

KINGSLAND COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2023

a member of

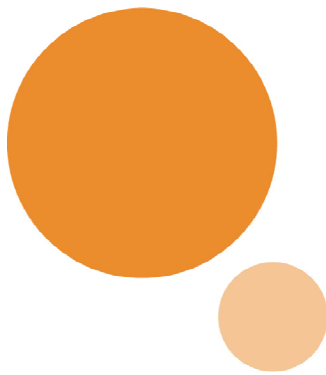


KINGSLAND COMMUNITY ASSOCIATION

June 30, 2023

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Anthony Chiu

Chartered Professional Accountant

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Independent Auditors' Report

To the Members of the
Kingsland Community Association

Qualified Opinion

I have audited the financial statements of the Kingsland Community Association (the "Association"), which comprise the Statement of Financial Position as at June 30, 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 for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 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 June 30, 2023, current assets as at June 30, 2023, and net assets as at July 1, 2022 and June 30, 2023. My auditor's opinion on the financial statements for the year ended June 30, 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 the 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 any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
October 17, 2023


Anthony Chiu
Chartered Professional Accountant

KINGSLAND COMMUNITY ASSOCIATION**STATEMENT OF FINANCIAL POSITION**

(Audited)

As at June 30, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted	\$ 106,937	\$ 47,741
Short term investments (Note 3)	-	64,103
Accounts receivable	995	14,823
GST receivable	1,425	1,741
Prepaid expenses	2,652	2,593
	<u>112,009</u>	<u>131,001</u>
Externally restricted assets (Note 4)	67,895	45,637
Long term investments (Note 3)	62,068	25,896
Capital assets (Note 5)	382,316	369,775
	<u>\$ 624,288</u>	<u>\$ 572,309</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,587	\$ 6,372
Deferred revenue	11,436	4,304
	<u>15,023</u>	<u>10,676</u>
Deferred cash contributions (Note 4)	67,895	45,637
Deferred capital contributions (Note 6)	284,776	266,850
	<u>367,694</u>	<u>323,163</u>
Net assets		
Unrestricted	159,054	146,221
Invested in capital assets	97,540	102,925
	<u>256,594</u>	<u>249,146</u>
	<u>\$ 624,288</u>	<u>\$ 572,309</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Jessica Pickel Director

[Signature] Director

See Notes to the Financial Statements

KINGSLAND COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended June 30, 2023

	Unrestricted	Invested in Capital Assets	2023 Totals	2022 Totals
Balances, beginning of the year	\$ 146,221	\$ 102,925	\$ 249,146	\$ 227,845
Transfers	142	(142)	-	-
Excess (deficiency) of revenue over expenses	<u>12,691</u>	<u>(5,243)</u>	<u>7,448</u>	<u>21,301</u>
Balances, end of the year	<u>\$ 159,054</u>	<u>\$ 97,540</u>	<u>\$ 256,594</u>	<u>\$ 249,146</u>

See Notes to the Financial Statements

KINGSLAND COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended June 30, 2023

	2023	2022
Revenue		
Rentals	\$ 63,477	\$ 48,867
Casino contributions (Note 7)	21,577	15,998
Grants (Note 8)	4,215	28,928
Other Income	2,339	560
Memberships	2,150	3,486
Interest income	886	662
Donations	859	1,759
Functions	320	740
	95,823	101,000
Expenses		
Repairs and maintenance	31,275	23,590
Administration	20,777	19,284
Utilities	11,795	12,815
Professional fees	7,337	7,700
Insurance	5,761	5,629
Supplies	2,174	2,629
Functions	1,146	-
Beautification	910	-
Volunteer Youth	750	500
Telephone	737	2,003
Interest and bank charges	470	271
	83,132	74,421
Excess of revenue over expenses before amortization	12,691	26,579
Amortization of deferred capital contributions (Note 6)	18,046	14,655
Amortization	(23,289)	(19,933)
Excess of revenue over expenses	\$ 7,448	\$ 21,301

