



**BISELL CENTRE**  
**FINANCIAL STATEMENTS**  
**March 31, 2023**



**BISSELL CENTRE**  
**FINANCIAL STATEMENTS**  
**March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the members of Bissell Centre

### *Opinion*

We have audited the accompanying financial statements of Bissell Centre, which comprise the statement of financial position as at March 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, the financial statements present fairly, in all material respects, the financial position of Bissell Centre as at March 31, 2023, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 judgement 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 Entity'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 Entity'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 Entity 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.



**Bergeron & Co. Chartered Professional Accountants**

June 26, 2023  
Edmonton, AB



**BISSELL CENTRE**  
**STATEMENT OF OPERATIONS**  
**For the year ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Government grants	\$ 11,888,392	\$ 12,785,461
Resource development	3,590,530	2,999,759
Sales	1,899,379	1,947,042
Fees for services	1,413,813	1,310,587
United Way	229,951	85,019
Other income	<u>114,584</u>	<u>37,210</u>
	<u>19,136,649</u>	<u>19,165,078</u>
<b>EXPENSES</b>		
Wages and benefits	11,471,167	11,284,156
Service delivery and activities	3,257,374	2,454,331
Building costs	932,704	1,424,586
Office and general	580,217	434,671
Publicity and promotion	382,877	359,676
Finance and legal costs	172,194	99,051
Travel	161,094	232,566
Food services	<u>132,681</u>	<u>138,935</u>
	<u>17,090,308</u>	<u>16,427,972</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	<u>2,046,341</u>	<u>2,737,106</u>
<b>OTHER ITEMS</b>		
Amortization of deferred capital contributions (Note 12)	508,167	504,876
Amortization of capital assets	(665,490)	(648,096)
Share of (deficiency) excess of revenues over expenses in a joint venture (Note 9)	<u>(68,494)</u>	<u>(5,175)</u>
	<u>(225,817)</u>	<u>(148,395)</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 1,820,524</u>	<u>\$ 2,588,711</u>

**BISELL CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended March 31, 2023**


NET ASSETS	<u>Internally Restricted</u> (Note 14)	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Balance, beginning of year</b>	<b>\$ 5,122,000</b>	<b>\$ 3,841,901</b>	<b>\$ 1,706,998</b>	<b>\$ 10,670,899</b>	<b>\$ 8,082,185</b>
Excess of revenues over expenses	-	(157,323)	1,977,847	1,820,524	2,588,711
Investment in capital assets	-	382,935	(382,935)	-	-
Internally imposed restrictions (Note 14)	<u>(1,622,000)</u>	<u>-</u>	<u>1,622,000</u>	<u>-</u>	<u>-</u>
<b>Balance, end of year</b>	<b><u>\$ 3,500,000</u></b>	<b><u>\$ 4,067,513</u></b>	<b><u>\$ 4,923,910</u></b>	<b><u>\$ 12,491,423</u></b>	<b><u>\$ 10,670,896</u></b>

See accompanying Notes to Financial Statements

**BISSELL CENTRE  
STATEMENT OF FINANCIAL POSITION  
March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 13,691,134	\$ 10,564,533
Accounts receivable (Note 4)	913,781	2,216,473
Goods and Services Tax recoverable	52,199	37,693
Prepaid expenses	265,537	94,669
EFAN trust (Note 5)	<u>401,988</u>	<u>726,777</u>
	15,324,639	13,640,145
<b>INTEREST IN A JOINT VENTURE (Note 9)</b>	72,579	141,073
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	<u>8,230,005</u>	<u>8,494,121</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 23,627,223</u></b>	<b><u>\$ 22,275,339</u></b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 484,225	\$ 220,934
Payroll liabilities (Note 10)	626,186	578,940
Deferred contributions (Note 11)	5,439,431	5,411,174
Prepaid sales	21,479	14,395
EFAN trust (Note 5)	<u>401,988</u>	<u>726,777</u>
	6,973,309	6,952,220
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 12)</b>	<u>4,162,491</u>	<u>4,652,220</u>
<b>TOTAL LIABILITIES</b>	<u>11,135,800</u>	<u>11,604,440</u>
<b>NET ASSETS</b>		
Net assets invested in capital assets	4,067,513	3,841,901
Internally restricted net assets (Note 14)	3,500,000	5,122,000
Unrestricted net assets (Note 14)	<u>4,923,910</u>	<u>1,706,998</u>
	<u>12,491,423</u>	<u>10,670,899</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 23,627,223</u></b>	<b><u>\$ 22,275,339</u></b>

