

**WILLOW PARK CHARITY GOLF CLASSIC
FOUNDATION**

Financial Statements

Year Ended December 31, 2018

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

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Year Ended December 31, 2018

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BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Willow Park Charity Golf Classic Foundation

Qualified Opinion

We have audited the financial statements of Willow Park Charity Golf Classic Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenses, 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 our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and the results of its 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 charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, current assets, or net assets (deficiency).

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
June 20, 2019


CHARTERED ACCOUNTANTS

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 5,919	\$ 12,265
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,470	\$ 9,858
NET ASSETS (DEFICIENCY)		
UNRESTRICTED NET ASSETS (DEFICIENCY)	(3,551)	2,407
	\$ 5,919	\$ 12,265

APPROVED ON BEHALF OF THE BOARD

_____ *"Mark Renneberg"* Chairman

_____ *"Don Bannerman"* Treasurer

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Revenues and Expenses

Year Ended December 31, 2018

	2018	2017
REVENUES		
Auction receipts	\$ 100,065	\$ 119,645
Fund-a-need donations	49,250	33,500
Paramutual	1,145	2,485
Registration fees	144,000	144,000
Sponsor donations	289,500	279,808
	<u>583,960</u>	<u>579,438</u>
CONTRIBUTIONS TO DESIGNATED CHARITIES	<u>427,350</u>	<u>416,307</u>
EXCESS OF REVENUES OVER CONTRIBUTIONS	<u>156,610</u>	<u>163,131</u>
EXPENSES		
Advertising and promotion	21,472	24,405
Auction	15,880	25,431
Food and refreshments	33,643	33,924
Golf cart rentals	6,128	2,741
Golfers' gratuities	32,550	30,324
Insurance	3,600	3,600
Ladies' gratuities	2,892	2,242
Miscellaneous	4,607	5,293
Printing and signage	2,859	3,087
Prizes	32,619	41,083
Professional fees	6,318	6,367
	<u>162,568</u>	<u>178,497</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (5,958)</u>	<u>\$ (15,366)</u>

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Changes in Net Assets

Year Ended December 31, 2018

	2018	2017
NET ASSETS - Beginning of year	\$ 2,407	\$ 17,773
DEFICIENCY OF REVENUES OVER EXPENSES	(5,958)	(15,366)
NET ASSETS (DEFICIENCY) - End of year	\$ (3,551)	\$ 2,407

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (5,958)	\$ (15,366)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	<u>(388)</u>	<u>3,558</u>
DECREASE IN CASH	(6,346)	(11,808)
CASH - Beginning of year	<u>12,265</u>	<u>24,073</u>
CASH - End of year	<u>\$ 5,919</u>	<u>\$ 12,265</u>

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Willow Park Charity Golf Classic Foundation (the "Foundation") have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents.

Revenue recognition

The Foundation 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 to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. The Foundation has four major streams of revenue including auction receipts, fund-a-need donations, registration fees and sponsor donations.

Auction receipts are revenue earned from sale of auction items. Of these, some are purchased by the Foundation and other items are directly contributed on the behalf of the benefiting charity. The Foundation records this as revenue upon the sale of items. This revenue depends on the volume of auction items obtained by the Foundation which varies year to year.

Fund-a-need donations are cash donations received during the tournament and are recognized when the donation is contributed to the charity for whom the funds are donated.

Registration fees are collected before the tournament and are recorded as revenue at the end of the related tournament.

Sponsor donations are received during the year and are recognized upon the completion of the related tournament, if collection is reasonably assured.

Income taxes

The Foundation is a not-for-profit organization and is exempt from income taxes under section 149(1)(l) of the Income Tax Act. Accordingly, no provision for income taxes has been made in these financial statements.

Contributed materials and services

The Foundation does not recognize contributed materials or services in the financial statements.

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WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Measurement

The Foundation initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. The Foundation subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in the statement of revenues and expenses.

Financial assets subsequently measured at amortized cost include cash.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in the statement of revenues and expenses. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenses in the period the reversal occurs.

Transaction costs

The Foundation recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of revenues and expenses in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. 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.

2. PURPOSE OF THE ORGANIZATION

The Foundation is a not-for-profit organization incorporated under the Societies Act of Alberta. The purpose of the organization is to hold an annual golf tournament to raise funds for local charities.

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

3. CONTRIBUTED MATERIALS, SERVICES AND ECONOMIC DEPENDENCE

The Foundation receives contributions of materials and services for which no amount is reported on the financial statements. Contributed services include administration services of the auction as provided by the Willow Park Golf & Country Club, as well as services provided by members of the board. Contributed materials include items provided for the auction. Auction receipts revenue as reported on the financial statements consists of the proceeds of these items sold at the auction. If Willow Park Golf & Country Club was to terminate its support, the Foundation would have to reassess its ability to remain viable.

4. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments.
