

DOUGLASQUARRY COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS

(Audited)

December 31, 2023

a member of

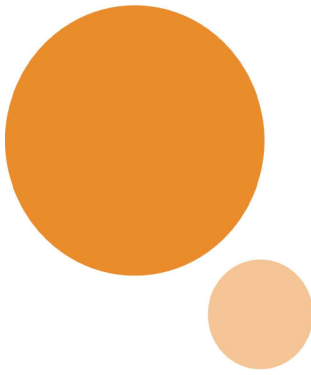


DOUGLASQUARRY COMMUNITY ASSOCIATION

December 31, 2023

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12



Anthony Chiu

Chartered Professional Accountant

(403) 244-4111 ext. 221
anthony.chiu@calgarycommunities.com
110, 720 - 28 Street NE Calgary, AB T2A 6R3

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, 2023, 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, 2023, 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, 2023, current assets as at December 31, 2023, and net assets as at January 1, 2023 and December 31, 2023. My auditor's opinion on the financial statements for the year ended December 31, 2022 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 22, 2024



Anthony Chiu
Chartered Professional Accountant

DOUGLASQUARRY COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)


As at December 31, 2023

	2023	2022 (Restated)
ASSETS		
Current Assets		
Cash and cash equivalents, unrestricted	\$ 88,978	\$ 82,139
Externally restricted assets (Note 3)	126,603	67,465
Prepaid expenses	4,787	5,151
	220,368	154,755
Capital Assets (Note 4)	137,947	159,541
	\$ 358,315	\$ 314,296


LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ 12,989	\$ 7,949
Deferred revenue	968	520
Deferred cash contributions (Note 3)	126,603	67,465
	140,560	75,934
Deferred Capital Contributions (Note 5)	125,318	145,114
	265,878	221,048
Net Assets		
Unrestricted	79,808	78,821
Invested in capital assets	12,629	14,427
	92,437	93,248
	\$ 358,315	\$ 314,296

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, 2023

	Unrestricted	Invested in Capital Assets	2023 Totals	2022 Totals (Restated)
Balance, beginning of the year	\$ 80,654	\$ 14,427	\$ 95,081	\$ 95,740
Prior period adjustments (Note 8)	<u>667</u>	-	<u>667</u>	-
Balance, beginning of the year as restated	78,821	14,427	93,248	95,740
Excess (deficiency) of revenue over expenses	<u>987</u>	<u>(1,798)</u>	<u>(811)</u>	<u>(2,492)</u>
Balance, end of the year	<u>\$ 79,808</u>	<u>\$ 12,629</u>	<u>\$ 92,437</u>	<u>\$ 93,248</u>

See Notes to the Financial Statements

DOUGLASQUARRY COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2023

	2023	2022 (Restated)
Revenue		
Landscaping agreement	\$ 97,921	\$ 98,245
Soccer	18,755	17,985
Casino contributions (Note 7)	17,217	3,079
Membership	9,480	8,945
Donations and fundraising	2,500	2,500
Grant contributions (Note 6)	1,172	1,571
Garden	800	760
	147,845	133,085
Expenses		
Landscaping agreement	99,000	98,245
Soccer	12,153	10,726
Rink	10,428	4,453
Utilities	6,895	4,986
Professional fees	5,337	5,045
Storage	4,223	1,590
Insurance	3,308	3,201
Website	2,218	1,594
Administration	1,963	2,572
Community events	660	2,028
Memberships	446	289
Garden	227	179
	146,858	134,908
Excess of revenue over expenses before amortization	987	(1,823)
Amortized capital contributions (Note 5)	19,796	23,580
Amortization expense	(21,594)	(24,249)
Deficiency of revenue over expenses	\$ (811)	\$ (2,492)