Approved by the Governors:

  
 \_\_\_\_\_, Governor  
 Lee-Ann Leitch


  
 \_\_\_\_\_, Governor  
 Brad Shopland



**BISSELL CENTRE  
CASH FLOW STATEMENT  
For the year ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Cash received from grants	13,184,863	16,771,181
Cash received from donations	3,740,662	3,069,304
Cash received from sales and other income	3,537,656	3,250,636
Cash paid for operations	(5,528,773)	(5,433,136)
Cash paid to employees	<u>(11,424,871)</u>	<u>(11,259,874)</u>
	<u>3,509,537</u>	<u>6,398,111</u>
<b>FINANCING ACTIVITIES</b>		
Capital grants received	<u>18,438</u>	<u>110,771</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(401,374)</u>	<u>(463,544)</u>
<b>INCREASE IN CASH</b>	3,126,601	6,045,338
<b>CASH, beginning of year</b>	<u>10,564,533</u>	<u>4,519,195</u>
<b>CASH, end of year</b>	<b><u>\$ 13,691,134</u></b>	<b><u>\$ 10,564,533</u></b>





**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION**

Bissell Centre ("Bissell" or the "Centre") is an Edmonton, Alberta based organization established to relieve poverty for individuals or families who are poor, of low income, or in need. Bissell works with communities to empower people to move from poverty to cultural, social and economic prosperity. Bissell builds relationships with those who access their programs and services, those who volunteer and work at Bissell, and those in the greater community committed to addressing issues of poverty.

Bissell Centre is a registered charity incorporated under the Societies Act of Alberta, and therefore is exempt from income tax pursuant to the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Management's use of estimates**


- a) The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**Revenue recognition**

- b) The Centre uses the deferral method of accounting for contributions (i.e. government grants, resource development, and income from the United Way). Externally restricted contributions are recorded as deferred contributions and they are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount can be estimated and collection is reasonably assured.

Sales, fees for services, and other income are recognized as revenue when performance has been achieved or the goods have been received by the client, the amount is determinable and collection is reasonably assured.

Contributions restricted for the purchase of capital assets to be amortized are deferred. They will be recognized in revenues using the same method and rate used for amortization of capital assets acquired to which they relate.



**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**Financial instruments**

- c) The Centre initially measures its financial assets and financial liabilities at fair value. Bissell subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and the EFAN Trust account.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, and the EFAN trust account.

Transaction costs related to financial instruments that are subsequently measured at amortized cost are recorded with the financial asset or liability and amortized to income using a straight-line amortization method over the duration of the financial instrument.

**Impairment**

- d) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, either 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 loss not been recognized previously. The amount of the reversal is recognized in net income.

**Cash and cash equivalents**

- e) The Centre's policy is to present bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn. Term deposits with a maturity period of three months or less from the date of acquisition are presented under cash and cash equivalents if term deposits do not relate to reserves that the Centre cannot use for current transactions.

**Inventory measurement**

- f) Inventory is not recorded in these financial statements as all products sold are donated products and sold for a nominal charge.

**Capital assets**

- g) Purchased capital assets are recorded at cost. Assets costing less than \$5,000 are recorded as expenses and are not amortized. Contributed capital assets are recorded at fair value at the date of contribution, if a fair value is determinable. Amortization is recorded at the following rates, which have been established by estimates of useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition. Amortization expense is reported in the statement of operations. Construction in progress is not amortized until the construction project is completed and fully operational.

Automotive equipment	2 & 3.33 yrs	straight-line
Furniture and equipment	5 yrs	straight-line
Computer hardware	3 yrs	straight-line
Leasehold improvements	2 yrs	straight-line
Building	25 yrs	straight-line

When a tangible capital asset no longer has any long-term service potential for the Centre, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

**BISELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**Interest in a joint venture**

- h) Interest in a joint venture is accounted for using the equity method. The investment is initially measured at cost and subsequently adjusted to include the Centre's pro-rated share of the earnings of the joint venture, computed by the consolidation method. The Centre also applies this method in accounting for a change in ownership.

**Contributed materials and services**

- i) Due to the complexity of valuing contributed time, items, products or services. The organization does not record those contributions in these financial statements.

