

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.

**FINANCIAL STATEMENTS
(Unaudited)**

June 30, 2021



**Cheryl Woloschuk,
Chartered Professional Accountant,
Prof. Corp.**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Willowgrove University Heights Community Association Inc.:

I have reviewed the accompanying financial statements of Willowgrove University Heights Community Association Inc. that comprise the statement of financial position as at June 30, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements which requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Willowgrove University Heights Community Association Inc. as at June 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cheryl Woloschuk, CPA, Prof. Corp.

Cheryl Woloschuk, Chartered Professional Accountant, Prof. Corp.
Chartered Professional Accountant

September 16, 2021
Saskatoon, SK

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
(Unaudited)
June 30, 2021

	ASSETS	
	<u>2021</u>	<u>2020</u>
CURRENT		
Cash - unrestricted	\$ 21,820	\$ 16,658
Prepaid expenses	0	140
Term deposits (Note 4)	51,008	50,905
Accounts receivable	<u>5,260</u>	<u>7,499</u>
	<u>\$ 78,088</u>	<u>\$ 75,202</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 1,724</u>	<u>\$ 4,066</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>76,364</u>	<u>71,136</u>
	<u>\$ 78,088</u>	<u>\$ 75,202</u>

Approved by the Directors:

_____, Director

_____, Director

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(Unaudited)
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Fundraising	\$ 520	\$ 1,246
Grants	5,403	4,800
Interest	103	253
Memberships and programming fees	16,803	46,672
Miscellaneous	<u>0</u>	<u>175</u>
	<u>22,829</u>	<u>53,146</u>
EXPENSES		
Advertising and promotion	734	1,764
Bank charges	996	1,911
Community events:		
Family fun day	0	1,679
Family skate day	0	305
Insurance	4,271	4,264
Meeting costs	0	89
Theatre in the park	0	500
Meals and entertainment	0	161
Memberships and subscriptions	764	663
Newsletter	0	2,923
Office and general	353	539
Postage and mailbox rental	248	258
Professional fees	1,700	1,970
Programming costs	5,929	26,051
Rent	(104)	406
Rink	1,548	4,061
Sundry	0	134
Utilities	1,007	1,664
Website	<u>155</u>	<u>140</u>
	<u>17,601</u>	<u>49,482</u>
EXCESS OF REVENUE OVER EXPENSES	5,228	3,664
UNRESTRICTED NET ASSETS, beginning of year	<u>71,136</u>	<u>67,472</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 76,364</u>	<u>\$ 71,136</u>

See accompanying Notes to Financial Statements

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
CASH FLOW STATEMENT
(Unaudited)
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 5,228	\$ 3,664
Net change in non-cash working capital balances related to operations:		
Trade receivables	2,240	(3,877)
Prepaid expenses	140	546
Accounts payable and accrued liabilities	<u>(2,342)</u>	<u>140</u>
	<u>5,266</u>	<u>473</u>
INCREASE IN CASH AND CASH EQUIVALENTS	5,266	473
CASH AND CASH EQUIVALENTS, beginning of year	<u>67,562</u>	<u>67,090</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 72,828</u>	<u>\$ 67,563</u>
Cash and cash equivalents consist of:		
Cash	\$ 21,820	\$ 16,658
Term deposits	<u>51,008</u>	<u>50,905</u>
	<u>\$ 72,828</u>	<u>\$ 67,563</u>

See accompanying Notes to Financial Statements

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
June 30, 2021

1. NATURE OF ORGANIZATION

Willowgrove University Heights Community Association Inc. was incorporated on May 9, 2008 under The Non-Profit Corporations Act of Saskatchewan. The Corporation is exempt from income taxes under section 149(1)(l) of the Income Tax Act of Canada.

The objectives of the Corporation are:

- 1) to promote and assist in the development of the educational, recreational, and social well being of the residents within the designated boundaries in the Willowgrove and University Heights subdivisions in Saskatoon, Saskatchewan;
- 2) to encourage a sense of community and work to improve the quality of life of the people of the neighborhood; and
- 3) to promote, develop, and organize recreational, educational, and social programs, facilities and site by:
 - i) working in cooperation with the City of Saskatoon, Community Services Department;
 - ii) working in conjunction with other organizations and agencies; and
 - iii) raising funds for carrying out and furthering Association objectives.

2. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Fund Accounting

The Corporation maintains its accounts in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into funds. The Corporation currently only has one fund, the unrestricted fund, which is used for day to day and administrative activities.

b) Use of Estimates

When preparing financial statements according to Canadian generally accepted accounting principles, we make estimates and assumptions that affect the reported amounts of revenues and expenses during the year, the reported amounts of assets and liabilities at the date of the financial statements, and the disclosure of contingent assets and liabilities at the date of the financial statements. We base our assumptions on a number of factors including historical experience, current events, actions that the Corporation may undertake in the future, and other assumptions believed reasonable under the circumstances. Material measurement uncertainties include estimates of collectibility of accounts receivable and accrued liabilities. Actual results could differ from our estimates; the resolution of these uncertainties will be determined by future events.

