

# **DOUGLASQUARRY COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2021**

a member of

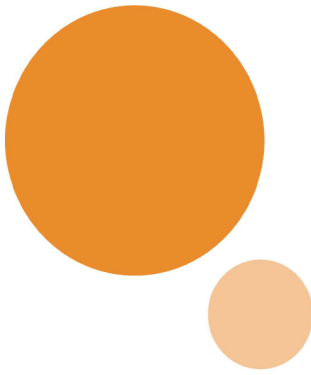


# DOUGLASQUARRY COMMUNITY ASSOCIATION

December 31, 2021

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# Anthony Chiu

## Chartered Professional Accountant

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### **Independent Auditor's Report**

To the Members of the  
DouglasQuarry Community Association

#### **Qualified Opinion**

I have audited the financial statements of the DouglasQuarry Community Association (the "Association"), which comprise the Statement of Financial Position as at December 31, 2021, and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021, and its results of operations and its 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 fundraising activities, the completeness of which is not susceptible 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, and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1, 2021 and December 31, 2021. My auditor's opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is 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 unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## **Auditor's Responsibilities for the Audit of the 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, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta  
April 7, 2022

  
Anthony Chiu  
Chartered Professional Accountant

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)


**As at December 31, 2021**


	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents, unrestricted	\$ 66,950	\$ 71,774
Externally restricted assets (Note 3)	70,560	6,936
Accounts receivable, unrestricted	17,924	17,465
Prepaid expenses	3,831	4,044
	<b>159,265</b>	<b>100,219</b>
<b>Capital Assets (Note 4)</b>	<b>183,791</b>	<b>213,995</b>
	<b>\$ 343,056</b>	<b>\$ 314,214</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 6,157	\$ 6,591
Deferred revenue	1,905	855
Deferred cash contributions (Note 3)	70,560	6,936
	<b>78,622</b>	<b>14,382</b>
<b>Deferred Capital Contributions (Note 5)</b>	<b>168,694</b>	<b>196,923</b>
	<b>247,316</b>	<b>211,305</b>
<b>Net Assets</b>		
Unrestricted	80,643	85,837
Invested in capital assets	15,097	17,072
	<b>95,740</b>	<b>102,909</b>
	<b>\$ 343,056</b>	<b>\$ 314,214</b>

Approved on behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See Notes to the Financial Statements

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

**For the Year Ended December 31, 2021**

	<b>Unrestricted</b>	<b>Invested in Capital Assets</b>	<b>2021 Totals</b>	<b>2020 Totals</b>
Balance, beginning of the year	\$ 85,837	\$ 17,072	\$ 102,909	\$ 103,824
Transfers	-	-	-	-
Deficiency of revenue over expenses	<u>(5,194)</u>	<u>(1,975)</u>	<u>(7,169)</u>	<u>(915)</u>
Balance, end of the year	<u>\$ 80,643</u>	<u>\$ 15,097</u>	<u>\$ 95,740</u>	<u>\$ 102,909</u>

See Notes to the Financial Statements

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended December 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Landscaping agreement	\$ 83,159	\$ 103,222
Grant contributions (Note 6)	6,706	8,758
Newsletter	3,810	10,830
Casino contributions (Note 7)	3,212	2,543
Garden (Note 8)	510	330
Donations and fundraising	-	500
	<b>97,397</b>	<b>126,183</b>
<b>Expenses</b>		
Landscaping agreement	83,159	103,222
Professional fees	5,034	5,509
Insurance	3,057	2,652
Storage	2,983	2,820
Utilities	2,739	4,730
Administration	1,882	1,424
Rink	1,184	644
Soccer	970	923
Website	648	1,418
Memberships	641	996
Garden (Note 8)	294	51
Community events	-	960
	<b>102,591</b>	<b>125,349</b>
<b>(Deficiency) excess of revenue over expenses before amortization</b>	<b>(5,194)</b>	<b>834</b>
Amortized capital contributions (Note 5)	28,229	34,505
Amortization expense	<b>(30,204)</b>	<b>(36,254)</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (7,169)</b>	<b>\$ (915)</b>

See Notes to the Financial Statements



**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

**For the Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operations</b>		
Deficiency of revenue over expenses	\$ (7,169)	\$ (915)
Non-cash transactions:		
Amortization expense	30,204	36,254
Amortized capital contributions	<u>(28,229)</u>	<u>(34,505)</u>
	(5,194)	834
Changes in non-cash operating working capital:		
Account receivable	(62,995)	5,402
Prepaid expenses	213	(3,298)
Accounts payable and accrued liabilities	(434)	(2,744)
Deferred revenue	<u>1,050</u>	<u>120</u>
	<u>(67,360)</u>	<u>314</u>
<b>Cash flows from financing activity</b>		
Transfer to (use of) deferred cash contributions	<u>63,624</u>	<u>(2,543)</u>
<b>Cash flows from investing activity</b>		
Additions to rink shack	<u>-</u>	<u>(5,779)</u>
<b>Decrease in cash and cash equivalents</b>	<b>(3,736)</b>	<b>(8,008)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<u><b>78,710</b></u>	<u>86,718</u>
<b>Cash and cash equivalents, end of the year</b>	<u><u><b>\$ 74,974</b></u></u>	<u><u>\$ 78,710</u></u>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash	\$ 66,950	\$ 71,774
Externally restricted cash (Note 3)	<u>8,024</u>	<u>6,936</u>
	<u><u><b>\$ 74,974</b></u></u>	<u><u><b>\$ 78,710</b></u></u>

See Notes to the Financial Statements

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2021**

**1. NATURE OF THE ORGANIZATION**

Douglasdaleglen Community Association (the "Association") was incorporated under the Societies Act of Alberta on June 2, 1988 as Douglasdale Estates Community Association (subsequently changed to Douglasdaleglen Community Association) to provide and promote the recreational, cultural and social activities of its members. On August 22, 2016, the Association changed its name to DouglasQuarry Community Association to better reflect the communities they serve. As a not-for-profit organization, the Association is exempt from income tax under Section 149 of the Income Tax Act.