**Cost allocation**

- j) Expenses identifiable to specific programs are charged directly and applied consistently each year. Administrative expenditures are allocated to regular programs in proportion to the percentage of expenses in each department. Amortization expense is allocated directly to program costs when specific assets are easily linked to the program; whereas occupancy space is used to allocate building amortization and general repairs and maintenance. All other general amortization expense is allocated to the administrative program.

**3. RESTRICTED CASH**

	<u>2023</u>	<u>2022</u>
Internally restricted cash - Opportunity Reserve	\$ 250,000	\$ 250,000
Internally restricted cash - Building Capital Fund	3,000,000	1,900,000
Internally restricted cash-Operating Reserve	-	2,972,000
Internally restricted cash - Emergency Reserve	<u>250,000</u>	<u>-</u>
Total internally restricted cash	<u>3,500,000</u>	<u>5,122,000</u>
Externally restricted cash - Deferred contributions	5,439,431	5,411,174
Externally restricted cash - Deferred income	<u>21,479</u>	<u>14,395</u>
Total externally restricted cash	<u>5,460,910</u>	<u>5,425,569</u>
Total restricted cash	8,960,910	10,547,569
Unrestricted cash	<u>4,730,224</u>	<u>16,964</u>
Total Cash	<u>\$ 13,691,134</u>	<u>\$ 10,564,533</u>

**4. ACCOUNTS RECEIVABLE**

	<u>2023</u>	<u>2022</u>
Trade receivables	\$ 51,414	\$ 166,660
Resource development receivable	197,792	117,973
Grants receivable	661,625	1,929,840
Due from employees	<u>2,950</u>	<u>2,000</u>
	<u>\$ 913,781</u>	<u>\$ 2,216,473</u>

**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**5. TRUST ASSETS AND LIABILITIES**

The Centre maintains bank accounts which represent monies held in trust for the Edmonton Fetal Alcohol Network Society (EFAN) for which the Bissell Centre is acting as its custodian. The balances in these accounts at March 31, 2023 totaled \$401,988 (2022 - \$726,777).

**6. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2023</u>	<u>2022</u>
Automotive equipment	\$ 160,123	\$ 160,123	\$ -	\$ -
Furniture and equipment	564,546	518,075	46,471	37,656
Computer hardware	144,131	99,126	45,005	45,255
Leasehold improvements	1,548,316	501,204	1,047,112	1,258,345
Building	12,310,168	7,172,496	5,137,672	5,307,493
Construction in progress	331,578	-	331,578	223,205
Land	<u>1,622,167</u>	<u>-</u>	<u>1,622,167</u>	<u>1,622,167</u>
	<u>\$16,681,029</u>	<u>\$ 8,451,024</u>	<u>\$ 8,230,005</u>	<u>\$ 8,494,121</u>

**7. CREDIT CARDS**

The Centre holds credit cards with an authorized maximum liability of \$200,000. Interest on the credit cards is charged at 2.5%. The amount payable as at March 31, 2023 is \$26,245 (2022 - \$30,112), this balance is included in accounts payable.

**8. OPERATING LINE OF CREDIT**

The Centre has arranged for a demand operating loan with CIBC authorized to a maximum balance of \$500,000. The facility is secured by a general security agreement providing a first charge and security interest in and to all of the Centre's present and after acquired personal property.

The demand operating loan bears interest at CIBC's prime rate, compounded daily and payable monthly in arrears. CIBC's prime rate at March 31, 2023 was 6.70%.

**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**9. INTEREST IN A JOINT VENTURE**

The Centre is a co-owner in the Inner City Youth Housing Project, an unincorporated joint venture along with Boyle Street Community Services and Edmonton City Centre Church Corporation. Each owner has a 33.33% interest in the joint venture. The share of the Centre in the assets, liabilities, net assets, revenues, expenses and in the cash flows from operating, financing and investing are as follows:

	<u>2023</u>	<u>2022</u>
<b>FINANCIAL POSITION</b>		
Assets	\$ <u>157,325</u>	\$ <u>257,946</u>
Liabilities	\$ 84,746	\$ 116,874
Net Assets	<u>72,579</u>	<u>141,073</u>
	<u>\$ 157,325</u>	<u>\$ 257,947</u>
<b>OPERATIONS</b>		
Revenues	\$ 94,116	\$ 82,465
Expenses	\$ (96,491)	\$ (87,640)
Termination of JV adjustment	<u>(66,119)</u>	<u>-</u>
Excess of revenue over expenses	<u>\$ (68,494)</u>	<u>\$ (5,175)</u>
<b>CASH FLOWS</b>		
Cash flows from operations	\$ (12,530)	\$ 12,733
Cash flows from financing activities	\$ (12,276)	\$ (11,980)
Cash flows from investing activities	<u>\$ 11,053</u>	<u>\$ (2,611)</u>
Increase (Decrease) in cash	<u>\$ (13,753)</u>	<u>\$ (1,858)</u>

