

Heidi Brauer

Chartered Professional Accountant

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

October 10, 2023

West Hillhurst Community Association
Calgary, A.B.

Re: Audit of 2023 Financial Statements

We are required to communicate at least annually with you regarding significant matters arising from our audit.

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement. Our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to the Board of Directors and it is inappropriate to conclude that no such matters exist.

Significant audit findings identified during the course of our audit for the year ended June 30, 2023 are outlined below:

- **Misstatements, other than trivial errors;**
 - None
- **Misstatements, other than trivial errors not recorded by management:**
 - None
- **Misstatements that may cause future financial statements to be materially misstated;**
 - None
- **Significant unusual transactions:**
 - None
- **Significant matters affecting the preparation of the financial statements and financial statement disclosures.**

We did not identify:

 - Any material change in the preparation process for management estimates or in the nature of disclosures made in the financial statements.

- **Fraud or illegal or possibly illegal acts, other than ones considered inconsequential.**

We did not identify:

- Matters raising questions regarding the honesty and integrity of management.
- Fraud or suspected fraud involving management, employees or others.
- Illegal or possibly illegal acts.

- **Weaknesses in internal control:**

During the course of our audit of the West Hillhurst Community Association for the year ended June 30, 2023, we identified some weaknesses in internal control:

- For the last few years, the previous treasurer took over the task of allocating the Cost of Goods Sold. As this information is important for decision making, this should be prepared on a regular basis by the bookkeeper. I recommend, that the bookkeeper is given the formulas to record this information on a monthly basis. This would eliminate delays in the audit process.
- We noticed, that for the last four years, there had been late payment charges. Make sure to pay the credit card fees on a regular basis.

- **Related party transactions:**

We did not identify any related party transactions that are not in the normal course of operations that involve significant judgments made by management concerning measurement or disclosure.

- **Accounting policies:**

Significant accounting policies are described in the Notes to the financial statements. We did not identify in the course of our audit:

- Existence of acceptable alternative policies and methods.
- Any material changes in selection or application of accounting policies or preparation of management estimates.
- Any accounting policies in controversial or emerging areas.

- **Dealings with management:**

- We received full cooperation from management and employees.
- There were no serious difficulties encountered while performing the audit.
- We had no disagreements with management. All auditing, accounting and presentation issues were resolved to our satisfaction.
- We are not aware of any consultations by management with other accountants regarding accounting or auditing matters.
- We did not discuss with management any major issues in connection with our appointment as auditors.

- **I also recommend the following:**

- Enter the adjusting entries provided by the auditor. The date of the journal entries should be June 30, 2023 to ensure that your opening balances for your new fiscal year are accurate.
- Review your by-laws annually and make all new Board members aware of them. Ensure you are in compliance with your by-laws.
- Ensure that you are in compliance with all of your reporting requirements (eg: Corporate Registries, grant reports, Not for Profit Information Report, Corporate Tax return, Charity Information return, GST filings, etc.)
- As a not for profit group, be aware that the financial evaluation of performance is only part of the evaluation of the association. The other evaluation is the value of the services provided to the community. This should be done by obtaining feedback on a regular basis from your user groups and documenting this feedback.

- **General comments:**

- On June 30, 2023 your unrestricted cash and cash equivalents were \$480,516. Your payables were \$255,609. This shows that your cash on hand more than covered your current liabilities. Some of these liabilities could have been paid from externally restricted cash.
- Your externally restricted cash of \$16,929 consists of casino generated cash and unspent grant funding. This stays a liability until it is spent on the approved objectives.
- Compared to 2022, your total cash revenue decreased by \$16,715. This is primarily due to fewer grants for operations.
- Your total cash expenses increased by \$129,227. This is primarily due to increased activity at the hall, which required more resources and cost increases.
- The financial result of operations was an excess of revenue over expenses of \$89,740 (2022 - an excess of revenue over expenses of \$294,919).
- Please note, that in 2022, your operations had contributions from grants and donations of \$192,328. During 2023 this decreased to 73,647. You were able to recover most of the difference from increased operating revenue.
- Review the various revenue and expense items and discuss ways to increase revenues and/or decrease expenses. This will assist you with your budgeting process.
- Should you have questions or if you would like to discuss internal controls further, feel free to contact us.