See Notes to the Financial Statements

KINGSLAND COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2023

	2023	2022
Funds provided by (used in) operations:		
Excess of revenue over expenses	\$ 7,448	\$ 21,301
Amortization	23,289	19,933
Amortization of deferred capital contributions (Note 6)	(18,046)	(14,655)
Changes in non-cash operating working capital		
Accounts receivable	13,828	(13,200)
Goods and Services Tax	316	(290)
Prepaid expenses	(59)	(4)
Accounts payable and accrued liabilities	(2,785)	3,166
Deferred revenue	7,132	(2,438)
	31,123	13,813
Cash flows from financing activities:		
Additions to deferred capital contributions	35,972	66,123
Receive of deferred cash contributions	22,258	13,341
	58,230	79,464
Cash flows from investing activities:		
Purchase of capital assets	(35,830)	(78,911)
Purchase of investments	(36,172)	-
Redemption of investments	64,103	26,006
	(7,899)	(52,905)
Increase in cash and cash equivalents	81,454	40,372
Cash and cash equivalents, beginning of year	93,378	53,006
Cash and cash equivalents, end of year	\$ 174,832	\$ 93,378
Cash and cash equivalents consists of:		
Unrestricted cash	\$ 106,937	\$ 47,741
Externally restricted cash (Note 4)	67,895	45,637
	\$ 174,832	\$ 93,378

See Notes to the Financial Statements

KINGSLAND COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2023

1. NATURE OF THE ORGANIZATION

The Kingsland Community Association (the "Association") was incorporated under the Societies Act of Alberta on May 18, 1960 as a not-for-profit organization. The Association is exempt from income tax under Section 149 of the Income Tax Act.

The Association was formed to promote the recreational, cultural and social activities of its members and 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) Basis of Accounting

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

b) Revenue Recognition

Revenue from externally restricted assets has been recorded according to the deferral method, where revenue is recognized when the related expense occurred.

Earned operating revenue is recognized when received or reasonable assurance is given that it is receivable.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

d) Investments

Investments are comprised of Guaranteed Investment Certificates for which investments maturing within 365 days or less are classified as short-term investments, and those with maturity terms of more than 365 days are classified as long-term investments.

e) Prepaid Expenses

Prepaid expenses primarily comprise advance payments made to vendors in the current fiscal year for goods and services to be received in the next fiscal year. Prepaid expenses are recognized as expenses in the period when the goods and services are received.

KINGSLAND COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Capital Assets

Assets of a capital nature are recorded at cost. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Building & improvements	25 years
Furniture and equipment	5 years
Computer	5 years

g) 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 the statement of operations.

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

Financial 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. The following risk exposures related to the financial instruments are outlined as follows:

Liquidity Risk

Liquidity risk is the risk that the Association will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Association's overall liquidity risk is monitored on a regular basis.

Credit Risk

Credit risk arises from the possibility that third parties may default on their financial obligations. Credit risk relates to cash, investments and accounts receivable. The Association's cash and investment balances are held with reputable Canadian financial institutions. Accounts receivable are primarily from the Association's members and grant funders.

Of the Association's total cash of \$174,832 and investments of \$62,068 on June 30, 2023, the amount of \$100,000 was insured by the Canada Deposit Insurance Corporation.

KINGSLAND COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Measurement Uncertainty

The preparation of financial statements in conformity 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 period covered.