As co-owner of ICYHP, the Centre has guaranteed 33.33% of the mortgages with Canada Mortgage and Housing Corporation. The Centre may also be liable for the guarantee provided by the other investors. The Centre has not demanded any consideration in exchange for these obligations. As of March 31, 2023 the mortgages have a balance of \$198,784 (2022 - \$235,612) and are secured by land and buildings of ICYHP having a net book value of \$198,784 (2022 - \$441,392). There are no significant differences in accounting policies from those followed by the Centre.

The Joint Venturers of ICYHP have agreed to dissolve the joint venture in January of 2023 effective on June 1, 2023. The Joint Venturers hereby absolutely and irrevocably transfer, assign and set over to e4c all the rights, title, and benefit to the Joint Venture property; and ec4 accepts to unconditionally assume all of the rights, liabilities and obligations and duties with respect to the Joint Venture property. Therefore, the Centres' equity in the Joint Venture will be transferred to e4c as a contribution thereby reducing its' assets and unrestricted net assets by the value as of the date of dissolution on June 14, 2023.

**BISELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**10. GOVERNMENT REMITTANCES**

The amount owing for government remittances is \$57,839 (2022 - \$42,392). This amount is included in payroll liabilities.

**11. DEFERRED CONTRIBUTIONS**

	<u>Opening</u>	<u>Funds received</u>	<u>Funds used</u>	<u>Ending</u>
<b>OPERATING</b>				
Core services	\$ 5,065,404	\$ 6,321,054	\$ (6,621,223)	\$ 4,765,235
Safe affordable housing	188,906	3,815,874	(3,477,477)	527,303
Health and wellness	7,658	22,826	(19,359)	11,125
<b>CAPITAL ASSETS</b>				
Core Services	<u>149,206</u>	<u>5,000</u>	<u>(18,438)</u>	<u>135,768</u>
	<u>\$ 5,411,174</u>	<u>\$ 10,164,754</u>	<u>\$ (10,136,497)</u>	<u>\$ 5,439,431</u>

**12. DEFERRED CAPITAL CONTRIBUTIONS**

	<u>Opening</u>	<u>Funds received</u>	<u>Amounts amortized to revenue</u>	<u>Ending</u>
Buildings	\$ 2,861,313	\$ 13,438	\$ (241,057)	\$ 2,633,694
Computers	4,406	-	(4,406)	-
Moonlight Bay	579,504	-	(59,921)	519,583
Leasehold improvements	<u>1,206,997</u>	<u>5,000</u>	<u>(202,783)</u>	<u>1,009,214</u>
	<u>\$ 4,652,220</u>	<u>\$ 18,438</u>	<u>\$ (508,167)</u>	<u>\$ 4,162,491</u>

**13. HOMEWARD TRUST DISCLOSURE REQUIREMENTS**

The Bissell Centre manages contracts from Homeward Trust through the Centre's Safe Affordable Housing and its Core Services programs. The following is a breakdown of the revenue received during the year, the accounts receivable as at March 31, 2023 and the amounts of revenue deferred as at March 31, 2023.

	<u>Revenue</u>	<u>Receivable</u>	<u>Deferred</u>
Homeless to Homes (H2H)	\$ 1,512,738	\$ 70,633	\$ 43,654
Hope Terrace (PSH-KEP)	1,365,122	87,254	10,473
Outreach Housing Team (OHT)	995,185	57,678	139,656
Outreach Housing Prototype Team (OPT)	<u>1,201,389</u>	<u>22,444</u>	<u>70,342</u>
	<u>\$ 5,074,434</u>	<u>\$ 238,009</u>	<u>\$ 264,125</u>

**BISELL CENTRE  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2023**

**14. UNRESTRICTED AND INTERNALLY RESTRICTED NET ASSETS**

**Operating Reserve**

The unrestricted net assets, named as the Operating Reserve, will be used to absorb or respond to temporary changes in the organization's environment or circumstances. This balance will ensure that sufficient funds are available to manage cash flow on a day-to-day basis and maintain financial flexibility.

The targeted balance for this reserve, as passed by the Board of Governors, is from three to six months of the annual operating budget.