This communication is prepared solely for your information and is not intended for any other purpose.

We accept no responsibility to a third party who uses this communication.

Please ensure that this letter is read and discussed at board level and any motions that arise from the recommendations herein be duly noted in your minutes.

A handwritten signature in cursive script that reads "Heidi Brauer".


Heidi Brauer
Chartered Professional Accountant

West Hillhurst Community Association

Year End: June 30, 2023

Adjusting journal entries

Date: 2022-07-01 To 2023-06-30

Prepared by	Reviewed by
	

9. 2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE 1	2023-06-30	Deferred Capital Contributions - Def Cap Contri	2710	VARIOUS		88,792.46			
AJE 1	2023-06-30	Net Assets - Invested in Capital Assets	3100	VARIOUS			88,792.46		
To adjust beginning balances									
AJE 2	2023-06-30	Accounts Receivable - restricted	1211	R & C		2,350.95			
AJE 2	2023-06-30	Deferred Cash Contribution - Def Cash Contri	2610	R & C			2,350.95		
To adjust for advisor fee receivable									
AJE 3	2023-06-30	Gaming Revenue - Casino	4540	R & W		2,350.95			
AJE 3	2023-06-30	Salaries & Wages - Contractors	5520	R & W			2,350.95		
To adjust for advisor fees as re-imbursed via casino funds									
AJE 4	2023-06-30	Restricted Cash in General Bank	1014	A			9,800.00		
AJE 4	2023-06-30	Grant Funding Held in Operation DR	1016	A		9,800.00			
To account for Government of Alberta Grant - admin fees not yet spent									
AJE 5	2023-06-30	Accounts Receivable - restricted	1211	C & R		77,527.29			
AJE 5	2023-06-30	Deferred Cash Contribution - Def Cash Contri	2610	C & R			77,527.29		
To set up receivable for casino pooling received after fiscal year									
AJE 6	2023-06-30	Cost of Goods Sold - HC Sales	5040	W			8,542.79		
AJE 6	2023-06-30	Salaries & Wages	5510	W			490,554.35		
AJE 6	2023-06-30	Salaries & Wages - Contractors	5520	W			40,929.30		
AJE 6	2023-06-30	Salaries & Wages - CPP Expense	5530	W			23,146.41		
AJE 6	2023-06-30	Salaries & Wages - EI Expense	5540	W			10,565.76		
AJE 6	2023-06-30	Salaries & Wages - Group Benefits Expense	5550	W			9,536.95		
AJE 6	2023-06-30	Salaries & Wages - RRSP Matching Expense	5560	W			1,113.33		
AJE 6	2023-06-30	Salaries & Wages - Payroll Charges	5580	W			5,355.40		
AJE 6	2023-06-30	Salaries & Wages - Other Staff Costs	5590	W			14,950.65		
AJE 6	2023-06-30	Operating Expenses -Office Supplies	6180	W			0.45		
AJE 6	2023-06-30	Operating Expenses -Rent	6240	W		0.45			
AJE 6	2023-06-30	Operating Expenses -Repairs & Maint	6260	W			51,804.00		
AJE 6	2023-06-30	Operating Expenses -Supplies/Services	6320	W			57,846.21		
AJE 6	2023-06-30	Operating Expenses -Telephone/Internet	6340	W			3,927.00		
AJE 6	2023-06-30	Operating Expenses -Supplies/Services	110-6320	W		66,389.00			
AJE 6	2023-06-30	Operating Expenses -Repairs & Maint	301-6260	W		51,804.00			
AJE 6	2023-06-30	telephone- Internet	401-6340	W		3,927.00			
AJE 6	2023-06-30	Salaries & Wages	901-5510	W		490,554.35			
AJE 6	2023-06-30	Salaries & Wages - CPP Expense	901-5530	W		23,146.41			
AJE 6	2023-06-30	Salaries & Wages - EI Expense	901-5540	W		10,565.76			
AJE 6	2023-06-30	Salaries & Wages - Group Benefits Expense	901-5550	W		9,536.95			
AJE 6	2023-06-30	Other Staff Costs	901-5590	W		21,419.38			
AJE 6	2023-06-30	Salaries & Wages - Contractors	902-5520	W		40,929.30			
Allocation of overhead expenses									
						899,094.25	899,094.25		
Net Income (Loss)			89,740.09						

