,691)	1,541
Restricted accounts receivable	(15,000)	-
Accounts payable and accrued liabilities	<u>140,738</u>	<u>9,533</u>
	<u>1,092,990</u>	<u>155,921</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(849,632)	(35,652)
Proceeds on disposal of property, plant and equipment	<u>2,500</u>	<u>800</u>
	<u>(847,132)</u>	<u>(34,852)</u>
<b>Financing activity</b>		
Repayment on demand loan payable	<u>(58,416)</u>	<u>(92,534)</u>
<b>Increase in cash</b>	187,442	28,535
<b>Cash, beginning of year</b>	<u>172,936</u>	<u>144,401</u>
<b>Cash, end of year</b>	<u>\$ 360,378</u>	<u>\$ 172,936</u>

See accompanying notes



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# The Bridge on 20th Fellowship Centre Inc.

## Notes to the Financial Statements

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October 31, 2022

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### 1. Nature of operations

The Bridge on 20th Fellowship Centre Inc. ("The Bridge") exists to be 'God's Body', sharing his unconditional love and meeting individual needs to provide a safe place to establish relationships and bridge God's lost back to him.

The Bridge is incorporated in Saskatchewan under the Non-Profit Corporations Act of Saskatchewan and is a registered charity within the meaning of the Canadian Income Tax Act and is therefore exempt from income taxes.

### 2. Accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

#### (a) Cash

Cash consists of balances with financial institutions.

#### (b) Property, plant and equipment

Purchased property, plant and equipment are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Computer equipment	55%
Furniture and fixtures	20%
Vehicles	30%

#### (c) Impairment of long-lived assets

The organization 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 undiscounted 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 carrying value exceeds its fair value.

#### (d) Fund accounting

The purpose of the Operating Fund is to record the administrative and operating activities of the charity.

The purpose of the Capital Fund is to record all transactions related to the acquisition and improvement of tangible capital assets, as well as the related debt and net investment of the charity in such assets.

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# **The Bridge on 20th Fellowship Centre Inc.**

## **Notes to the Financial Statements**

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**October 31, 2022**

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### **2. Accounting policies, continued**

#### **(e) Revenue recognition**

The organization follows the restricted fund method of accounting for restricted contributions. Restricted contributions are recognized as revenue of the appropriate restricted fund. When a restricted contribution is received for which there is not a restricted fund established, the contribution is deferred in the Operating Fund and recognized as revenue in the year in which the related expenses are incurred.

Sale of donated goods includes sales of used clothing and other goods that have been donated to the charity. Revenue is recognized at the point of sale.

The revenues related to the collection of unrestricted donations and fundraising activities are reported in the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **(f) Contributed materials and services**

A substantial number of volunteers and supporters contributed a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

The organization benefits from a variety of gifts in kind. Contributed materials are recorded in the financial statements at fair value on the date of the donation when a fair value can be reasonably estimated and when the materials are used in the normal course of operations and would otherwise have been purchased.

#### **(g) Financial instruments**

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and demand loan payable, which are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

#### **(h) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are property, plant and equipment.



# The Bridge on 20th Fellowship Centre Inc.

## Notes to the Financial Statements

October 31, 2022

### 3. Property, plant and equipment

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Buildings	\$ 3,228,775	\$ 550,207	\$ 2,678,568	\$ 2,201,117
Computer equipment	25,880	20,854	5,026	3,710
Furniture and fixtures	80,295	34,669	45,626	37,323
Vehicles	38,084	16,845	21,239	7,471
Assets under construction	231,613	-	231,613	-
Land	299,087	-	299,087	299,087
	<u>\$ 3,903,734</u>	<u>\$ 622,575</u>	<u>\$ 3,281,159</u>	<u>\$ 2,548,708</u>

### 4. Accounts payable and accrued liabilities

	2022	2021
Trade accounts payable	\$ 139,545	\$ 1,815
Government remittances	16,187	13,415
Vacation payable	7,850	4,162
Accrued interest	108	315
Credit card payable	91	3,337
	<u>\$ 163,781</u>	<u>\$ 23,044</u>

### 5. Demand loan payable

	2022	2021
4.99% Affinity Credit Union demand loan repayable in blended monthly instalments of \$1,975, due December 2022, secured by land and building	<u>\$ 30,304</u>	<u>\$ 88,720</u>
Estimated principal repayments are as follows:		
2023	<u>\$ 30,304</u>	
	<u>\$ 30,304</u>	

# The Bridge on 20th Fellowship Centre Inc.

## Notes to the Financial Statements

October 31, 2022

### 6. Externally restricted capital fund

	2022	2021
Balance, beginning of year	\$ 69,175	\$ 31,644
Capital portion of interest expense	(2,744)	(4,969)
Purchase and disposal of property, plant and equipment	(847,132)	(34,852)
Capital portion of debt repayment	(45,612)	(39,409)
Capital donations	808,112	44,044
Interfund transfer	79,968	72,717
Balance, end of year	<u>\$ 61,767</u>	<u>\$ 69,175</u>

The interfund transfer represents net capital fund expenditures that were paid with operating fund cash.

### 7. Invested in tangible capital assets

	2022	2021
Balance, beginning of year	\$ 2,548,708	\$ 2,605,569
Purchases during the year	849,631	35,652
Amortization	(115,055)	(94,858)
Disposal of equipment	(2,125)	(155)
Contributed capital - automobile	-	2,500
Balance, end of year	<u>\$ 3,281,159</u>	<u>\$ 2,548,708</u>

### 8. Gifts in kind

Gifts in kind recognized in revenue during the year were for the following expenditures that would have otherwise been purchased in the ordinary course of operations and fair value was able to be reasonably estimated:

	2022	2021
Food and kitchen supplies expense	\$ 7,566	\$ 48,215
Caregiving, worship, and discipleship expense	280	20
Contributed capital - automobile	-	2,500
	<u>\$ 7,846</u>	<u>\$ 50,735</u>

### 9. Commitments

As at October 31, 2022, the organization has outstanding commitments of approximately \$143,637 with respect to a contract for paving a parking lot.



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# **The Bridge on 20th Fellowship Centre Inc.**

## **Notes to the Financial Statements**

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**October 31, 2022**

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### **10. Related party transactions**

The organization is related to Keystone Outdoor Living by virtue of that business being controlled by a member of the board of directors. Transactions and balances with this related party consist of property, plant and equipment additions of \$231,613 (2021 - \$nil) in assets under construction. Additionally as at year end, included in accounts payable is \$122,774 (2021 - \$nil) owing to this related party.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

### **11. Financial instruments**

#### **(a) Liquidity risk**

The organization does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due.

#### **(b) 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 change in market interest rates. The company is exposed to interest rate risk on its fixed rate financial instruments which subjects the organization to fair value risk.