

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Financial Statements

Year Ended December 31, 2022

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

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Year Ended December 31, 2022

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BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Willow Park Charity Golf Classic Foundation

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, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, 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 ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ASNPO, 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 related 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.

Auditor's 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 auditor's 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.



BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report to the Members of Willow Park Charity Golf Classic Foundation (*continued*)

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 auditor's 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 auditor's 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
March 7, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Financial Position

December 31, 2022

| | 2022 | 2021 |
|--|------------------|------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 16,544 | \$ 3,344 |
| Sponsorship donation receivable | - | 10,000 |
| Goods and services tax recoverable | 2,117 | 2,186 |
| | \$ 18,661 | \$ 15,530 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 6,299 | \$ 6,299 |
| NET ASSETS | | |
| UNRESTRICTED NET ASSETS | 12,362 | 9,231 |
| | \$ 18,661 | \$ 15,530 |

APPROVED ON BEHALF OF THE BOARD

Jennifer Davison Chair

Don Bannerman Treasurer

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Revenues and Expenses

Year Ended December 31, 2022

| | 2022 | 2021 |
|--|-----------------|-----------------|
| REVENUE | | |
| Sponsor donations | \$ 266,500 | \$ 309,700 |
| Auction receipts | 220,870 | 129,665 |
| Registration fees | 162,000 | 144,000 |
| Fund-a-need donations | 35,650 | 33,185 |
| Paramutual | 1,490 | 1,230 |
| | 686,510 | 617,780 |
| CONTRIBUTION TO DESIGNATED CHARITY | 389,070 | 451,580 |
| EXCESS REVENUE BEFORE EXPENSES | 297,440 | 166,200 |
| EXPENSES | | |
| Advertising and promotion | 11,300 | 11,480 |
| Auction | 146,637 | 11,849 |
| Food and refreshments | 48,610 | 44,247 |
| Golfers' gratuities | 30,240 | 31,668 |
| Insurance | 3,965 | 3,850 |
| Ladies' gratuities | 1,677 | 552 |
| Miscellaneous | 6,246 | 6,634 |
| Printing and signage | 6,653 | 9,891 |
| Prizes | 29,227 | 30,683 |
| Professional fees | 6,300 | 6,490 |
| Rentals | 5,292 | 5,809 |
| Volunteer attire expense (reimbursement) (Note 4) | 544 | (152) |
| | 296,691 | 163,001 |
| EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS | 749 | 3,199 |
| OTHER INCOME | | |
| Goods and services tax rebates | 2,382 | 2,400 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 3,131 | \$ 5,599 |

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Changes in Net Assets

Year Ended December 31, 2022

| | 2022 | 2021 |
|---------------------------------------|-------------------------|-----------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 9,231 | \$ 3,632 |
| EXCESS OF REVENUE OVER EXPENSES | <u>3,131</u> | <u>5,599</u> |
| NET ASSETS - END OF YEAR | <u>\$ 12,362</u> | <u>\$ 9,231</u> |

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2022

| | 2022 | 2021 |
|--|------------------|----------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 3,131 | \$ 5,599 |
| Changes in non-cash working capital: | | |
| Sponsorship donation receivable | 10,000 | (10,000) |
| Accounts payable and accrued liabilities | - | 2,499 |
| Deferred income | - | (25,000) |
| Goods and services tax recoverable | 69 | 853 |
| | 10,069 | (31,648) |
| INCREASE (DECREASE) IN CASH | 13,200 | (26,049) |
| Cash - Beginning of year | 3,344 | 29,393 |
| CASH - End of year | \$ 16,544 | \$ 3,344 |

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2022

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 sponsor donations, auction receipts, registration fees and fund-a-need donations.

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

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 the revenue upon the sale of items.

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

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.

Income taxes

The Foundation is a registered charity and is exempt from income taxes under section 149(1)(f) 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.

(continues)

WILLOW PARK CHARITY GOLF CLASSIC FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2022

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

Financial instruments

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 liabilities at amortized cost, except for equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses in excess of revenue over 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.

2. PURPOSE OF THE ORGANIZATION

The Foundation is a not-for-profit organization incorporated under the Societies Act of Alberta. The purpose of the Foundation 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, 2022

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, in-kind sponsorships, as well as services provided by members of the board. Contributed materials include items provided for the auction. Auction revenue as reported on the financial statements includes the proceeds of these items sold at the auction. If Willow Park Golf & Country Club were to terminate its support, the Foundation would have to reassess its ability to remain viable.

4. EXPENSE REIMBURSEMENT

| | 2022 | 2021 |
|---|-----------------|-----------------|
| Attire for volunteers and player gratuities | \$ 11,544 | \$ 10,848 |
| Amount recovered from sponsor | <u>(11,000)</u> | <u>(11,000)</u> |
| | <u>\$ 544</u> | <u>\$ (152)</u> |

A sponsor of the Foundation offered to reimburse the cost of attire for volunteers and player gratuities in exchange for including its logo on the attire. The gross cost of the attire and amount recovered from the sponsor are disclosed above.

5. FUND ADMINISTERED BY THE CALGARY FOUNDATION

Between the years 2000 and 2005, the Foundation gifted a portion of the annual charitable contributions to The Calgary Foundation ("TCF"), an unrelated organization, to maintain a lasting legacy in the event that the Foundation ceases operations. The funds are invested in a pooled investment fund by TCF and any income derived from the fund remains with TCF. Each year, an amount is donated from the fund to a charity of the Foundation's choosing. The donated amount is not received by the Foundation and has no impact on the financial statements. In 2022, a total of \$17,234 was withdrawn from the fund and donated to a Calgary charity (2021 - \$16,733 donated to two Calgary Charities). The total value of the fund is \$429,238 at December 31, 2022 (\$470,956 at December 31, 2021).

6. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash and 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.
