

WILLOW RIDGE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

August 31, 2021

A Member of the



WILLOW RIDGE COMMUNITY ASSOCIATION

August 31, 2021

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MICHAEL IHEKUNA CPA

Chartered Professional Accountant

Independent Auditor's Report

To the Members of:
Willow Ridge Community Association

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the Statement of Financial Position of the Willow Ridge Community Association as at August 31, 2021 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended August 31, 2021.

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Willow Ridge Community Association as at August 31, 2021 and the results of its operations and cash flows for the year ended August 31, 2021 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Qualified Opinion

In common with many not-for-profit associations, the Willow Ridge Community Association derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Willow Ridge Community Association and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets. I conducted my audit in accordance with Canadian auditing standards. I am independent of the Willow Ridge Community Association in accordance with the ethical requirements that are relevant to my audit 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 qualified audit opinion.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 Willow Ridge Community Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding 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, Alberta
March 28, 2022



Michael Ihekuna CPA
Chartered Professional Accountant

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WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at August 31, 2021

	2021	2020
ASSETS		
Current		
Cash and cash equivalents, unrestricted	\$ 269,401	\$ 340,841
Investment (Note 13)	30,270	30,000
Accounts receivable	15,420	10,836
Goods and services tax recoverable	6,709	7,643
Prepaid expenses	6,863	4,485
	328,663	393,805
Externally Restricted Assets (Note 3)	174,319	124,682
Property and Equipment (Note 4)	3,566,463	3,801,623
Investment in Family Leisure Centre (Note 5)	1	1
	\$ 4,069,446	\$ 4,320,111
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 36,180	\$ 76,127
Payroll liabilities	1,290	-
Deferred revenue	8,698	7,574
Hall deposits (Note 6)	17,236	11,668
Held in trust (Note 11)	519	9,846
Deferred cash contributions (Note 3)	174,319	124,682
Total Current Liabilities	238,242	229,897
Long Term Debt (Note 12)	40,000	40,000
Deferred Capital Contributions (Note 8)	3,419,784	3,589,593
Total Liabilities	3,698,026	3,859,490
Net Assets		
Unrestricted	224,741	248,591
Invested in property and equipment	146,679	212,030
	371,420	460,621
	\$ 4,069,446	\$ 4,320,111

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Don Boykiw" Director
"Kody Shields" Director

See Notes to the Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended August 31, 2021

	Unrestricted	Invested in Property and Equipment	2021 Totals	2020 Totals
Balances, beginning of the year	\$ 248,591	212,030	460,621	508,681
Increase (decrease)	(23,850)	(65,351)	(89,201)	(48,060)
Balances, end of the year	\$ 224,741	146,679	371,420	460,621

See Notes to Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended August 31, 2021

	2021	2020
Revenue		
Grants contributed to operations	\$ 97,964	\$ 57,715
Grants contributed to parks foundation	74,989	-
Hall / field rentals	78,325	80,908
Casino contributions (Note 9)	31,888	48,357
Sports and recreation (Schedule 1)	24,708	1,526
Membership	13,173	10,096
Miscellaneous contributions	2,264	16,077
Community garden	1,598	1,524
Interest	455	1,348
Social functions	-	4,347
Bingo contributions (Note 10)	-	5
	325,364	221,903
Expenses		
Wages and benefits	170,223	96,776
Grants contributed to parks foundation	74,989	-
Repairs and maintenance	56,350	40,832
Administrative expenses	24,982	18,205
Utilities	18,377	17,265
Insurance	10,553	10,364
Professional fees	6,727	27,668
Telephone	3,583	3,409
Social functions	1,446	15,816
Sports and recreation (Schedule 1)	1,582	-
Bad debts	-	1,070
	368,812	231,405
Excess of revenue (deficit) before amortization	(43,448)	(9,502)
Less: Amortization expense	(264,647)	(255,327)
Plus: Amortized deferred capital contributions (Note 8)	218,894	216,769
Excess of revenue (deficiency) after amortization	\$ (89,201)	\$ (48,060)

See Notes to Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended August 31, 2021