Estimates and assumptions include the collectability of accounts receivables, the estimated useful life of capital assets for amortization purposes, and the amounts recorded as accrued liabilities and deferred revenues. 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. SHORT TERM / LONG TERM INVESTMENTS

The Association has invested in guaranteed investment certificates ("GICs") as follows:

	<u>2023</u>	<u>2022</u>
GIC, 0.85%, maturing February 02, 2026	\$ 25,896	\$ 25,896
GIC, 4.15%, maturing March 15, 2025	36,172	-
GIC, 0.50%, maturing March 15, 2023	-	35,992
GIC, 0.66%, maturing February 21, 2023	-	28,111
	<u>62,068</u>	<u>89,999</u>
Short term investments	-	(64,103)
Long term investments	<u>\$ 62,068</u>	<u>\$ 25,896</u>

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Cash - Casino bank	\$ 66,816	\$ 14,308
Casino GST held in general	1,079	1,984
Total Casino cash (Note 7)	<u>67,895</u>	<u>16,292</u>
CFEP grant held in general (Note 8)	-	24,345
BILD Calgary Foundation grant held in general (Note 8)	-	5,000
	<u>\$ 67,895</u>	<u>\$ 45,637</u>

KINGSLAND COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2023

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023	2022
Building and improvements	\$ 688,537	\$ 312,666	\$ 375,871	\$ 366,205
Furniture and equipment	56,166	50,865	5,301	2,044
Computer	2,531	1,387	1,144	1,526
	<u>\$ 747,234</u>	<u>\$ 364,918</u>	<u>\$ 382,316</u>	<u>\$ 369,775</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted assets spent on property and equipment have been recorded as deferred capital contributions and are amortized on the same basis as the related asset.

	2023	2022
Carried forward from previous year	\$ 266,850	\$ 215,382
CFEP funds spent on capital purchases (Note 8)	24,345	25,655
CCG funds spent on capital purchases (Note 8)	4,489	40,468
BILD Calgary Foundation funds spent on capital purchases (Note 8)	5,000	-
Parks Foundation funds spent on capital purchases (Note 8)	2,138	-
Taken into income during the year	(18,046)	(14,655)
Balance carried forward to next year	<u>\$ 284,776</u>	<u>\$ 266,850</u>

7. CASINO CONTRIBUTIONS

	2023	2022
Beginning casino funds	\$ 16,292	\$ 32,296
Casino funds received / receivable	73,214	-
Casino advisor fees paid	(2,351)	-
Casino advisor fees recovered	2,351	-
Bank charges	(34)	(6)
Less: ending balance (Note 4)	(67,895)	(16,292)
Casino funds contributed to operations	<u>\$ 21,577</u>	<u>\$ 15,998</u>

KINGSLAND COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2023

8. GRANTS

	2023	2022
Community Facility Enhancement Grant (CFEP)		
Carried forward from prior year	\$ 24,345	\$ -
Received during this year	-	50,000
Contributed to capital purchases (Note 6)	<u>(24,345)</u>	<u>(25,655)</u>
Deferred to next year (Note 4)	<u>\$ -</u>	<u>\$ 24,345</u>
 Capital Conservation Grant (CCG)		
Received during this year	\$ 10,087	\$ 34,870
Receivable at yearend	(5,598)	5,598
Contributed to capital purchases (Note 6)	<u>(4,489)</u>	<u>(40,468)</u>
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
 BILD Calgary Foundation		
Carried forward from prior year	\$ 5,000	\$ -
Received during this year	-	5,000
Contributed to capital purchases (Note 6)	<u>(5,000)</u>	<u>-</u>
Deferred to next year (Note 4)	<u>\$ -</u>	<u>\$ 5,000</u>
 Parks Foundation		
Received during this year	\$ 2,138	\$ -
Contributed to capital purchases (Note 6)	<u>(2,138)</u>	<u>-</u>
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
 Operation Grants		
The City of Calgary - Covid Relief Fund	\$ 3,915	\$ 27,628
The City of Calgary - Community Clean up	300	300
Calgary Foundation	-	1,000
Spent on operations	<u>\$ 4,215</u>	<u>\$ 28,928</u>

9. CONTRIBUTED GOODS AND SERVICES

Contributed services and donated items are recognized in the financial statements when the fair value can reasonably be estimated, when the services are used in the normal course of the Association's operations and when they otherwise would have been purchased. During the year \$Nil (2022 - \$Nil) donated goods and services were recorded in the financial statements.

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