

# **EDGEMONT COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

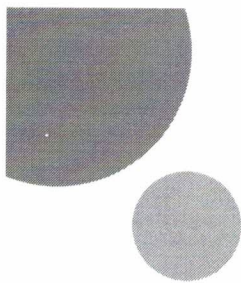
**DECEMBER 31, 2022**

# EDGEMONT COMMUNITY ASSOCIATION

DECEMBER 31, 2022

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# Heidi Brauer

## Chartered Professional Accountant

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

To the Members of:

**Edgemont Community Association**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the Statement of Financial Position of the Edgemont Community Association as at December 31, 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 December 31, 2022.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Edgemont Community Association as at December 31, 2022 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit associations.

#### **Basis for Opinion**

I am independent of the Edgemont 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole in forming my opinion thereon and I do not provide a separate opinion on these matters. Please note, that these financial statements do not include Enhanced Landscaping Maintenance (ELM) operations for the fiscal year ended December 31, 2022.

#### **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 Edgemont 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.

**Scope restriction:**

These financial statements do not include the operations of the Enhanced Landscaping Maintenance program.

Calgary, Alberta  
May 8, 2023



Heidi Brauer  
Chartered Professional Accountant



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

As at DECEMBER 31, 2022

**ASSETS**

	2022			2021
	Unrestricted	Restricted	Totals	Totals
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 3 & 4) \$	60,747	90,647	151,394	\$ 209,497
Short term investments (Note 5)	208,704	50,055	258,759	477,033
Accounts receivable	211,970	-	211,970	9,764
GST receivable	24,373	-	24,373	1,978
Prepaid expenses (Note 12)	11,560	-	11,560	681
	<u>517,354</u>	<u>140,702</u>	<u>658,056</u>	<u>698,953</u>
<b>PROPERTY AND EQUIPMENT (Note 6)</b>	<b>988,124</b>	<b>-</b>	<b>988,124</b>	<b>612,725</b>
	<u>\$ 1,505,478</u>	<u>140,702</u>	<u>1,646,180</u>	<u>\$1,311,678</u>

**LIABILITIES AND FUND BALANCES**

<b>CURRENT LIABILITIES</b>				
Accounts Payable and Accrued Liabilities \$	32,950	-	32,950	\$ 21,899
Payroll taxes payable	-	-	-	685
Deferred Revenue	13,443	-	13,443	9,609
Deferred Cash Contributions (Note 4)	-	140,702	140,702	167,775
	<u>46,393</u>	<u>140,702</u>	<u>187,095</u>	<u>199,968</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 7)</b>	<b>937,009</b>	<b>-</b>	<b>937,009</b>	<b>526,674</b>
	<u>522,076</u>	<u>-</u>	<u>522,076</u>	<u>585,036</u>
<b>NET ASSETS</b>	<b>\$ 1,505,478</b>	<b>140,702</b>	<b>1,646,180</b>	<b>\$ 1,311,678</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

B. Elms Director  
V. M. Gleason Director

See Notes to the Financial Statements

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

**For the Year Ended DECEMBER 31, 2022**

	<u>2022</u> <u>Totals</u>	<u>2021</u> <u>Totals</u>
Balances, per 2021 audit	585,036	644,161
Decreases	<u>(62,960)</u>	<u>(59,125)</u>
Balances, end of the year	<u><u>522,076</u></u>	<u><u>585,036</u></u>

See Notes to the Financial Statements



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

For the Year Ended DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
General rentals	\$ 179,700	\$ 156,617
General programs (Note 8)	22,495	17,804
Interest earned	6,670	1,803
Memberships	3,508	2,442
Fundraising	3,262	3,100
Grants (Note 13)	1,574	21,417
Miscellaneous	947	-
Casino contributions (Note 9)	-	1,708
	<u>\$ 218,156</u>	<u>\$ 204,891</u>
<b>EXPENSES</b>		
Salaries, benefits and contract labor	106,200	90,690
Repairs and maintenance (Note 10)	44,406	38,679
Utilities	20,965	15,357
Insurance	13,193	12,808
Cleaning	13,091	9,176
Office and administration	12,172	13,690
General programs (Note 8)	8,392	2,544
Audit, legal and other professional fees (Note 14)	6,606	10,312
Advertising and community relations	3,508	2,515
Bank and credit card charges	2,533	3,068
Write-off of bad debt	1,275	2,375
Disc Golf Contribution	-	7,500
	<u>232,341</u>	<u>208,714</u>
<b>Deficiency of revenue over expenses before amortization</b>	<b>(14,185)</b>	<b>(3,823)</b>
Plus: Amortization of deferred capital contributions (Note 7)	51,370	49,141
Less: Amortization expense	<u>(100,145)</u>	<u>(104,443)</u>
<b>Deficiency of revenue over expenses</b>	<b>\$ (62,960)</b>	<b>(59,125)</b>

