

# **WILLOW RIDGE COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**August 31, 2023**

**A Member of the**



# WILLOW RIDGE COMMUNITY ASSOCIATION

August 31, 2023

## Contents

|                                     | <u>Page</u> |
|-------------------------------------|-------------|
| <b>Independent Auditor's Report</b> | 1 - 2       |
| <b>Financial Statements</b>         |             |
| Statement of Financial Position     | 3           |
| Statement of Changes in Net Assets  | 4           |
| Statement of Operations             | 5           |
| Statement of Cash Flows             | 6           |
| Notes to the Financial Statements   | 7 - 10      |
| <b>Schedules</b>                    |             |
| Schedule 1 - Sports and Recreation  | 11          |



# 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 at August 31, 2023 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, 2023.

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, 2023 and the results of its operations and cash flows for the year ended August 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

##### Basis for Qualified Opinion

In common with many not-for-profit organizations, 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 organizations 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 28, 2024



Michael Ihekuna CPA  
Chartered Professional Accountant

Suite 110, 720 - 28 Street NE  
Calgary, AB T2A 6R3  
(403) 244-4111 ext. 211  
michael.ihkuna@calgarycommunities.com



**WILLOW RIDGE COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

**As at August 31, 2023**

|   | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                       |                     |                     |
| <b>Current</b>                                      |                     |                     |
| Cash and cash equivalents, unrestricted             | \$ 37,545           | \$ 64,124           |
| Investment (Note 12)                                | 200,000             | 200,790             |
| Accounts receivable                                 | 22,420              | 2,333               |
| Goods and services tax recoverable                  | 1,450               | 4,436               |
| Prepaid expenses                                    | 10,267              | 9,551               |
|   | <b>271,682</b>      | <b>281,234</b>      |
| <b>Externally Restricted Assets (Note 3)</b>        | <b>100,088</b>      | <b>85,042</b>       |
| <b>Property and Equipment (Note 4)</b>              | <b>3,269,213</b>    | <b>3,420,716</b>    |
| <b>Investment in Family Leisure Centre (Note 5)</b> | <b>1</b>            | <b>1</b>            |
|   | <b>\$ 3,640,984</b> | <b>\$ 3,786,993</b> |
| <b>LIABILITIES AND NET ASSETS</b>                   |                     |                     |
| <b>Current Liabilities</b>                          |                     |                     |
| Accounts payable and accrued liabilities            | \$ 32,841           | \$ 23,400           |
| Payroll liabilities                                 | 16,240              | 1,592               |
| Deferred revenue                                    | 36,423              | 27,680              |
| Hall deposits (Note 6)                              | -                   | 7,366               |
| Deferred cash contributions (Note 3)                | 100,088             | 85,042              |
| <b>Total Current Liabilities</b>                    | <b>185,592</b>      | <b>145,080</b>      |
| <b>Long Term Debt (Note 11)</b>                     | <b>40,000</b>       | <b>40,000</b>       |
| <b>Deferred Capital Contributions (Note 8)</b>      | <b>3,082,481</b>    | <b>3,276,965</b>    |
| <b>Total Liabilities</b>                            | <b>3,308,073</b>    | <b>3,462,045</b>    |
| <b>Net Assets</b>                                   |                     |                     |
| Unrestricted  | 146,179             | 181,197             |
| Invested in property and equipment                  | 186,732             | 143,751             |
|   | <b>332,911</b>      | <b>324,948</b>      |
|   | <b>\$ 3,640,984</b> | <b>\$ 3,786,993</b> |

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, 2023**

|                                   | <b>Unrestricted</b> | <b>Invested in<br/>Property and<br/>Equipment</b> | <b>2023<br/>Totals</b> | <b>2022<br/>Totals</b> |
|-----------------------------------|---------------------|---|------------------------|------------------------|
| Balances, beginning of the year   | <b>\$ 181,197</b>   | <b>143,751</b>                                    | <b>324,948</b>         | 371,418                |
| Excess / (deficiency) of revenues | <b>(35,018)</b>     | <b>42,981</b>                                     | <b>7,963</b>           | (46,470)               |
| Balances, end of the year         | <b>\$ 146,179</b>   | <b>186,732</b>                                    | <b>332,911</b>         | 324,948                |

