

WEST HILLHURST COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2022

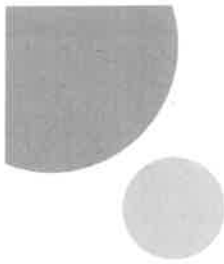


WEST HILLHURST COMMUNITY ASSOCIATION

June 30, 2022

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Heidi Brauer

Chartered Professional Accountant

(403) 244-4111 ext. 209
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110, 720 - 28 Street NE Calgary, AB T2A 6R3

Independent Auditor's Report

To the Members of:
West Hillhurst Community Association
Calgary, Alberta

Report on the Audit of the Financial Statements

Opinion

I have audited the Statements of Financial Position of the West Hillhurst Community Association as at June 30, 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 June 30, 2022.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the West Hillhurst Community Association as at June 30, 2022 and the results of its operations and cash flows for the year ended June 30, 2022 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

I conducted my audit in accordance with Canadian auditing standards. I am independent of the West Hillhurst 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 West Hillhurst 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 judgment, 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
date of board approval

Heidi Brauer
Chartered Professional Accountant

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
(Audited)

As at June 30, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 650,255	\$ 356,742
Cash and cash equivalents, internally restricted (Note 3)	-	10,943
Cash and cash equivalents, externally restricted (Note 4)	76,093	8,172
Accounts receivable, unrestricted	88,880	51,956
Prepaid expenses and deposits (Note 5)	38,075	33,175
	853,303	460,988
 PROPERTY AND EQUIPMENT (Note 6)	 2,216,266	 2,225,929
	\$ 3,069,569	\$ 2,686,917
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 96,664	\$ 68,432
Payroll liabilities	20,848	19,642
GST payable	3,067	333
Deferred cash contributions (Note 4)	76,093	8,172
Deferred revenue	59,882	79,757
	256,554	176,336
 LONG TERM LIABILITIES		
Deferred capital contributions (Note 7)	1,420,678	1,413,163
	1,677,232	1,589,499
 NET ASSETS		
Unrestricted	596,749	273,709
Internally restricted (Note 3)	-	10,943
Invested in property and equipment	795,588	812,766
	1,392,337	1,097,418
	\$ 3,069,569	\$ 2,686,917

Commitment (Note 11)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



Director



Director

See Notes to the Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended June 30, 2022

	Unrestricted	Internally restricted	Invested in property and equipment	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 273,709	10,943	812,766	1,097,418	1,057,806
Transfer	10,943	(10,943)	-	-	-
Increase / (decrease)	312,097	-	(17,178)	294,919	39,612
Balances, end of the year	\$ 596,749	-	795,588	1,392,337	1,097,418

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF OPERATIONS
(Audited)

For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Arena, gymnasium and hall rentals	\$ 846,121	\$ 392,083
Sports and other programs	402,966	200,944
Grants and donations (Note 8)	192,328	460,226
Health club memberships	103,693	58,977
Miscellaneous community programs and user fees	47,057	10,359
Memberships	36,102	29,966
Interest and other revenue	33,181	17,694
Health club sales	23,547	6,949
	<u>1,684,995</u>	<u>1,177,198</u>
Cost of Goods Sold (Note 9)	<u>486,422</u>	<u>349,161</u>
	<u>1,198,573</u>	<u>828,037</u>
EXPENSES		
Salaries and benefits	\$ 546,513	\$ 455,471
Utilities	136,370	98,073
Repair and maintenance	96,714	50,096
Office and other supplies	87,463	72,379
Insurance	44,542	38,000
Telephone	11,252	9,605
Professional fees	8,382	9,932
Bank and service charges	1,365	2,655
	<u>932,601</u>	<u>736,211</u>
Excess of revenue over expenses before amortization and casino contributions	265,972	91,826
Casino contributions (Note 10)	80,465	248
Amortization of deferred capital contributions (Note 7)	91,198	99,089
Amortization expense	<u>(142,716)</u>	<u>(151,551)</u>
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	<u>\$ 294,919</u>	<u>\$ 39,612</u>