See Notes to the Financial Statements

DOUGLASQUARRY COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2023

	2023	2022 (Restated)
Cash flows from operations		
Deficiency of revenue over expenses	\$ (811)	\$ (2,492)
Non-cash transactions:		
Amortization expense	21,594	24,249
Amortized capital contributions (Note 5)	(19,796)	(23,580)
	987	(1,823)
Changes in non-cash operating working capital:		
Account receivable	-	80,460
Prepaid expenses	364	(1,320)
Accounts payable and accrued liabilities	5,040	1,793
Deferred revenue	448	(1,385)
	6,839	77,725
Cash flows from financing activity		
Transfer to (use of) deferred cash contributions	59,138	(3,095)
Increase in cash and cash equivalents	65,977	74,630
Cash and cash equivalents, beginning of the year	149,604	74,974
Cash and cash equivalents, end of the year	\$ 215,581	\$ 149,604
Cash and cash equivalents consist of:		
Unrestricted cash	\$ 88,978	\$ 82,139
Externally restricted cash (Note 3)	126,603	67,465
	\$ 215,581	\$ 149,604

See Notes to the Financial Statements

DOUGLASQUARRY COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

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.

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 Equivalents

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, 2023

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) 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 the Statement of Operations.

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, or market risks arising from these financial instruments.

Credit Risk

Credit risk arises from the possibility that third parties may default on their financial obligations. Credit risk related to cash and cash equivalents. The Association's cash and cash equivalents are held with reputable Canadian financial institutions.

Of the Association's cash of \$215,581 on December 31, 2023, the amount of \$100,000 was insured by the Canada Deposit Insurance Corporation.

DOUGLASQUARRY COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

	2023	2022
Casino bank account (Note 7)	\$ 123,491	\$ 63,181
Plus: restricted skating events cash	3,112	4,284
Total externally restricted cash	\$ 126,603	\$ 67,465

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

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Rinks	\$ 394,167	\$ 355,621	\$ 38,546	\$ 48,183
Garden beds	14,614	12,664	1,950	2,425
Rink shack	164,205	68,817	95,388	105,986
Chainlink fence	2,956	2,956	-	-
Snowblower and tractor	31,415	29,352	2,063	2,947
Basketball system	4,937	4,937	-	-
Generator	2,766	2,766	-	-
	\$ 615,060	\$ 477,113	\$ 137,947	\$ 159,541

DOUGLASQUARRY COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 145,114	\$ 168,694
Recognized as amortized contributions	(19,796)	(23,580)
Balance, end of year	<u>\$ 125,318</u>	<u>\$ 145,114</u>

6. GRANTS

	<u>2023</u>	<u>2022</u>
Opening balance - skating event grant	\$ 4,284	\$ 4,300
Received	-	1,555
Carried forward	(3,112)	(4,284)
Spent on operations	<u>\$ 1,172</u>	<u>\$ 1,571</u>

7. CASINO CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 63,181	\$ 3,724
Casino proceeds received	77,527	62,536
Carried forward (Note 3)	(123,491)	(63,181)
Spent on operations	<u>\$ 17,217</u>	<u>\$ 3,079</u>

DOUGLASQUARRY COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

8. PRIOR PERIOD ADJUSTMENTS

During the year, it was noted that donation to 2022 soccer program were deferred and rink expense and sign rental expense incurred in 2022 fiscal year were not accrued at 2022 yearend. Those resulted errors in accounts payable and accrued liabilities, deferred cash contributions, and net assets on the statement of financial position and donation revenue, rink expense, and community events expense on the statement of operations. Prior period adjustments have been made to reflect the correction with the following effects to the comparative figures.

2022

- Increase to accounts payable and accrued liabilities of \$1,833.
- Decrease to deferred cash contribution of \$2,500.
- Increase to donations and fundraising of \$2,500.
- Increase to community events expense of \$512.
- Increase to rink expense of \$1,321.

2023

- Increase to net assets of \$667.

9. COMPARATIVE FIGURES

The prior period figures have been reclassified to conform with the current year presentation.