	2021	2020
Cash generated from (used in):		
Operating Activities		
Excess of revenue (deficiency)	\$ (89,201)	\$ (48,060)
Charges not affecting cash:		
Amortization expense	264,647	255,327
Amortization of deferred capital contributions	(218,894)	(216,769)
	(43,448)	(9,502)
Changes in non-cash operating working capital:		
Accounts receivable	44,232	57,878
Goods and services tax recoverable	938	20,403
Prepaid expenses	(2,378)	(2,550)
Accounts payable and accrued liabilities	(38,662)	(255,395)
Held in trust	(9,326)	9,846
Deferred revenue	1,124	5,091
Deposits	5,568	6,918
	1,496	(157,809)
Cash flows from operating activities	(41,952)	(167,311)
Investing Activities		
Buildings	-	(93,907)
Rink	(1,225)	(140,636)
Website	(3,510)	-
Parking lot	(8,903)	-
Equipment	(15,850)	(24,586)
Investments	-	(30,000)
Cash flows from investing activities	(29,488)	(289,129)
Financing Activities		
Deferred cash contributions	49,637	(240,918)
Deferred capital contributions (Note 8)	49,085	323,083
Long term debt	-	40,000
Cash flows from financing activities	98,722	122,165
Increase (decrease) in cash and cash equivalents	27,282	(334,275)
Cash and cash equivalents, beginning of the year	416,438	750,713
Cash and cash equivalents, end of the year	\$ 443,720	\$ 416,438
Consisting of:		
Unrestricted cash and cash equivalents	\$ 269,401	\$ 340,841
Externally restricted cash and cash equivalents (Note 3)	174,319	75,597
	\$ 443,720	\$ 416,438

See Notes to Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

August 31, 2021

1. GENERAL

The Willow Ridge Community Association of Calgary (the Association) was incorporated with the Province of Alberta on February 23, 1967 as a not-for-profit association and as such is exempt from paying income tax under section 149 of the Canadian Income Tax Act.

The Association serves community members and the general public living in the Calgary southeast communities of Willow Park and Maple Ridge.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit associations, of which the most significant policies are:

Revenue Recognition:

Unrestricted contributions are recognized as revenue when received or reasonable assurance is given, that they are receivable.

Contributions from externally restricted assets are recognized according to the deferral method, where revenue is recognized, when the related expense occurred.

Contributions from externally restricted assets for the purchase of property and equipment are recorded as deferred capital contributions. They will be amortized on the same basis and recorded as income, as the related capital asset is amortized and expensed.

Marketable Securities:

Marketable securities are comprised of guaranteed investment certificates. These are valued at the lower of cost and market value.

Property and Equipment:

Property and equipment greater than \$2,000 are recorded at cost and amortized on a straight line basis over the estimated life of the asset at the following rates:

Building and Sports Fields	5 %
Tennis Courts/Outdoor Rink	5 %
Parking Lot	10 %
Equipment	20 %
Computer Equipment	30 %
Website	33.3%

Contributed Goods and Services

Contributed services and donated items are recognized in the financial statements when the fair value can reasonably be estimated, when the services are used in the normal course of the Association's operations and would otherwise have been purchased.

A number of volunteers have made significant contributions of their time to the Association. The value of this contributed time is not reflected in these financial statements.

WILLOW RIDGE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

August 31, 2021

Financial Instruments

Measurement of Financial Instruments:

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

Use of Estimates

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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectibility of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Externally restricted assets include cash received from casino and bingo events. They are restricted according to Alberta Gaming approved objectives. Unspent grant funding is restricted to approved objectives of the grant provider. Unspent uniform replacement funds are to be spent for the purchase of uniforms for the sports programs.

