

WILLOW RIDGE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

August 31, 2022

A Member of the



WILLOW RIDGE COMMUNITY ASSOCIATION

August 31, 2022

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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

Opinion

I have audited the Statement of Financial Position of the Willow Ridge Community Association as at August 31, 2022 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, 2022.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Willow Ridge Community Association as at August 31, 2022 and the results of its operations and cash flows for the year ended August 31, 2022 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

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 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
February 15, 2023



Michael Ihekuna CPA
Chartered Professional Accountant

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WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at August 31, 2022

	2022	2021
ASSETS		
Current		
Cash and cash equivalents, unrestricted	\$ 64,124	\$ 269,401
Investment (Note 13)	200,790	30,270
Accounts receivable	2,333	15,420
Goods and services tax recoverable	4,436	6,705
Prepaid expenses	9,551	6,863
	281,234	328,659
Externally Restricted Assets (Note 3)	85,042	174,319
Property and Equipment (Note 4)	3,420,715	3,566,462
Investment in Family Leisure Centre (Note 5)	1	1
	\$ 3,786,992	\$ 4,069,441
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 23,400	\$ 36,180
Payroll liabilities	1,592	1,290
Deferred revenue	27,680	8,698
Hall deposits (Note 6)	7,366	17,236
Held in trust (Note 11)	-	519
Deferred cash contributions (Note 3)	85,042	174,319
Total Current Liabilities	145,080	238,242
Long Term Debt (Note 12)	40,000	40,000
Deferred Capital Contributions (Note 8)	3,276,965	3,419,784
Total Liabilities	3,462,045	3,698,026
Net Assets		
Unrestricted	181,197	224,737
Invested in property and equipment	143,750	146,678
	324,947	371,415
	\$ 3,786,992	\$ 4,069,441

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____ Director

_____ Director

See Notes to the Financial Statements

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

For the Year Ended August 31, 2022

	Unrestricted	Invested in Property and Equipment	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 224,737	146,678	371,415	460,625
Deficiency of revenues	(43,540)	(2,928)	(46,468)	(89,210)
Balances, end of the year	\$ 181,197	143,750	324,947	371,415

See Notes to Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended August 31, 2022

	2022	2021
Revenue		
Hall / field rentals	\$ 157,801	\$ 78,325
Grants contributed to operations (Note 10)	104,126	97,964
Grants contributed to parks foundation	50,598	74,989
Sports and recreation (Schedule 1)	48,336	26,306
Casino contributions (Note 9)	32,417	31,888
Membership	21,165	13,173
Miscellaneous contributions	3,022	2,264
Gain on disposal of assets	3,000	-
Interest Revenue	1,917	455
	422,382	325,364
Expenses		
Wages and benefits	190,496	170,223
Grants contributed to parks foundation	50,598	74,989
Repairs and maintenance	40,580	56,359
Sports and recreation (Schedule 1)	33,198	1,582
Administrative expenses	28,648	24,982
Utilities	28,428	18,377
Social functions	24,357	1,446
Insurance	10,903	10,553
Professional fees	7,554	6,727
Telephone	1,823	3,583
	416,585	368,821
Excess of revenue (deficit) before amortization	5,797	(43,457)
Less: Amortization expense	(270,520)	(264,647)
Plus: Amortized deferred capital contributions (Note 8)	218,255	218,894
	218,255	218,894
Deficiency of revenues after amortization	\$ (46,468)	\$ (89,210)

See Notes to Financial Statements

WILLOW RIDGE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended August 31, 2022