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FUNDS PROVIDED BY (USED IN) OPERATIONS:		
Excess of revenue after amortization	\$ 294,919	\$ 39,612
Charges not requiring cash outlay:		
Amortization	142,716	151,551
Amortization of deferred capital contributions (Note 7)	<u>(91,198)</u>	<u>(99,089)</u>
Excess of revenue after charges not requiring cash outlay	<u>346,437</u>	<u>92,074</u>
Changes in non-cash operating working capital:		
Account receivable	(36,926)	41,906
GST	2,734	2,402
Prepaid expenses	(4,899)	(3,828)
Accounts payable, accrued and payroll liabilities	29,439	42,325
Deferred revenue	<u>(19,875)</u>	<u>(32,048)</u>
	<u>(29,527)</u>	<u>50,757</u>
	<u>316,910</u>	<u>142,831</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital contributions (Note 7)	98,713	12,762
Deferred cash contributions	<u>67,921</u>	<u>4,475</u>
	<u>166,634</u>	<u>17,237</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Building	(121,053)	(45,931)
Equipment and furniture	<u>(12,000)</u>	<u>-</u>
	<u>(133,053)</u>	<u>(45,931)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		
	350,491	114,137
Cash and cash equivalents, at the beginning of the year	<u>375,857</u>	<u>261,720</u>
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	<u>\$ 726,348</u>	<u>\$ 375,857</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 650,255	\$ 356,742
Internally restricted cash and cash equivalents (Note 3)	-	10,943
Externally restricted cash and cash equivalents (Note 4)	<u>76,093</u>	<u>8,172</u>
	<u>\$ 726,348</u>	<u>\$ 375,857</u>

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2022

1. NATURE OF THE ORGANIZATION

The West Hillhurst Community Association ("Association") was incorporated on May 11, 1948.

The Association was established to promote neighbourliness, community cohesiveness and communication among all of the community residents and businesses, through advocacy support and leadership for the protection and enhancement of the community, and to administer and maintain a multi-use facility for the community.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Operating revenue and expenses are recorded on the accrual basis.

(b) Property and Equipment

The Association follows the policy of capitalizing assets of lasting value over \$5,000 acquired and amortizing them over the estimated useful lives of the assets at the following rates per annum:

Building	5% d.b.
Building improvement	5 % or straight line over 10 years
Furniture and equipment	20% d.b.
Equipment under capital lease	20% d.b.
Computer equipment	30% d.b.

Construction in progress is not amortized until fully brought into use.

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2022

(c) 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 and cash equivalents, accounts receivable, accounts payable, accrued, GST payable and payroll liabilities.

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.

(d) 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 Statements of Financial Position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

(e) Contributed services

A substantial number of volunteers make a significant contribution of their time to the Association. Due to the difficulty of determining the value and that such assistance is generally not otherwise purchased, the Association follows the policy of not recognizing the value of these contributed services in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash and investments with original maturities of less than 90 days.

(g) GST

The Association is registered for Goods and Services Tax (GST) and reports according to the Quick Method to CRA.

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2022

3. CASH AND CASH EQUIVALENTS, INTERNALLY RESTRICTED

Internally restricted cash and cash equivalents consists of matching funds and donations internally restricted by the board of directors for capital additions.

4. CASH AND CASH EQUIVALENTS, EXTERNALLY RESTRICTED/DEFERRED CASH CONTRIBUTIONS

Assets generated from casino activities are restricted to spending according to Alberta Gaming regulations. Unspent grant funding and externally restricted donations are restricted to spending according to approved objectives of the grant providers or donors.

	2022	2021
Casino bank	\$ 7,573	\$ 8,420
Grant Funding to General bank	68,520	(248)
Externally restricted cash/deferred cash contributions	\$ 76,093	\$ 8,172

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of insurance \$35,168 (2021 - \$26,209) and other prepayments and deposits of \$2,907 (2021 - \$6,966).