	<u>2021</u>	<u>2020</u>
Casino, cash	\$ 16,805	\$ 25,161
CFEP - elevator grant	75,436	50,436
CFEP - rink / tennis court grant	<u>82,078</u>	-
Total cash and cash equivalents	<u>174,319</u>	75,597
Restricted accounts receivable	-	49,085
Externally restricted assets / deferred cash contributions	<u>\$ 174,319</u>	<u>\$ 124,682</u>

WILLOW RIDGE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

August 31, 2021

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	NBV 2021	NBV 2020
Building and sports fields	\$ 4,873,457	1,429,993	3,443,464	3,679,154
Tennis courts	207,309	128,129	79,180	96,639
Parking lot	120,432	111,077	9,355	565
Equipment	151,595	120,330	31,265	22,269
Website	11,010	7,811	3,199	2,996
	\$ 5,363,803	1,797,340	3,566,463	3,801,623

5. INVESTMENT IN FAMILY LEISURE CENTRE/TRICO CENTRE

The investment represents capital contributed by the Association on behalf of its members to fund construction and improvements of the Trico, formerly Family Leisure Centre, and is carried at a nominal value of one dollar (\$ 1).

The decision to carry the investment at a nominal value was made, because under the terms of the lease with the City of Calgary, should the Trico Centre cease to operate, ownership of the facility would revert to the City of Calgary. However, in order to maintain a record of their involvement, and as there may be some residual value in the portable assets of the Trico Centre, management has decided to record its investment in the Trico Centre at one dollar.

6. HALL DEPOSITS

This amount represents deposits paid by groups renting the community hall. Deposits are returned provided the hall is left in satisfactory condition after use. Due to the short term nature of the deposit, no interest is calculated.

7. LEASE

The Association entered into a lease agreement with the City of Calgary for the community association hall for a 15-year period starting January 1, 2015 to December 31, 2029 for a nominal fee of \$150.

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include the unamortized portion of contributions restricted for the purchase of capital assets. The Association's obligations with respect to these contributions have been met. Unspent contributions are recorded as deferred cash contributions.

The changes in deferred capital contributions for the year are as follows:

	2021	2020
Balance, beginning of the year	\$ 3,589,593	\$ 3,483,280
Current contributions - grant and casino	49,085	323,082
Amortization to revenue	(218,894)	(216,769)
Balance, end of the year	\$ 3,419,784	\$ 3,589,593

WILLOW RIDGE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

August 31, 2021

9. CASINO CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Casino cash, beginning of the year	\$ 25,161	\$ 73,550
Plus: Transfers	23,678	-
Expenses	(146)	(32)
Less: Casino cash , end of the year (Note 3)	<u>(16,805)</u>	<u>(25,161)</u>
Contributions to operations	<u>\$ 31,888</u>	<u>\$ 48,357</u>

10. BINGO CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Bingo cash, beginning of the year (Note 3)	\$ -	\$ 5
Bingo cash, end of the year	-	-
Contributions to operations	<u>\$ -</u>	<u>\$ 5</u>

11. HELD IN TRUST

Willow Ridge Community Association ran a joint soccer program with Carburn Park Community Association. Both Communities operated independently, but shared cost related to running the soccer program.

Carburn Park Community Association closed due to lack of community board to run their Association and so Willow Ridge Community Association worked with them to claim the remaining soccer funds that they had on hand. These funds are committed for soccer related expenses.

12. LONG TERM DEBT

Due to the uncertainty caused by the COVID 19 pandemic and the relief programs offered by the Canadian Government in response, the Association applied for and received the Canada Emergency Business Account (“CEBA”).

The funds are being used to cover expenses that cannot be avoided. The CEBA currently does not incur any interest and if the balance is repaid before December 31, 2022 twenty-five per cent of the principal will be forgiven.

13. INVESTMENTS

During the year, the Willow Ridge Community Association invested in a guaranteed investment certificate (GIC) held at TD Bank. The GIC is recorded at cost.

GIC Non-redeemable - Maturing June 11, 2022 @ .20% \$ **30,270**

14. SUBSEQUENT EVENT

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association’s ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.

WILLOW RIDGE COMMUNITY ASSOCIATION
SCHEDULE 1 - SPORTS AND RECREATION
For the Year Ended August 31, 2021

	2021			2020		
	Revenue	Expense	Net	Revenue	Expense	Net
Soccer	\$ 18,748	-	18,748	\$ -	-	-
Summer camp	2,433	1,387	1,046	-	-	-
Tennis/pickle ball	3,527	195	3,332	1,526	-	1,526
	\$ 24,708	1,582	23,126	\$ 1,526	-	1,526