**Building and Capital Reserve**

The Building Capital Fund is to ensure there is funding available to cover major repairs on Bissell's facilities and equipment that would not normally be funded under normal operation, as well as for reserving funds to acquire additional buildings to support Bissell's growth.

The targeted balance for this reserve, as passed by the Board of Governors, is \$1,000,000 to \$3,000,000.

**Opportunity Reserve**

The Opportunity Reserve is intended for investment in areas of opportunity that further the mission and vision of the organization or increase organizational capacity. These new initiatives may or may not have the expectation of incremental or long-term increased income. This reserve can be accessed for special opportunities in the event of insufficient funds in the operating budget. The targeted balance for this reserve, as passed by the Board of Governors, is \$100,000 to \$250,000.


**Emergency Reserve**

The Program Emergency Reserve can be used to sustain, recover, or wind down financial operations in the unanticipated event of significant unbudgeted increases in expense or loss of revenue within a program.

The targeted balance for this reserve, as passed by the Board of Governors, is \$250,000 to \$500,000. The minimum balance was determined by covering 90 days of a \$1,000,000 annual program.

The changes in the internally restricted fund balances are as follows:

	<u>Opportunity Reserve</u>	<u>Building Capital Fund</u>	<u>Emergency Reserve</u>	<u>Operating Reserve</u>	<u>2023</u>
Opening balance	\$ 250,000	\$ 1,900,000	\$ -	\$ 2,972,000	\$ 5,122,000
Transfers to unrestricted	-	-	-	(2,972,000)	(2,972,000)
Internally imposed restrictions	<u>-</u>	<u>1,100,000</u>	<u>250,000</u>	<u>-</u>	<u>1,350,000</u>
Closing balance	<u>\$ 250,000</u>	<u>\$ 3,000,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 3,500,000</u>



**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**15. FUND DEVELOPMENT**

Resource development expenses incurred for the purpose of soliciting contributions were \$1,104,958 (2022 - \$918,184). Of which \$598,244 (2022 - \$473,074) were paid as remuneration to employees whose duties mostly involve fundraising.

An amount of \$109,117 (2022 - \$543) was paid to a third party to administer a campaign.

**16. NON-MONETARY TRANSACTIONS**

During the year the Centre traded services and resources with Black Badge Studios. The Centre Provided Black Badge Studios, the use of Moonlight Bay Centre for filming and provided catering services during their stay. In exchange for the services and resources provided, Black Badge Studios will create promotional video content for the Centre. These transactions are accounted for at the market value of the services and resources given up. During the year, these transactions totaled \$12,450, which is reflected as \$12,450 of sales revenue in the income statement and \$12,450 as prepaid expenses.

**17. LEASE COMMITMENTS**

The Centre has entered into a lease agreements for space to provide it's programs and services. Future minimum lease payments including operational costs for the current term of the leases total \$541,122 and include the following payments over the next five years:

2024	\$ 124,915
2025	124,682
2026	133,372
2027	81,042
2028	<u>62,141</u>
	<u>\$ 526,152</u>

**18. CONTRACTUAL OBLIGATIONS**

The Centre has entered into a contractual obligation for the renovations of it's Bissell Centre West Building for a total of \$ 1,455,492, of which \$300,027 is recognised as at March 31, 2023 in construction in progress. The entire project is expected to be financed either grants, donations; and internal reserves.

**19. EDMONTON COMMUNITY FOUNDATION'S BISSELL FUND**

The Centre is the beneficiary of the Edmonton Community Foundation's Bissell Fund. Assets of this fund are not the property of the Bissell Centre but the income generated from the fund is transferred to the Centre. As at December 31, 2022, the balance in the Foundation's Bissell Fund was \$607,484 (2021 - \$660,789).





**BISSELL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**20. FINANCIAL INSTRUMENTS**

The Centre is exposed to various risks through its financial instruments.

**Credit risk:**

The Centre's main credit risks relate to its accounts receivable and grants receivable.

**Interest rate risk:**

The Centre is exposed to interest rate risk on its fixed interest rate and variable interest rate financial instruments, which include credit card, cash, and its operating line of credit. Changes in CIBC's prime interest rate represent a cash flow risk.

**Liquidity risk:**

The Centre is exposed to liquidity risk mainly in respect of its accounts payable, payroll liabilities and also through the security provided to the ICYHP joint venture for its mortgages.

**21. COMPARATIVE INFORMATION**

Certain corresponding amounts have been reclassified to conform with the current year presentation of the financial statements.