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2022 Net	2021 Net
Buildings	\$ 3,404,486	\$ 2,967,946	\$ 436,540	\$ 459,516
Building improvements	2,342,677	806,930	1,535,747	1,574,679
Furniture and fixtures	1,061,830	901,152	160,678	187,348
Computers	30,005	26,934	3,071	4,386
Construction in progress	80,230	-	80,230	-
	\$ 6,919,228	\$ 4,702,962	\$ 2,216,266	\$ 2,225,929

a) The land the hall is situated on is leased from the City of Calgary at a nominal yearly fee. The term of the lease is for a fifteen (15) year period beginning on January 1, 2016 and ending on December 31, 2030, unless earlier terminated by the provisions of the lease.

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2022

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of externally restricted cash contributed to the purchase of property and equipment. They are being amortized to revenue on the same basis as the related capital asset is amortized and expensed.

	<u>2022</u>	<u>2021</u>
Balance from previous year	\$ 1,413,163	\$ 1,499,490
Contributions from grants and donations	98,713	12,762
Amortization	(91,198)	(99,089)
	<u>\$ 1,420,678</u>	<u>\$ 1,413,163</u>

8. GRANTS, SUBSIDIES AND DONATIONS

	<u>2022</u>	<u>2021</u>
City of Calgary - COVID - 19	\$ 52,593	\$ 26,411
Canada Emergency Wage Subsidy grants	47,199	363,904
Government of Alberta - job grants	35,033	50,516
Government of Alberta - Preschool subsidies	25,573	-
Miscellaneous donations	13,026	13,895
The Parks Foundation Calgary	9,200	-
Government of Canada - CRHP)	5,390	-
Squash Canada	2,787	-
Government of Canada - Summer Job grants	1,350	-
City of Calgary - Ward Community Event Fund	177	1,000
Government of Alberta - CIP/Parks Foundation	-	4,500
	<u>\$ 192,328</u>	<u>\$ 460,226</u>

9. SCHEDULE OF COST OF GOODS SOLD

	<u>2022</u>	<u>2021</u>
Rentals		
Gymnasium and hall rentals	\$ 63,209	\$ 61,765
Programs		
Sports and other programs	296,869	193,036
Services		
Food, beverages and health club	126,344	94,360
	<u>\$ 486,422</u>	<u>\$ 349,161</u>

10. CASINO CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 8,172	\$ 3,697
Casino revenue	76,187	-
Raffle proceeds	3,679	4,723
Unspent cash at fiscal year end (Note 4)	(7,573)	(8,172)
Casino cash spent on operations	<u>\$ 80,465</u>	<u>\$ 248</u>

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2022

11. COMMITMENT

The Association entered into a commitment for the renewal of their HVAC system at an estimated cost of approximately \$400k. 3/4 of this will be refunded by the City of Calgary as a capital conservation grant.

12. EFFECTS OF THE COVID-19 PANDEMIC

The global COVID-19 pandemic has disrupted economic activities since the middle of March of 2020 with uncertainty continuing to exist about what the future holds for the Association and its stakeholders. The Association's ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.

West Hillhurst Community Association

Date of Board approval

Heidi Brauer
Chartered Professional Accountant
301-14th St. S.W.
Calgary, A.B. T3C 1E4

Dear Heidi:

We are providing this letter in connection with your audit of the financial statements of the West Hillhurst Community Association as of June 30, 2022 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the West Hillhurst Community Association in accordance with Canadian accounting standards for not-for-profit organizations.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of Board approval, the following representations made to you during your audit.

Financial Statements

1. The financial statements referred to above present fairly, in all material respect, the financial position of the Association as at June 30, 2022 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Completeness of Information

2. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors.
3. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

5. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
6. We have identified to you all known related parties and related party transactions, including guarantees, non-monetary transactions and transactions for no consideration.

Fraud and Error

7. We have no knowledge of fraud or suspected fraud affecting the Association involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, analysts, regulators or others.
9. We believe that the effects of the uncorrected financial statements misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to financial statements taken as a whole. There have not been uncorrected misstatements for the fiscal years ended June 30, 2021 and June 30, 2022.

