

# **WILLOW RIDGE COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**August 31, 2024**

**A Member of the**

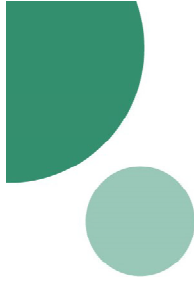


# WILLOW RIDGE COMMUNITY ASSOCIATION

August 31, 2024

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# Joobin Tahouri

## Chartered Professional Accountant

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### **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 financial statements of the Willow Ridge Community Association (the "Association"), which comprise the statement of Financial Position as at August 31, 2024, and the Statements of Operations, Changes in Net Assets, and Cash Flows, and notes to the financial statements for the year then ended, including a summary of significant accounting policies .

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Association derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, current assets, net assets and cash flows.

I conducted my audit in accordance with Canadian auditing standards. I am independent of the 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.

#### **Responsibilities of Management and Those Charged with Governance for the financial statements**

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 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 responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding 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 06, 2025

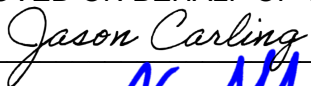
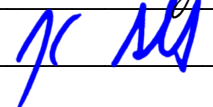
Joobin Tahouri  
Chartered Professional Accountant

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

**As at August 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents, unrestricted	\$ 67,960	\$ 37,545
Investment (Note 11)	227,274	200,000
Accounts receivable	7,563	22,420
Goods and services tax recoverable	605	1,450
Prepaid expenses	12,603	10,267
	<b>316,005</b>	<b>271,682</b>
<b>Externally Restricted Assets</b> (Note 3)	<b>155,478</b>	<b>100,088</b>
<b>Property and Equipment</b> (Note 4)	<b>3,109,128</b>	<b>3,269,213</b>
<b>Investment in Family Leisure Centre</b> (Note 5)	<b>1</b>	<b>1</b>
	<b>\$ 3,580,612</b>	<b>\$ 3,640,984</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 23,838	\$ 32,841
Payroll liabilities	17,809	16,240
Deferred revenue	43,811	36,423
Deferred cash contributions (Note 3)	155,478	100,088
<b>Total Current Liabilities</b>	<b>240,936</b>	<b>185,592</b>
<b>Long Term Debt</b> (Note 10)	-	40,000
<b>Deferred Capital Contributions</b> (Note 7)	<b>2,922,723</b>	<b>3,082,481</b>
<b>Total Liabilities</b>	<b>3,163,659</b>	<b>3,308,073</b>
<b>Net Assets</b>		
Unrestricted	230,548	146,179
Invested in property and equipment	186,405	186,732
	<b>416,953</b>	<b>332,911</b>
	<b>\$ 3,580,612</b>	<b>\$ 3,640,984</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

 Director (President)  
 Director (Treasurer)

See Notes to the Financial Statements

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

**For the Year Ended August 31, 2024**

	<b>Unrestricted</b>	<b>Invested in Property and Equipment</b>	<b>2024 Totals</b>	<b>2023 Totals</b>
Balances, beginning of the year	<b>\$ 146,179</b>	<b>186,732</b>	<b>332,911</b>	324,948
Excess / (deficiency) of revenues	<b>84,369</b>	<b>(327)</b>	<b>84,042</b>	7,963
Balances, end of the year	<b>\$ 230,548</b>	<b>186,405</b>	<b>416,953</b>	332,911