See Notes to the Financial Statements

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

**For the Year Ended DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Cash generated by (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (62,960)	\$ (59,125)
Charges not affecting cash outlay:		
Amortization	100,145	104,443
Amortization of deferred capital contributions (Note 7)	(51,370)	(49,141)
Changes in non-cash operating working capital:		
Accounts receivable	(202,207)	14,067
GST receivable	(22,394)	1,889
Prepaid expenses	(10,879)	10,759
Accounts payable	10,366	(411)
Damage deposits	-	(750)
Deferred revenue	3,834	(14,466)
	<u>(235,465)</u>	<u>7,265</u>
<b>INVESTING ACTIVITIES</b>		
Building	(453,860)	-
Website	-	(8,124)
Ice Rink	(1,084)	-
Equipment	(20,601)	(2,144)
Investments	218,275	23,197
	<u>(257,270)</u>	<u>12,929</u>
<b>FINANCING ACTIVITIES</b>		
Deferred capital contributions (Note 7)	461,705	8,124
Deferred cash contributions	(27,073)	61,106
	<u>434,632</u>	<u>69,230</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(58,103)</b>	<b>89,424</b>
Cash and cash equivalents, beginning of the year	<u>209,497</u>	<u>120,073</u>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ <u>151,394</u></b>	<b>\$ <u>209,497</u></b>
<b>Consisting of:</b>		
Cash and cash equivalents, unrestricted (Note 3)	\$ 60,747	\$ 41,722
Externally restricted cash and cash equivalents (Note 4)	<u>90,647</u>	<u>167,775</u>
	<u>\$ 151,394</u>	<u>\$ 209,497</u>

See Notes to the Financial Statements



# EDGEMONT COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2022

### 1. DESCRIPTION OF OPERATIONS

The Edgemont Community Association ("the Association") was registered with the Province of Alberta under the Societies Act as a not for profit organization on March 13, 1980 and is exempt from income taxes under section 149 (i) (l) of the Canadian Income Tax Act.

The Association provides recreation, other facilities and advocates on behalf of the community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared according to Canadian accounting standards for not-for-profit organizations, of which the most significant policies are:

#### (a) Accounting

The Association's financial statements are prepared according to the deferral method of accounting for externally restricted funds. The statements consist of:

Unrestricted Funds  
Restricted Funds

The unrestricted funds represent funds, which the Association receives from general business operations and includes assets and liabilities and revenues and expenses associated with these funds.

The restricted funds include both internally and externally restricted funds. Internally restricted funds are cash resources, which the Association's board of directors restricts for building maintenance and expansion. Externally restricted funds are unspent casino and grant funding.

#### (b) 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.

#### (c) Revenue Recognition

Unrestricted revenue is recorded according to the accrual method, where revenue is recognized when received or reasonable assurance is given, that it is receivable.

Externally restricted cash is recorded according to the deferral method, where revenue is recognized, when the related expense occurred.

#### (d) Property and Equipment

Property and equipment over \$500 are recorded at cost and amortized on a straight line basis at the following rates:

Community facility	25 years
Ice rink facilities	25 years
Furniture and equipment	10 years
Planters and beds	10 years
Website	8 years

# EDGEMONT COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2022

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**(e) Contributed Services**

A number of volunteers spent a significant number of hours to deliver the Association's programs. Due to the difficulty of quantifying these hours, a financial value has not been set up in these financial statements.

**(f) 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, accounts receivable and accounts payable.

**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.

**(g) 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 statement 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.

**(h) Donations in-Kind**

Donations in-kind are recorded at fair market value, if fair market value is reasonably determinable and if the goods and services would have been otherwise purchased in the normal way of operations.

# EDGEMONT COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2022

### 3. CASH AND CASH EQUIVALENTS, UNRESTRICTED

	2022	2021
<b>Unrestricted Cash and cash equivalents:</b>		
Chequing account - National Bank	\$ 116,705	\$ 34,810
Restricted cash in National Bank	(56,990)	-
Gifts cards	800	-
Undeposited cash	149	6,800
Petty cash	83	113
	<u>\$ 60,747</u>	<u>\$ 41,723</u>

### 4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Deferred contributions from casinos represent unspent resources earned from casinos, which are externally restricted for specific expenditures as approved by the Alberta Gaming and Liquor Commission (AGLC). Unspent contributions for specific objectives are restricted according to objectives specified by the contribution provider.