See Notes to Financial Statements

**WILLOW RIDGE COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended August 31, 2023**

|   | <b>2023</b>     | <b>2022</b>        |
|---|-----------------|--------------------|
| <b>Revenue</b>  |                 |                    |
| Hall / field rentals  | \$ 266,702      | \$ 157,801         |
| Sports and recreation (Schedule 1)                          | 59,091          | 48,336             |
| Grants contributed to operations (Note 10)                  | 50,778          | 104,126            |
| Grants contributed to parks foundation                      | 47,553          | 50,598             |
| Casino contributions (Note 9)                               | 38,152          | 32,417             |
| Membership  | 26,065          | 21,165             |
| Interest Revenue  | 9,905           | 1,917              |
| Miscellaneous contributions                                 | 9,186           | 3,022              |
| Social event  | 7,203           | -                  |
| Gain on disposal of assets                                  | -               | 3,000              |
|   | <b>514,635</b>  | <b>422,382</b>     |
| <b>Expenses</b>   |                 |                    |
| Wages and benefits  | 180,818         | 190,496            |
| Repairs and maintenance                                     | 76,823          | 40,582             |
| Grants contributed to parks foundation                      | 47,553          | 50,598             |
| Utilities   | 39,334          | 28,428             |
| Sports and recreation (Schedule 1)                          | 33,560          | 33,198             |
| Social functions  | 28,237          | 24,357             |
| Administrative expenses                                     | 12,477          | 28,648             |
| Insurance   | 11,836          | 10,903             |
| Professional fees   | 7,034           | 7,554              |
| Communal fees   | 7,025           | -                  |
| Telephone   | 3,414           | 1,823              |
|   | <b>448,111</b>  | <b>416,587</b>     |
| Excess of revenue before amortization                       | 66,524          | 5,795              |
| Less: Amortization expense                                  | (281,887)       | (270,520)          |
| Plus: Amortized deferred capital contributions (Note 8)     | 223,326         | 218,255            |
|   | <b>223,326</b>  | <b>218,255</b>     |
| <b>Excess / (deficiency) of revenues after amortization</b> | <b>\$ 7,963</b> | <b>\$ (46,470)</b> |

See Notes to Financial Statements

**WILLOW RIDGE COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

For the Year Ended August 31, 2023

|   | <b>2023</b>              | <b>2022</b>              |
|---|--------------------------|--------------------------|
| <b>Cash generated from (used in):</b>                       |                          |                          |
| <b>Operating Activities</b>                                 |                          |                          |
| Deficiency of revenues                                      | \$ 7,963                 | \$ (46,470)              |
| Charges not affecting cash:                                 |                          |                          |
| Amortization expense  | 281,887                  | 270,520                  |
| Amortization of deferred capital contributions              | <u>(223,326)</u>         | <u>(218,255)</u>         |
|   | <u>66,524</u>            | <u>5,795</u>             |
| Changes in non-cash operating working capital:              |                          |                          |
| Accounts receivable   | (20,087)                 | 13,087                   |
| Goods and services tax recoverable                          | 2,987                    | 2,273                    |
| Prepaid expenses  | (715)                    | (2,689)                  |
| Accounts payable and accrued liabilities                    | 24,087                   | (12,480)                 |
| Held in trust   | -                        | (519)                    |
| Deferred revenue  | 8,743                    | 18,982                   |
| Deposits  | <u>(7,366)</u>           | <u>(9,870)</u>           |
|   | <u>7,649</u>             | <u>8,784</u>             |
| Cash flows from operating activities                        | <u>74,173</u>            | <u>14,579</u>            |
| <b>Investing Activities</b>                                 |                          |                          |
| Buildings   | (64,260)                 | (98,616)                 |
| Rink  | (6,200)                  | (3,152)                  |
| Equipment   | (59,924)                 | (23,004)                 |
| (Purchases) / Redemption of investments                     | 790                      | (170,520)                |
| Cash flows from investing activities                        | <u>(129,594)</u>         | <u>(295,292)</u>         |
| <b>Financing Activities</b>                                 |                          |                          |
| Deferred cash contributions                                 | 15,046                   | (89,277)                 |
| Deferred capital contributions (Note 8)                     | 28,842                   | 75,436                   |
| Cash flows from financing activities                        | <u>43,888</u>            | <u>(13,841)</u>          |
| <b>Decrease in cash and cash equivalents</b>                | <b>(11,533)</b>          | <b>(294,554)</b>         |
| Cash and cash equivalents, beginning of the year            | <u>149,166</u>           | <u>443,720</u>           |
| <b>Cash and cash equivalents, end of the year</b>           | <b><u>\$ 137,633</u></b> | <b><u>\$ 149,166</u></b> |
| <b>Consisting of:</b>                                       |                          |                          |
| Unrestricted cash and cash equivalents                      | \$ 37,545                | \$ 64,124                |
| Externally restricted cash and cash equivalents<br>(Note 3) | <u>100,088</u>           | <u>85,042</u>            |
|   | <u>\$ 137,633</u>        | <u>\$ 149,166</u>        |