See Notes to Financial Statements

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

**For the Year Ended August 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Hall / field rentals	\$ 314,819	\$ 266,702
Sports and recreation (Schedule 1)	87,872	59,091
Grants contributed to operations (Note 9)	64,569	50,778
Grants contributed to parks foundation	-	47,553
Casino contributions (Note 8)	48,357	38,152
Membership	29,167	26,065
Interest Revenue	11,904	9,905
Miscellaneous contributions	4,590	9,186
Social event	-	7,203
	<b>561,278</b>	<b>514,635</b>
<b>Expenses</b>		
Wages and benefits	175,742	180,818
Repairs and maintenance	71,224	76,823
Grants contributed to parks foundation	-	47,553
Utilities	32,504	39,334
Sports and recreation (Schedule 1)	49,559	33,560
Social functions	28,987	28,237
Administrative expenses	15,028	12,477
Insurance	12,990	11,836
Professional fees	24,537	7,034
Communal fees	7,609	7,025
Telephone	3,507	3,414
	<b>421,687</b>	<b>448,111</b>
Excess of revenue before amortization	139,591	66,524
Less: Amortization expense	(280,676)	(281,887)
Plus: Amortized deferred capital contributions (Note 7)	225,127	223,326
	<b>225,127</b>	<b>223,326</b>
<b>Excess of revenues after amortization</b>	<b>\$ 84,042</b>	<b>\$ 7,963</b>

See Notes to Financial Statements

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

**For the Year Ended August 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>Cash generated from (used in):</b>		
<b>Operating Activities</b>		
Deficiency of revenues	\$ 84,042	\$ 7,963
Charges not affecting cash:		
Amortization expense	280,676	281,887
Amortization of deferred capital contributions	<u>(225,127)</u>	<u>(223,326)</u>
	<b>139,591</b>	<b>66,524</b>
Changes in non-cash operating working capital:		
Accounts receivable	14,860	(20,087)
Goods and services tax recoverable	844	2,987
Prepaid expenses	(2,336)	(715)
Accounts payable and accrued liabilities	(7,435)	24,087
Deferred revenue	7,387	8,743
Deposits	-	(7,366)
	<u>13,320</u>	<u>7,649</u>
Cash flows from operating activities	<u><b>152,911</b></u>	<u>74,173</u>
<b>Investing Activities</b>		
Buildings	(85,151)	(64,260)
Rink	(12,468)	(6,200)
Equipment	(22,972)	(59,924)
(Purchases) / Redemption of investments	<u>(27,274)</u>	<u>790</u>
Cash flows from investing activities	<u><b>(147,865)</b></u>	<u>(129,594)</u>
<b>Financing Activities</b>		
Deferred cash contributions	55,390	15,046
Deferred capital contributions (Note 7)	65,369	28,842
Long term debt	<u>(40,000)</u>	-
Cash flows from financing activities	<u><b>80,759</b></u>	<u>43,888</u>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>85,805</b>	(11,533)
Cash and cash equivalents, beginning of the year	<u>137,633</u>	<u>149,166</u>
<b>Cash and cash equivalents, end of the year</b>	<u><b>\$ 223,438</b></u>	<u>\$ 137,633</u>
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	\$ 67,960	\$ 37,545
Externally restricted cash and cash equivalents (Note 3)	<u>155,478</u>	<u>100,088</u>
	<u><b>\$ 223,438</b></u>	<u>\$ 137,633</u>

See Notes to Financial Statements

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

**August 31, 2024**

**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, 2024**

**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.

	<b>2024</b>	<b>2023</b>
Casino, cash	\$ 42,333	\$ 8,413
Western Economic Diversification Canada	22,469	37,695
CFEP - rink / tennis court grant	26,959	31,479
Enabling Accessibility grant	17,101	-
City of Calgary Conservation grant- Reimbursement	11,152	-
Infrastructure grant ASIP22-0043	988	-
Red cross grant	-	22,501
CFEP - Facility upgrades	34,476	-
Externally restricted assets / deferred cash contributions	<u>155,478</u>	<u>100,088</u>

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

**August 31, 2024**

**4. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>NBV 2024</b>	<b>NBV 2023</b>
Building and sports fields	\$ 5,124,637	2,164,492	2,960,145	3,113,752
Tennis courts	225,977	153,376	72,601	71,432
Parking lot	120,432	114,087	6,345	7,349
Equipment	257,495	187,458	70,037	76,332
Website	11,010	11,010	-	348
	<b>\$ 5,739,551</b>	<b>2,630,423</b>	<b>3,109,128</b>	<b>3,269,213</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. 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.