West Hillhurst Community Association

October 10, 2023

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, 2023 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, 2023 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, 2022 and June 30, 2023.

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: Vice President

Per:  Title: Treasurer



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,

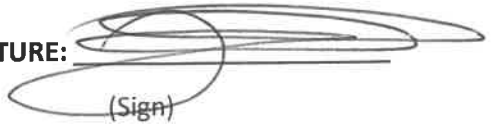
Subsequent Events Survey

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		✓
2) Claims		✓
3) Contingencies		✓
4) Fire, flood, accident or any other type of loss		✓
5) Any other information that would affect assets liabilities, or necessary disclosures		✓

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

COMPLETED BY: Jan Cerny
(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

FINANCIAL STATEMENTS (Audited)

June 30, 2023



WEST HILLHURST COMMUNITY ASSOCIATION

June 30, 2023

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Changes in Net Assets	4
Statements of Operations	5
Statements of Cash Flows	6
Notes to the Financial Statements	7 - 11



Heidi Brauer

Chartered Professional Accountant

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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, 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 June 30, 2023.

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, 2023 and the results of its operations and cash flows for the year ended June 30, 2023 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
October 10, 2023



Heidi Brauer
Chartered Professional Accountant


WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
(Audited)


As at June 30, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 480,516	\$ 650,255
Cash and cash equivalents, internally restricted (Note 3)	1,138	-
Cash and cash equivalents, externally restricted (Note 4)	16,929	76,093
Accounts receivable, unrestricted	17,114	88,880
GST receivable	8,332	-
Prepaid expenses and deposits (Note 5)	60,741	38,075
	584,770	853,303
PROPERTY AND EQUIPMENT (Note 6)	2,697,186	2,216,266
	\$ 3,281,956	\$ 3,069,569
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 163,121	\$ 96,665
Payroll liabilities	25,380	20,848
GST payable	-	3,067
Deferred cash contributions (Note 4)	16,929	76,093
Deferred revenue	67,108	59,882
	272,538	256,555
LONG TERM		
Deferred capital contributions (Note 7)	1,527,342	1,420,678
	1,799,880	1,677,233
NET ASSETS		
Unrestricted	311,094	596,748
Internally restricted (Note 3)	1,138	-
Invested in property and equipment	1,169,844	795,588
	1,482,076	1,392,336
	\$ 3,281,956	\$ 3,069,569

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, 2023

	Unrestricted	Internally restricted	Invested in property and equipment	2023 Totals	2022 Totals
Balances, beginning of the year	\$ 596,748	-	795,588	1,392,336	1,097,417
Transfer	(1,138)	1,138	-	-	-
Increase / (decrease)	(284,516)	-	374,256	89,740	294,919
Balances, end of the year	\$ 311,094	1,138	1,169,844	1,482,076	1,392,336

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF OPERATIONS
(Audited)

For the Year Ended June 30, 2023

	2023	2022
REVENUE		
Arena, gymnasium and hall rentals	\$ 885,190	\$ 846,121
Sports and other programs	437,935	402,966
Health club memberships	133,675	103,693
Grants and donations (Note 8)	73,647	192,328
Memberships	42,591	36,102
Miscellaneous community programs and user fees	34,389	47,057
Health club sales	32,462	23,547
Interest and other revenue	28,391	33,181
	1,668,280	1,684,995
Cost of Goods Sold (Note 9)	462,721	486,422
	1,205,559	1,198,573
EXPENSES		
Salaries and benefits	\$ 596,152	\$ 546,513
Utilities	187,831	136,370
Office and other supplies	112,465	87,463
Repair and maintenance	86,427	96,714
Insurance	54,235	44,542
Telephone	9,372	11,252
Professional fees	7,989	8,382
Bank and service charges	7,357	1,365
	1,061,828	932,601
Excess of revenue over expenses before amortization and casino contributions	143,731	265,972
Casino contributions (Note 10)	53	80,465
Amortization of deferred capital contributions (Note 7)	90,997	91,198
Amortization expense	(145,041)	(142,716)
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	\$ 89,740	\$ 294,919