See Notes to Financial Statements



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

**August 31, 2023**

**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, 2023**

**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>2023</u>    | <u>2022</u>   |
|--|----------------|---------------|
| Casino, cash   | \$ 8,413       | \$ 46,565     |
| Western Economic Diversification Canada                    | 37,695         | -             |
| CFEP - rink / tennis court grant                           | 31,479         | 31,479        |
| Calgary Parking Authority - Park bench grant               | -              | 2,000         |
| Red cross grant  | 22,501         | -             |
| Community standards grant                                  | -              | 4,998         |
| Externally restricted assets / deferred cash contributions | <u>100,088</u> | <u>85,042</u> |

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

**August 31, 2023**

**4. PROPERTY AND EQUIPMENT**

|                            | Cost                | Accumulated<br>Amortization | NBV<br>2023      | NBV<br>2022      |
|----------------------------|---------------------|-----------------------------|------------------|------------------|
| Building and sports fields | \$ 5,039,485        | 1,911,389                   | 3,128,096        | 3,301,067        |
| Tennis courts              | 213,509             | 156,421                     | 57,088           | 68,815           |
| Parking lot                | 120,432             | 113,083                     | 7,349            | 8,352            |
| Equipment                  | 234,523             | 158,191                     | 76,332           | 41,080           |
| Website                    | 11,010              | 10,662                      | 348              | 1,402            |
|                            | <b>\$ 5,618,959</b> | <b>2,349,746</b>            | <b>3,269,213</b> | <b>3,420,716</b> |

**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:

|                                | <b>2023</b>         | <b>2022</b>         |
|--------------------------------|---------------------|---------------------|
| Balance, beginning of the year | \$ 3,276,965        | \$ 3,419,784        |
| Contributions                  | 28,842              | 75,436              |
| Amortization to revenue        | (223,326)           | (218,255)           |
| Balance, end of the year       | <b>\$ 3,082,481</b> | <b>\$ 3,276,965</b> |

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

**August 31, 2023**

**9. CASINO CONTRIBUTIONS**

|   | <u>2023</u>      | <u>2022</u>      |
|---|------------------|------------------|
| Casino cash, beginning of the year          | \$ 46,565        | \$ 16,805        |
| AGLC Casino proceeds                        | -                | \$ 62,177        |
| Casino advisor fee reimbursement            | -                | 2,351            |
| Casino advisor fee                          | -                | (2,351)          |
| Less: Casino cash, end of the year (Note 3) | <u>(8,413)</u>   | <u>(46,565)</u>  |
| Contributions to operations                 | <u>\$ 38,152</u> | <u>\$ 32,417</u> |

**10. GRANTS SPENT ON OPERATIONS**

|  | <u>2023</u>      | <u>2022</u>       |
|--|------------------|-------------------|
| Government of Canada - Canada Summer jobs    | 28,841           | 68,123            |
| City of Calgary - Capital conservation grant | 9,704            | -                 |
| Parks Foundation Calgary                     | 5,735            | 9,698             |
| Community standards grant                    | 4,998            | -                 |
| City of Calgary - miscellaneous              | 1,000            | 281               |
| City of Calgary - Community Ward Event       | 500              | 500               |
| City of Calgary - COVID-19 Relief funding    | -                | 20,043            |
| Canada Revenue Agency - Miscellaneous        | -                | 294               |
| Canada Emergency Wage Subsidy                | \$ -             | \$ 5,187          |
| Contributions to operations                  | <u>\$ 50,778</u> | <u>\$ 104,126</u> |

**11. 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 January 18, 2024 twenty-five per cent of the principal will be forgiven.

**12. 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 September 9, 2023 @ 4.20% | \$ 100,000        |
| GIC Non-redeemable - maturing October 12, 2023 @ 4.20%  | <u>\$ 100,000</u> |
|   | <u>\$ 200,000</u> |

**WILLOW RIDGE COMMUNITY ASSOCIATION**  
**SCHEDULE 1 - SPORTS AND RECREATION**  
**For the Year Ended August 31, 2023**

|                    | <b>2023</b>      |                |               | <b>2022</b>      |                |               |
|--------------------|------------------|----------------|---------------|------------------|----------------|---------------|
|                    | <b>Revenue</b>   | <b>Expense</b> | <b>Net</b>    | <b>Revenue</b>   | <b>Expense</b> | <b>Net</b>    |
| Soccer             | \$ 30,703        | 15,856         | 14,847        | \$ 31,314        | 25,346         | 5,968         |
| Program            | 20,074           | 16,001         | 4,073         | 10,241           | 7,347          | 2,894         |
| Tennis/pickle ball | 6,098            | 553            | 5,545         | 4,917            | 48             | 4,869         |
| Community garden   | 2,216            | 1,150          | 1,066         | 1,864            | 457            | 1,407         |
|                    | <b>\$ 59,091</b> | <b>33,560</b>  | <b>25,531</b> | <b>\$ 48,336</b> | <b>33,198</b>  | <b>15,138</b> |