**7. 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>2024</b>	<b>2023</b>
Balance, beginning of the year	\$ 3,082,481	\$ 3,276,965
Contributions	65,369	28,842
Amortization to revenue	(225,127)	(223,326)
Balance, end of the year	<b>\$ 2,922,723</b>	<b>\$ 3,082,481</b>

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

**August 31, 2024**

**8. CASINO CONTRIBUTIONS**

	<u>2024</u>	<u>2023</u>
Casino cash, beginning of the year	\$ 8,413	\$ 46,565
AGLC Casino proceeds	82,277	-
Casino advisor fee reimbursement	2,351	-
Casino advisor fee	(2,351)	-
Less: Casino cash, end of the year (Note 3)	<u>(42,333)</u>	<u>(8,413)</u>
Contributions to operations	<u>\$ 48,357</u>	<u>\$ 38,152</u>

**9. GRANTS SPENT ON OPERATIONS**

	<u>2024</u>	<u>2023</u>
Government of Canada - Canada Summer jobs	-	28,841
City of Calgary - Capital conservation grant	-	9,704
Parks Foundation Calgary	-	5,735
Community standards grant	-	4,998
City of Calgary - Clean up	300	1,000
City of Calgary - Community Ward Event	500	500
City of Calgary - ING	\$ 2,387	\$ -
Red Cross	28,020	-
Summer Student programs	23,362	-
CEBA- Debt forgiveness	\$ 10,000	\$ -
Contributions to operations	<u>\$ 64,569</u>	<u>\$ 50,778</u>

**10. 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") in 2020.

However, eligible CEBA loan holders in good standing were able to qualify for partial loan forgiveness if the non-forgivable principal of their CEBA loan was repaid on or before January 18, 2024. The association repaid the CEBA balance before January 18, 2024, and the principal was forgiven.

**11. INVESTMENTS**

During the year, the Association invested in a Guaranteed Investment Certificate (GIC) held at TD Bank. The GIC is recorded at cost.

GIC Non-redeemable - maturing October 18, 2024 @ 4.00%	\$ 60,000
GIC Non-redeemable - maturing October 20, 2024 @ 4.00%	\$ 60,000
GIC Non-redeemable - maturing November 17, 2024 @ 4.00%	\$ 100,000
	<u>\$ 220,000</u>

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

**August 31, 2024**

**12. Subsequent event**

Following a building inspection by the City of Calgary on September 4, 2024, it was found that certain areas of the Association's building did not meet the current building code and must be closed immediately for safety reasons. The inspection also confirmed that the lower level of the building complies with the building code and is safe for use.

Construction is anticipated to begin in July 2025 and will take approximately two months to complete. The design phase will be funded through the City of Calgary's Engineering Consulting Program (ECP), a grant available to all Community Associations. Construction costs will be split between the City of Calgary's Lifecycle Capital Grant (LCG) and the Willow Ridge Community Association.

As a result of the closure, we expect a 25% reduction in hall rental revenue for the next fiscal year.

**WILLOW RIDGE COMMUNITY ASSOCIATION**  
**SCHEDULE 1 - SPORTS AND RECREATION**  
**For the Year Ended August 31, 2024**

	<b>2024</b>			<b>2023</b>		
	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>	<b>Revenue</b>	<b>Expense</b>	<b>Net</b>
Soccer	\$ 28,765	21,744	7,021	\$ 30,703	15,856	14,847
Program	48,764	24,606	24,158	20,074	16,001	4,073
Tennis/pickle ball	8,161	3,019	5,142	6,098	553	5,545
Community garden	2,182	190	1,992	2,216	1,150	1,066
	<b>\$ 87,872</b>	<b>49,559</b>	<b>38,313</b>	<b>\$ 59,091</b>	<b>33,560</b>	<b>25,531</b>