Recognition, Measurement and Disclosure

10. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
12. All related party transactions have been appropriately measured and disclosed in the financial statements.
13. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
14. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
15. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
16. The Association has satisfactory title to all assets, and there are no liens or encumbrances on the Association's assets.
17. We have disclosed to you, and the Association has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

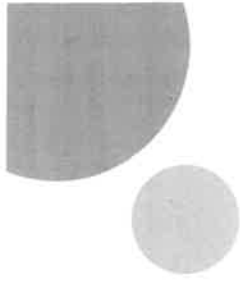
18. There have been no events subsequent to the statement of financial position date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.

19. The proposed adjusting journal entries and draft financial statements have been approved by the board of directors.

West Hillhurst Community Association

Per:  Title: Treasurer

Per: _____ Title: _____



Heidi Brauer

Chartered Professional Accountant

(403) 244-4111 ext. 209
heidi.brauer@calgarycommunities.com
110, 720 - 28 Street NE Calgary, AB T2A 6R3

Date of Board approval

West Hillhurst Community Association

Dear Board members,


Subsequent Events Survey

Please disclose if you are aware of any of the following that occurred subsequent to the yearend under audit up to the above date:

Description of Event	YES	NO
1) Lawsuits		X
2) Claims		X
3) Contingencies		X
4) Fire, flood, accident or any other type of loss		X
5) Any other information that would affect assets liabilities, or necessary disclosures		X

If you answered "YES" to any of the above, please provide a detailed description in the space below:

COMPLETED BY: Jordan Stuart
(Print name)

SIGNATURE: 
(Sign)

Should you have any questions or concerns regarding the above, do not hesitate to contact me. Thank you

West Hillhurst Community Association
Year End: June 30, 2022
Adjusting Journal entries
Date: 2021-07-01 To 2022-06-30

Prepared by	Reviewed by
RDC	HB
2022-09-20	2022-09-26

9. 2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE01	2022-06-30	Deferred Capital Contributions - Def Cap Contri	2710	T.	2	88,792.46			
AJE01	2022-06-30	Net Assets - Invested in Capital Assets	3100	T.	2		102,292.48		
AJE01	2022-06-30	Net Assets - Unrestricted	3200	T.	2	43,204.96			
AJE01	2022-06-30	Net Assets - Capital Fund	3300	T.	2	9,907.41			
AJE01	2022-06-30	Retained Earnings	3999	T.	2		39,612.35		
To adjust opening balances									
AJE03	2022-06-30	Restricted Cash in General Bank	1014	A			21,773.48		
AJE03	2022-06-30	Grant Funding Held in Operation DR	1016	A		21,773.48			
Unspent CFEP not yet transferred to Capital									
AJE04	2022-06-30	Operating Funds - General	1010	A		25,452.17			
AJE04	2022-06-30	Restricted Funds - Capital Fund (9463)	1025	A			21,773.48		
AJE04	2022-06-30	Restricted Funds - Casino (5379)	1070	A			3,678.69		
To reverse clients entry as transfer was not made until Aug 2022									
AJE05	2022-06-30	Externally Restricted Fund	1017	A		46,747.02			
AJE05	2022-06-30	Restricted Funds - Capital Fund (9463)	1025	A			46,747.02		
Transfer unspent CFEP									
AJE06	2022-06-30	Restricted Cash in General Bank	1014	A			3,678.69		
AJE06	2022-06-30	Restricted Funds - Casino (5379)	1070	A		3,678.69			
Raffle funding held in general									
AJE07	2022-06-30	Cost of Goods Sold - HC Sales	5040	W			249,052.00		
AJE07	2022-06-30	Operating Expenses -Supplies/Services	6320	W		6,159.00			
AJE07	2022-06-30	Salaries & Wages	901-5510	W		242,893.00			
Cost of Goods Sold per Jordan									
						488,608.19	488,608.19		

Net Income (Loss) 294,918.69