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
June 30, 2021

2. ACCOUNTING POLICIES - continued

c) Program Supplies

Program supplies are expensed as acquired.

d) Capital Assets of a Small Not-For-Profit Organization

In accordance with Canadian accounting standards for not-for-profit organizations, Willowgrove University Heights Community Association qualifies as a small organization as defined in the CPA Canada Handbook for purposes of reporting capital assets. Accordingly, the organization has opted to report tangible capital assets such as sheds, rinks, and equipment as expenses in the year they are purchased. Proceeds from the disposition of tangible capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the tangible capital assets reported on the statement of financial position. During the year capital assets of \$733 (2020 - \$1,675) were purchased and expensed.

e) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. 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 can be reasonably estimated and collection is reasonably assured. Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Memberships, programming fees, and special events are recognized as revenue when the activities are held.

Grants are recognized as deferred revenue if the activity that the project that the funds are intended to support have to yet been completed. Otherwise, they are recorded as income in the fiscal year that they apply to.

Fundraising and Kid Sport funding are recognized as revenue when received.

Interest is recognized as revenue when earned.

f) Donated Services

The Corporation receives a significant amount of donated services from its Board of Directors and volunteers.

The monetary value of donated services is not reflected in these financial statements because their fair value can not be reasonably estimated.

g) Income Taxes

The Corporation is exempt from income taxes under section 149 (1)(1) of the Income Tax Act in Canada.

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
June 30, 2021

2. ACCOUNTING POLICIES - continued

h) Financial Instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are initially measured on the statement of financial position at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. Held-for-trading financial assets and liabilities measured at fair value are recognized as revenue in the statement of operations. Available-for-sale financial assets are measured at fair value with changes in fair value recorded directly in net assets until the asset is removed from the statement of financial position.

Cash has been classified as held for trading. Accounts receivable has been classified as loans and receivables; all financial liabilities are classified as other financial liabilities.

i) Cash and cash equivalents

The Corporation's policy is to present bank balances, including bank overdrafts with balances that fluctuate from being positive to overdrawn, and term deposits with a maturity period of twelve months or less from the date of the balance sheet, under cash and cash equivalents. Term deposits that the Corporation cannot use for current transactions because they are restricted towards a specific purpose are excluded from cash and cash equivalents.

3. TERM DEPOSITS

Term deposits consist of an investment held at Royal Bank of Canada bearing interest at .1% and maturing on November 25, 2021

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. It is the Board of Directors' opinion that the Corporation is not exposed to significant interest or credit risk arising from these financial instruments except as otherwise disclosed. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of risk.

Risk Management Policy

The Board of Directors observes an informal risk management policy by maintaining the majority of the Corporation's equity in liquid assets.

Fair Value Disclosure

The carrying amount of cash, accounts receivable and accounts payable approximates their fair value due to the short-term maturities of these items.

WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
June 30, 2021

3. FINANCIAL INSTRUMENTS - continued

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its cash and accounts receivable. Credit risk associated with cash is minimized substantially by ensuring that this asset is invested with secure banks. The Corporation believes that there is minimal risk associated with the collection of accounts receivable amounts as it limits the amounts of credit issued to its supporters. A significant portion of the company's receivables is concentrated in the local geographic area.

Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk is not considered significant because the Corporation does not regularly have transactions based in foreign currency and does not maintain a balance in foreign bank accounts.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk due to fluctuations in the market interest rates it earns on cash held in its bank account. The Corporation does not use financial instruments to reduce its interest rate risk exposure.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly from its accounts payable.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk, as described above.

5. RELATED PARTY TRANSACTIONS

During the year, the organization granted registration discounts to directors and volunteers of the Association in the amount of \$50 (2020- \$200). These discounts have been reflected as a reduction in registration revenue.

**WILLOWGROVE UNIVERSITY HEIGHTS COMMUNITY ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS**

**(Unaudited)
June 30, 2021**

6. COVID-19

On March 11, 2020 the World Health Organization declared a global pandemic for the COVID-19 virus. The pandemic resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus. The duration and impact of the COVID-19 pandemic is unknown at this time and it is not possible to reliably estimate the impact that the severity and length of the pandemic will have on the financial results and condition of the Organization in future periods. There are significant direct and indirect effects impacting business and the board of directors continues to monitor the impact of COVID-19 on operations, including loss of revenue or suppliers, cancellation of programming and fundraising events. Up to the date of signing these financial statements, the Organization did not receive any COVID-19 related funding.