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
STATEMENTS OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FUNDS PROVIDED BY (USED IN) OPERATIONS:		
Excess of revenue after amortization	\$ 89,740	\$ 294,919
Charges not requiring cash outlay:		
Amortization	145,041	142,716
Amortization of deferred capital contributions (Note 7)	<u>(90,997)</u>	<u>(91,198)</u>
Excess of revenue after charges not requiring cash outlay	<u>143,784</u>	<u>346,437</u>
Changes in non-cash operating working capital:		
Account receivable	71,766	(36,926)
Restricted accounts receivable	(79,878)	-
GST	(11,399)	2,734
Prepaid expenses	(22,666)	(4,899)
Accounts payable, accrued and payroll liabilities	70,988	29,439
Deferred revenue	<u>7,227</u>	<u>(19,875)</u>
	<u>36,038</u>	<u>(29,527)</u>
	<u>179,822</u>	<u>316,910</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital contributions (Note 7)	197,661	98,713
Deferred cash contributions	<u>20,714</u>	<u>67,921</u>
	<u>218,375</u>	<u>166,634</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Building	(467,636)	(121,053)
Equipment and furniture	(16,793)	(12,000)
Work in Progress - ice plant	<u>(141,533)</u>	<u>-</u>
	<u>(625,962)</u>	<u>(133,053)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(227,765)	350,491
Cash and cash equivalents, at the beginning of the year	<u>726,348</u>	<u>375,857</u>
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	<u>\$ 498,583</u>	<u>\$ 726,348</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 480,516	\$ 650,255
Internally restricted cash and cash equivalents (Note 3)	1,138	-
Externally restricted cash and cash equivalents (Note 4)	<u>16,929</u>	<u>76,093</u>
	<u>\$ 498,583</u>	<u>\$ 726,348</u>

See Notes to Financial Statements

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2023

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, 2023

(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 the Canada Revenue Agency.

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2023

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.

	2023	2022
Casino bank	\$ 7,130	\$ 7,573
Grant Funding to General bank	9,799	68,520
Externally restricted cash/deferred cash contributions	\$ 16,929	\$ 76,093

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of insurance \$37,011 (2022 - \$35,168) and other prepayments and deposits of \$23,730 (2022 - \$2,907).

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2023 Net	2022 Net
Buildings	\$ 3,404,486	\$ 2,989,774	\$ 414,712	\$ 436,540
Building improvements	2,810,313	895,408	1,914,905	1,535,747
Furniture and fixtures	1,078,622	934,966	143,656	160,678
Computers	30,005	27,855	2,150	3,071
Construction in progress	221,763	-	221,763	80,230
	\$ 7,545,189	\$ 4,848,003	\$ 2,697,186	\$ 2,216,266

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, 2023

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>2023</u>	<u>2022</u>
Balance from previous year	\$ 1,420,678	\$ 1,413,163
Contributions from grants and donations	197,661	98,713
Amortization	(90,997)	(91,198)
	<u>\$ 1,527,342</u>	<u>\$ 1,420,678</u>
Contributions from grants consist of:		
Government of Alberta - CFEP	\$ 68,520	
City of Calgary - Capital Conservation grant	49,141	
Parks Foundation - Calgary	50,000	
Calgary Foundation	30,000	
	<u>\$ 197,661</u>	

