

**GUJARATI MANDAL OF CALGARY**  
**Financial Statements**  
**Year Ended December 31, 2022**

*Draft for discussion purposes only*

Preparer TY 2/17/23	Reviewer	Partner	Print
Prepared by			

**GUJARATI MANDAL OF CALGARY**  
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**Year Ended December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Gujarati Mandal of Calgary

### *Opinion*

I have audited the financial statements of Gujarati Mandal of Calgary (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures and 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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Independent Auditor's Report to the Members of Gujarati Mandal of Calgary (*continued*)

- 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Calgary, AB  
February 23, 2023

Antonio Masone Professional Corporation  
Chartered Professional Accountant

**GUJARATI MANDAL OF CALGARY**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 293,131	\$ 187,118
Restricted cash casino (Note 4)	4,752	168,162
Term deposits (Note 5)	560,000	460,041
Term deposits - restricted (Note 5)	40,000	-
Accounts receivable	18,025	3,150
Goods and services tax recoverable	5,404	206
	<b>921,312</b>	818,677
<b>LONG TERM INVESTMENTS (Notes 6, 7)</b>	<b>107,193</b>	141,910
	<b>\$ 1,028,505</b>	\$ 960,587
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 6,352	\$ 3,397
<b>NET ASSETS</b>		
General fund	977,401	789,028
Restricted fund	44,752	168,162
	<b>1,022,153</b>	957,190
	<b>\$ 1,028,505</b>	\$ 960,587

**ON BEHALF OF THE BOARD**

Signature	Signature
Name of Director	Name of Director
Position	Position
Date	Date

**GUJARATI MANDAL OF CALGARY**  
**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended December 31, 2022**

	2022	Total 2022	Total 2021
<b>REVENUES</b>			
Casino	\$ -	\$ -	\$ 56,304
Donation	26,723	<b>26,723</b>	44,470
Event income	150,267	<b>150,267</b>	12,594
Interest	2,760	<b>2,760</b>	4,878
Memberships	94,955	<b>94,955</b>	-
Sponsorship	57,130	<b>57,130</b>	647
Stall/Sponsorship - Navratri	58,780	<b>58,780</b>	-
	390,615	<b>390,615</b>	118,893
<b>EXPENSES</b>			
Donations	1,051	<b>1,051</b>	53,815
Interest and bank charges	6,945	<b>6,945</b>	734
Office	6,099	<b>6,099</b>	2,734
Program expenses - other (event bookings and meals)	31,419	<b>31,419</b>	13,409
Program expenses - Diwali	45,233	<b>45,233</b>	-
Program expenses - Navratri	195,842	<b>195,842</b>	-
Professional fees	4,678	<b>4,678</b>	2,178
	291,267	<b>291,267</b>	72,870
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	99,348	<b>99,348</b>	46,023
<b>OTHER INCOME</b>			
Interest income	182	<b>182</b>	147
Share of Calgary Indo-Canadian Centre Association	(11,861)	<b>(11,861)</b>	(8,672)
Share of New Community Centre	(22,856)	<b>(22,856)</b>	(2,155)
Other types of income	150	<b>150</b>	-
	(34,385)	<b>(34,385)</b>	(10,680)
<b>NET EXCESS OF REVENUES OVER EXPENSES</b>	64,963	<b>64,963</b>	35,343
<b>NET ASSETS - BEGINNING OF YEAR</b>	957,191	<b>957,191</b>	921,848
<b>NET ASSETS - END OF YEAR</b>	\$ 1,022,154	<b>\$ 1,022,154</b>	\$ 957,191

**GUJARATI MANDAL OF CALGARY**

**Statement of Cash Flows**

**Year Ended December 31, 2022**

	2022	Total 2022	Total 2021
<b>OPERATING ACTIVITIES</b>			
Excess of revenues over expenses	\$ 64,963	\$ 64,963	\$ 35,343
Changes in non-cash working capital:			
Accounts receivable	(14,875)	(14,875)	(150)
Interest receivable	-	-	6,591
Accounts payable and accrued liabilities	2,955	2,955	(105)
Goods and services tax payable	(5,198)	(5,198)	2,840
	(17,118)	(17,118)	9,176
Cash flow from operating activities	47,845	47,845	44,519
<b>INVESTING ACTIVITIES</b>			
Term deposits	(99,959)	(99,959)	42,915
Term deposits - restricted	(40,000)	(40,000)	-
Long term Investments	34,717	34,717	(39,174)
Cash flow from (used by) investing activities	(105,242)	(105,242)	3,741
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(57,397)	(57,397)	48,260
Cash - beginning of year	355,280	355,280	307,020
<b>CASH - END OF YEAR</b>	\$ 297,883	\$ 297,883	\$ 355,280
<b>CASH CONSISTS OF:</b>			
Cash	\$ 293,131	\$ 293,131	\$ 187,118
Restricted cash casino	4,752	4,752	168,162
	\$ 297,883	\$ 297,883	\$ 355,280

# GUJARATI MANDAL OF CALGARY

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. NATURE OF OPERATIONS

Gujarati Mandal of Calgary (the "Organization") is a not-for profit organization incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act. The Organization acts as the cultural organization for the Gujarati speaking community in and around the City of Calgary, and for the benefit of its members and Calgarians at large.

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### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash

Cash consists of balances held with financial institutions

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Income taxes

Income arising from the operations of the Organization is exempt from federal and provincial income taxes. The Organization is a registered charity.