	<u>2022</u>	<u>2021</u>
Cash generated from (used in):		
Operating Activities		
Deficiency of revenues	\$ (46,468)	\$ (89,210)
Charges not affecting cash:		
Amortization expense	270,520	264,647
Amortization of deferred capital contributions	<u>(218,255)</u>	<u>(218,894)</u>
	<u>5,797</u>	<u>(43,457)</u>
Changes in non-cash operating working capital:		
Accounts receivable	13,087	44,232
Goods and services tax recoverable	2,273	938
Prepaid expenses	(2,689)	(2,378)
Accounts payable and accrued liabilities	(12,482)	(38,653)
Held in trust	(519)	(9,326)
Deferred revenue	18,982	1,124
Deposits	<u>(9,870)</u>	<u>5,568</u>
	<u>8,782</u>	<u>1,505</u>
Cash flows from operating activities	<u>14,579</u>	<u>(41,952)</u>
Investing Activities		
Buildings	(98,616)	-
Rink	(3,152)	(1,225)
Website	-	(3,510)
Parking lot	-	(8,903)
Equipment	(23,004)	(15,850)
(Purchases) / Redemption of investments	<u>(170,520)</u>	<u>-</u>
Cash flows from investing activities	<u>(295,292)</u>	<u>(29,488)</u>
Financing Activities		
Deferred cash contributions	(89,277)	49,637
Deferred capital contributions (Note 8)	<u>75,436</u>	<u>49,085</u>
Cash flows from financing activities	<u>(13,841)</u>	<u>98,722</u>
Increase (decrease) in cash and cash equivalents	(294,554)	27,282
Cash and cash equivalents, beginning of the year	<u>443,720</u>	<u>416,438</u>
Cash and cash equivalents, end of the year	<u>\$ 149,166</u>	<u>\$ 443,720</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 64,124	\$ 269,401
Externally restricted cash and cash equivalents (Note 3)	<u>85,042</u>	<u>174,319</u>
	<u>\$ 149,166</u>	<u>\$ 443,720</u>

See Notes to Financial Statements

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

August 31, 2022

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, 2022

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 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>2022</u>	<u>2021</u>
Casino, cash	\$ 46,565	\$ 16,805
CFEP - elevator grant	-	75,436
CFEP - rink / tennis court grant	31,479	82,078
Calgary Parking Authority - Park bench grant	2,000	-
Community standards grant	4,998	-
Externally restricted assets / deferred cash contributions	<u>85,042</u>	<u>174,319</u>

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

August 31, 2022

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	NBV 2022	NBV 2021
Building and sports fields	\$ 4,975,225	1,666,908	3,308,317	3,443,464
Tennis courts	207,309	145,745	61,564	79,180
Parking lot	120,432	112,080	8,352	9,355
Equipment	174,598	133,518	41,080	31,264
Website	11,010	9,608	1,402	3,199
	\$ 5,488,574	2,067,859	3,420,715	3,566,462

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:

	2022	2021
Balance, beginning of the year	\$ 3,419,784	\$ 3,589,593
Contributions	75,436	49,085
Amortization to revenue	(218,255)	(218,894)
Balance, end of the year	\$ 3,276,965	\$ 3,419,784

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

August 31, 2022

9. CASINO CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
Casino cash, beginning of the year	\$ 16,805	\$ 25,161
AGLC Casino proceeds	62,177	-
Transfers	-	23,678
Casino advisor fee reimbursement	2,351	-
Casino advisor fee	(2,351)	-
Expenses	-	(146)
Less: Casino cash, end of the year (Note 3)	<u>(46,565)</u>	<u>(16,805)</u>
Contributions to operations	<u>\$ 32,417</u>	<u>\$ 31,888</u>

10. GRANTS SPENT ON OPERATIONS

	<u>2022</u>	<u>2021</u>
Canada Emergency Wage Subsidy	\$ 5,187	\$ 40,769
City of Calgary - COVID-19 Relief funding	20,043	37,889
Parks Foundation Calgary - Warm up to winter grant	9,698	-
Government of Canada - Canada Summer jobs	68,123	19,306
City of Calgary - Community Clean Up grant	281	-
Canada Revenue Agency - Miscellaneous	294	-
City of Calgary - Community Ward Event	500	-
Contributions to operations	<u>\$ 104,126</u>	<u>\$ 97,964</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. The balance of these funds were fully spent in fiscal 2022.

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, 2023 twenty-five per cent of the principal will be forgiven.

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

August 31, 2022

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 November 10, 2022 @ 2.15% \$ **200,790**

WILLOW RIDGE COMMUNITY ASSOCIATION
SCHEDULE 1 - SPORTS AND RECREATION
For the Year Ended August 31, 2022

	2022			2021		
	Revenue	Expense	Net	Revenue	Expense	Net
Soccer	\$ 31,314	25,346	5,968	\$ 18,748	-	18,748
Program	10,241	7,347	2,894	2,433	1,387	1,046
Tennis/pickle ball	4,917	48	4,869	3,527	195	3,332
Community garden	1,864	457	1,407	1,598	-	1,598
	\$ 48,336	33,198	15,138	\$ 26,306	1,582	24,724