8. GRANTS, SUBSIDIES AND DONATIONS FOR OPERATIONS

	<u>2023</u>	<u>2022</u>
Government of Alberta - job grants	\$ 22,438	\$ 35,033
Government of Alberta - Preschool subsidies	20,181	25,573
Alberta Recreation & Sports	10,000	-
Miscellaneous donations	9,185	13,026
Squash Canada	7,422	2,787
Government of Canada - Summer Job grants	2,691	1,350
Calgary Foundation	1,000	-
City of Calgary - Ward Community Event Fund	730	177
Canada Emergency Wage Subsidy grants	-	47,199
The Parks Foundation Calgary	-	9,200
Government of Canada - CRHP)	-	5,390
City of Calgary - COVID - 19	-	52,593
	<u>\$ 73,647</u>	<u>\$ 192,328</u>

9. SCHEDULE OF COST OF GOODS SOLD

	<u>2023</u>	<u>2022</u>
Rentals		
Gymnasium and hall rentals	\$ 39,156	\$ 63,209
Programs		
Sports and other programs	282,242	296,869
Services		
Food, beverages and health club	141,323	126,344
	<u>\$ 462,721</u>	<u>\$ 486,422</u>

WEST HILLHURST COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)
June 30, 2023

10. CASINO CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 7,573	\$ 8,172
Casino revenue	-	76,187
Advisor fees	(2,351)	
Raffle proceeds	1,960	3,679
Unspent cash at fiscal year end (Note 4)	<u>(7,129)</u>	<u>(7,573)</u>
Casino cash spent on operations	<u>\$ 53</u>	<u>\$ 80,465</u>

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. This had been work in progress as per June 30, 2023.

WEST HILLHURST COMMUNITY ASSOCIATION
SCHEDULE OF COMBINED AND NET AMOUNTS
June 30, 2023

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, unrestricted:		
Operating fund- general	\$ 489,616	\$ 675,007
Operating fund - float	700	700
Restricted CFEP held in General Bank	(9,800)	-
Internally restricted held in general	-	-
Total cash and cash equivalents, unrestricted	<u><u>\$ 480,516</u></u>	<u><u>\$ 675,707</u></u>
Accounts Receivable, Unrestricted:		
WHCA Preschool	\$ 1,000	
Government of Alberta - child care	6,896	
ActiveNet	9,061	
ActiveNet Clearing	157	
Total accounts receivable, unrestricted	<u><u>\$ 17,114</u></u>	
Prepaid Expense:		
Konica Minolta - photocopier lease	\$ 1,194	
Ice Rentals	10,692	
75th Anniversary	7,134	
ActiveNet portion of annual fee	3,600	
Soccer wrap-up party	550	
Jimdo - website costs	344	
Party Rental - deposit	216	
Insurance	37,011	
Total prepaid expense	<u><u>\$ 60,741</u></u>	

Account Payable:

Advanced Refrigeration HVAC	\$ 1,048
Big Hill Services Ltd.	450
Calgary Chess Club	480
Cardinal, Amy	819
Cimco Refrigeration	2,976
Dahl, Karen	700
Enmax	1,553
Entandem	(1,415)
Federation of Calgary Communities	4,134
Florentino, Carla	88
Firetronics 2000 Inc.	157
Homes, Jaclyn	449
Jimdo	344
Lazy Loaf and Kettle	278
Mathisons Cleaning Supplies Ltd	780
Mircom Technology	840
One Contact Integrated Facility Services	2,032
Pace Solutions Corp.	158
Pedestrian Agency Inc.	840
RBC Visa	21,334
Stewart, Susan	1,285
Superior Propane	144
Wynter Bookkeeping Service	6,888
Home Depot	(1,080)
Telpay	117,839
Total account and accrued payable	<u>\$ 163,121</u>

Payroll Liabilities:

Payroll payable	\$ 14,652
Vacation accrual	10,728
Total payroll liabilities	<u>\$ 25,380</u>

Deferred Revenue

Deferred membership revenue	\$ 25,429
Deferred program revenue	28,411
Deferred other revenue	8,804
Deferred rental revenue	4,464
Total deferred revenue	<u>\$ 67,108</u>