#### Continued operations

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of operations. The Organizations' ability to continue as a going concern is dependent on the continuity of receiving contributions and donations to cover its expenses and meet its commitments.

Under the current rules for charitable status, the Organization's purpose must be "exclusively" charitable in law. This involves four principal areas: relief of poverty, advancement of education, advancement of religion, and other purposes beneficial to the community.

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# GUJARATI MANDAL OF CALGARY

## Notes to Financial Statements

Year Ended December 31, 2022

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	55%	declining balance method

The Organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

#### Investments with significant influence

The Organization records its 50% interest in Calgary Indo-Canadian Centre, a significant influenced investment, is accounted for by the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses.

#### 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 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.

#### Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as reserve and revenues.

#### Donated services and materials

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**GUJARATI MANDAL OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial asset and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

4. CASH

	2022	2021
<u>General fund</u>		
General bank account	\$ 286,029	\$ 182,106
Paypal	6,698	5,012
Building Cash Account	404	1
	<b>293,131</b>	187,119
<u>Restricted fund</u>		
Restricted Cash Casino	4,752	168,162
Total cash and cash equivalent	<b>\$ 297,883</b>	<b>\$ 355,281</b>

Cash represents the Organization's Company's bank accounts and interest bearing-deposits, which can be effectively withdrawn at any time without prior notice or penalties reducing principal amount of deposit.

**GUJARATI MANDAL OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

5. TERM DEPOSIT

	2022	2021
<u>General fund</u>		
Building A/C GIC 64800, purchased on 09/14/2022, 4.20% interest, matures on 09/14/2024	\$ 60,000	\$ -
Gen A/C GIC 105900, purchased on 09/14/2022, 4.20% interest, matures on 09/14/2024	100,000	-
Gen A/C 108300, purchased on 09/14/2022, 4.20% interest, matures on 09/14/2024	100,000	-
Gen A/C GIC 119900, purchased on 09/14/2022, 4.20% interest, matures on 09/14/2024	100,000	-
Gen A/C GIC 185700, purchased on 09/14/2022, 4.00% interest, matures on 09/14/2023	100,000	-
Gen A/C GIC 190300, purchased on 09/14/2022, 4.00% interest, matures on 09/14/2023	100,000	-
GIC 40793611700 @ 0.60% Maturing AUG 12, 2022	-	400,000
GIC 40793382700 @ 0.60% Maturing AUG 12, 2022	-	60,041
	<b>560,000</b>	<b>460,041</b>
<u>Restricted fund</u>		
Casino GIC-42984308600, purchased on 09/14/2022, 4.00% interest, matures on 09/14/2023	20,000	-
Casino GIC-42984319100, purchased on 09/14/2022, 4.00% interest, matures on 09/14/2023	20,000	-
	<b>40,000</b>	<b>-</b>
<b>Grand total</b>	<b>\$ 600,000</b>	<b>\$ 460,041</b>

**GUJARATI MANDAL OF CALGARY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**6. LONG TERM INVESTMENT - CICC**

Gujarati Mandal of Calgary has 50% (2021 - 50%) interest in the Calgary Indo-Canadian Centre ("CICC"). The investments are measured using the equity method.

	Initial Investment	Post acquisition income or (loss)	Carrying value
Interest in Calgary Indo-Canadian Centre	\$ 131,625	\$ (44,561)	\$ 87,064
2021 Additional investment in CICC	50,000	-	50,000
2022 Withdrawala from CICC (50% of cash paid to NCC of \$50,000)	(25,000)	-	(25,000)
2022 Amortization	-	(11,861)	(11,861)
<b>Total</b>	<b>\$ 156,625</b>	<b>\$ (56,422)</b>	<b>\$ 100,203</b>

**7. LONG TERM INVESTMENT - NCC**

Gujarati Mandal of Calgary And has 47.76% (2021 - 41.18%) interest in the New Community Centre ("NCC"). The investment is measured using the equity method.

	Initial Investment	Post acquisition income or (loss)	Carrying value
Interest in New Community Centre - NCC	\$ 7,000	\$ (2,155)	\$ 4,845
2022 Additional investment (50% of cash transferred from CICC of \$50,000)	25,000	-	25,000
2022 Amortization	-	(22,856)	(22,856)
<b>Total</b>	<b>\$ 32,000</b>	<b>\$ (25,011)</b>	<b>\$ 6,989</b>

**8. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 2,069	\$ 2,069	\$ -	\$ -
Computer equipment	2,518	2,518	-	-
	<b>\$ 4,587</b>	<b>\$ 4,587</b>	<b>\$ -</b>	<b>\$ -</b>

**9. FINANCIAL INSTRUMENTS**

The Organization 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 Organization's risk exposure and concentration as of December 31, 2022.

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**GUJARATI MANDAL OF CALGARY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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9. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk relates to the risk that the organization will encounter difficulty in paying its liabilities as they become due. Liquidity risk commonly occurs in not-for-profit organizations due to the uncertainty of knowing when and how much contribution support will be received from the members and public, the uncertainty of whether grant support from governments and foundations can be obtained. In the event of declines in cash inflows, the risk increases that the Organization may not be able to discharge its liabilities as they become due. The Organization has maintained term deposits to mitigate the risk by liquidating term deposits to meet obligations.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

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 Organization manages exposure through its normal operating and financing activities. The term deposits are held with one financial institution.

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10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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