	2022	2021
Casino Chequing accounts	\$ 90,647	\$ 167,775
Investment (Note 5)	50,055	-
	<u>\$ 140,702</u>	<u>\$ 167,775</u>

### 5. INVESTMENTS

General short term guaranteed investment certificate, monthly cash management, maturing January 13, 2023 @ 4% - unrestricted	<u>\$ 208,704</u>
Non-redeemable short term GIC maturing January 23, 2023 @ 4% - restricted	<u>\$ 50,055</u>

### 6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2022	Net 2021
Building	\$2,086,926	1,324,361	762,565	377,116
Ice rink	364,295	215,681	148,614	162,177
Furniture and equipment	143,324	103,495	39,829	28,479
Signage	37,669	18,627	19,042	23,699
Planters and beds	11,635	4,654	6,981	8,145
Website	16,124	5,031	11,093	13,109
Computers	6,800	6,800	-	-
	<u>\$2,666,773</u>	<u>1,678,649</u>	<u>988,124</u>	<u>612,725</u>



# EDGEMONT COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2022

### 7. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted contributions for the purchase of property and equipment have been recorded as deferred capital contributions and will be amortized and brought into income on the same basis as the related capital asset is amortized and expensed.

	2022	2021
Balance from previous year	\$ 526,674	\$ 567,691
Contributions from casino (Note 9)	27,128	8,124
Contributions from grants (Note 13)	434,57	-
Amortization to income	(51,370)	(49,141)
Balance to next year	<u>\$ 937,009</u>	<u>\$ 526,674</u>

### 8. GENERAL PROGRAMS

	Revenue	Expense	Net 2022	Net 2021
Miscellaneous programs	\$ 12,800	3,090	9,710	7,431
Craft fair/ECA programs	9,225	2,328	6,897	8,528
Christmas hamper donations	470	470	-	-
Membership services	-	2,504	(2,504)	(699)
	<u>\$ 22,495</u>	<u>8,392</u>	<u>14,103</u>	<u>15,260</u>

### 9. CASINO CONTRIBUTIONS

	2022	2021
Casino Funds, Beginning of the Year (Note 4)	\$ 167,775	\$ 101,420
Casino Revenue	-	76,187
Casino advisor proceeds	-	2,231
Casino advisor fees	-	(2,231)
Investment Interest	54	-
Payments for Property and Equipment from casino (Note 7)	(27,128)	(8,124)
Casino Funds, End of the Year (Note 4)	<u>(140,701)</u>	<u>(167,775)</u>
Contributed to Operations	<u>\$ -</u>	<u>\$ 1,708</u>

### 10. REPAIR AND MAINTENANCE

	2022	2021
Landscaping and snow removal	\$ 21,263	\$ 15,222
Repairs - HVAC	14,231	14,873
Repairs - building and equipment	7,723	8,260
Other maintenance - sign replacement project	1,189	-
	<u>\$ 44,406</u>	<u>\$ 38,355</u>



# EDGEMONT COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2022

### 11. LEASE COMMITMENT

The Association has a licence of occupation agreement with the City of Calgary that expires on March 31, 2033. The licence of occupation requires the Association to pay all expenses incurred on the lands and facility including any insurance or maintenance charges, and all taxes which may from time to time be levied.

### 12. PREPAID EXPENSE

Prepaid expenses consist of insurance.

### 13. GRANTS

	2022	2021
<b>Community Facility Enhancement Program (CFEP)</b>	\$ 125,000	\$ -
Contributed to the purchase of property & equipment	(125,000)	-
<b>City of Calgary - Capital Conservation Grant (CCG)</b>	301,556	-
Contributed to the purchase of property & equipment	(299,982)	-
Contributed to operations	(1,574)	-
<b>Alberta Prairies Grant</b>	9,595	-
Contributed to the purchase of property & equipment	(9,595)	-
<b>Canada Emergency Wage Subsidy:</b>	-	21,417
Spent on operations	-	(21,417)
<b>City of Calgary - Ward grant</b>	-	2,000
Spent on operations - recorded as fund raising	-	(2,000)
<b>Summary:</b>		
<b>Contributed to property &amp; equipment (Note7)</b>	\$ 434,577	\$ -
<b>Total spent and recorded as grant revenue</b>	\$ 1,574	\$ 21,417

### 14. AUDIT, LEGAL, PROFESSIONAL FEES

	2022	2021
Audit	\$ 6,606	\$ 6,152
Additional audit for prior year	-	2,923
Other professional fees	-	1,237
	\$ 6,606	\$ 10,312