**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) Basis of Accounting**

Management has concluded that the going concern basis of accounting is appropriate for the Association.

**(b) Revenue Recognition**

The Association follows the deferral method of recording externally restricted contributions where revenue is recognized as the related expenses occur.

Newsletter revenue is recorded when the service has been provided and payment has been received or collection is reasonably assured. Soccer and membership is deferred when payment is received and recognized as revenue as the services are provided. Unrestricted donations are recorded as revenue when received.

**(c) Cash and Cash Equivalent**

Cash and cash equivalents consist of cash on hand, bank balances and short term deposits with an original maturity of three months or less.

**(d) Capital Assets**

Capital assets are recorded at cost and amortized over their estimated useful lives. No residual value is taken into consideration. Amortization is calculated using the following rates:

Rinks	Declining balance	20%
Garden beds	Straight line	10 years
Rink shack	Declining balance	10%
Chainlink fence	Straight line	10 years
Snowblower and tractor	Declining balance	30%
Basketball system	Straight line	10 years
Generator	Declining balance	30%

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Contributed Goods and Services**

Contributed goods and services are recognized in the financial statements when their fair value can be reasonably determined, when the goods or services are used in the normal course of business of the Association and when they would otherwise have been purchased.

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

**(f) Measurement Uncertainty**

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.

Estimates and assumptions include the collectability of receivables, the useful life of capital assets, and the amounts recorded as accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**(g) Financial Instruments**

***Measurement of Financial Instruments***

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in net income. Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any required write-down is recognized in the statement of operations. If events or circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

***Risk***

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risk arising from these financial instruments.

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2021**

**3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS**

	<u>2021</u>	<u>2020</u>
Casino bank account	\$ 3,724	\$ 5,742
Casino funds held in general	-	1,194
Total Casino cash (Note 7)	<u>3,724</u>	<u>6,936</u>
Plus: restricted events cash	<u>4,300</u>	-
Total externally restricted cash	<u>8,024</u>	<u>6,936</u>
Plus: Casino proceeds receivable	<u>62,536</u>	-
	<u>\$ 70,560</u>	<u>\$ 6,936</u>

Funds received from casino activities are restricted to spending according to Alberta Gaming regulations.

**4. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2021</u>	<u>Net 2020</u>
Rinks	\$ 394,167	\$ 335,248	\$ 58,919	\$ 73,649
Garden beds	14,614	11,714	2,900	3,374
Rink shack	164,205	46,442	117,763	130,847
Chainlink fence	2,956	2,956	-	(1)
Snowblower and tractor	31,415	27,206	4,209	6,013
Basketball system	4,937	4,937	-	-
Generator	2,766	2,766	-	113
	<u>\$ 615,060</u>	<u>\$ 431,269</u>	<u>\$ 183,791</u>	<u>\$ 213,995</u>

**5. DEFERRED CAPITAL CONTRIBUTIONS**

Externally restricted contributions for the purchase of capital assets have been deferred and will be recognized on the same basis as the related capital asset is amortized.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 196,923	\$ 231,428
Casino funds spent on capital assets	-	-
Recognized as amortized contributions	<u>(28,229)</u>	<u>(34,505)</u>
Balance, end of year	<u>\$ 168,694</u>	<u>\$ 196,923</u>

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2021**

**6. GRANTS**

	<u>2021</u>	<u>2020</u>
City of Calgary grants - COVID-19 relief	\$ 6,706	\$ 7,798
City of Calgary - Holiday light contest	-	960
Carried forward	-	-
Spent on operations	<u>\$ 6,706</u>	<u>\$ 8,758</u>

**7. Casino contributions**

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 6,936	\$ 9,479
Casino proceeds received	-	-
Purchase of capital assets	-	-
Carried forward (Note 3)	<u>(3,724)</u>	<u>(6,936)</u>
Spent on operations	<u>\$ 3,212</u>	<u>\$ 2,543</u>

**8. GARDEN**

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 1,318	\$ 1,039
Membership fees received	510	330
Fund held in general account	-	-
Bank charges	-	-
Ending bank balance	<u>(1,534)</u>	<u>(1,318)</u>
Spent on garden operations	<u>\$ 294</u>	<u>\$ 51</u>

**9. COVID-19 PANDEMIC**

The global COVID-19 pandemic has disrupted economic activities and supply chains since March 2020. Although the disruption from the virus is expected to be temporary, there is still uncertainty at the end of the 2021 fiscal year. The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association's ability to continue to serve its members is dependent on the continued ability to generate revenue, manage expenses, and receive grants.