

SCENIC ACRES COMMUNITY ASSOCIATION

Financial Statements

For the Year Ended December 31, 2024

Draft for discussion purposes only

SCENIC ACRES COMMUNITY ASSOCIATION

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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Scenic Acres Community Association

Qualified Opinion

We have audited the financial statements of Scenic Acres Community Association (the "Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances 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 Association as at December 31, 2024, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from fundraising activities 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 Association and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 Association 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 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.

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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.

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 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 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 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.

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.

**Saskatoon, Saskatchewan
April 10, 2025**

Chartered Professional Accountants



SCENIC ACRES COMMUNITY ASSOCIATION

Statement of Financial Position

As at December 31, 2024

	Operating	Capital	LEAF	2024	2023
ASSETS					
CURRENT					
Cash	\$ 230,986	\$ -	\$ 47,135	\$ 278,121	\$ 256,971
Term deposits (Note 5)	109,344	-	-	109,344	105,379
Accounts receivable (Note 6)	8,061	-	-	8,061	7,021
Prepaid expenses	7,039	-	-	7,039	6,898
Interfund transfers receivable (payable)	3,795	-	(3,795)	-	-
	359,225	-	43,340	402,565	376,269
TANGIBLE CAPITAL ASSETS (Note 7)	-	543,345	-	543,345	540,688
	\$ 359,225	\$ 543,345	\$ 43,340	\$ 945,910	\$ 916,957
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 8)	\$ 31,639	\$ -	\$ -	\$ 31,639	\$ 31,465
Deferred revenue	7,519	-	-	7,519	7,534
	39,158	-	-	39,158	38,999
DEFERRED CONTRIBUTIONS (Note 9)	68,991	453,171	-	522,162	466,889
	108,149	453,171	-	561,320	505,888
FUND BALANCES	251,076	90,174	43,340	384,590	411,069
	\$ 359,225	\$ 543,345	\$ 43,340	\$ 945,910	\$ 916,957

APPROVED ON BEHALF OF THE BOARD

Director

Director

See notes to the financial statements

SCENIC ACRES COMMUNITY ASSOCIATION

Statement of Operations

For the Year Ended December 31, 2024

	Operating	Capital	LEAF	2024	2023
REVENUE					
Casino contributions	\$ 80,972	\$ -	\$ -	\$ 80,972	\$ 46,348
Deferred contributions	-	23,853	-	23,853	19,619
Donations	13,815	-	-	13,815	11,841
Grants	48,528	-	-	48,528	26,503
Interest income	14,399	-	5,789	20,188	22,190
LEAF - City of Calgary allocation	-	-	264,539	264,539	322,123
LEAF reimbursement for SACA incurred expenses	1,457	-	-	1,457	2,016
Memberships	15,024	-	-	15,024	15,272
Program and events	70,102	-	-	70,102	57,626
Rental facilities	88,894	-	-	88,894	92,409
Sports programs	21,038	-	-	21,038	18,168
	354,229	23,853	270,328	648,410	634,115
EXPENSES					
Amortization	-	63,957	-	63,957	58,238
Insurance	9,976	-	-	9,976	8,913
Interest and bank charges	8,525	-	-	8,525	6,414
LEAF expenses (Note 13)	-	-	286,023	286,023	295,137
Office	18,632	-	-	18,632	16,421
Professional fees	8,315	-	-	8,315	5,104
Program and events	59,795	-	-	59,795	53,482
Repairs and maintenance	24,674	-	-	24,674	27,646
Salaries and wages	159,876	-	-	159,876	133,713
Sports programs	14,524	-	-	14,524	6,164
Telephone	2,545	-	-	2,545	2,672
Utilities	18,047	-	-	18,047	19,231
	324,909	63,957	286,023	674,889	633,135
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 29,320	\$ (40,104)	\$ (15,695)	\$ (26,479)	\$ 980

See notes to the financial statements

SCENIC ACRES COMMUNITY ASSOCIATION

Statement of Changes in Fund Balances

For the Year Ended December 31, 2024

	Unrestricted	Capital	LEAF	Internally restricted - Life Cycle	2024	2023
FUND BALANCES - BEGINNING OF YEAR	\$ 84,530	\$ 141,504	\$ 59,035	\$ 126,000	\$ 411,069	\$ 410,089
Deficiency of revenue over expenses	29,320	(40,104)	(15,695)	-	(26,479)	980
Interfund transfers <i>(Note 12)</i>	11,226	(11,226)	-	-	-	-
FUND BALANCES - END OF YEAR	\$ 125,076	\$ 90,174	\$ 43,340	\$ 126,000	\$ 384,590	\$ 411,069

See notes to the financial statements

SCENIC ACRES COMMUNITY ASSOCIATION

Statement of Cash Flows

For the Year Ended December 31, 2024

	Operating	Capital	LEAF	2024	2023
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenses for the year	\$ 29,320	\$ (40,104)	\$ (15,695)	\$ (26,479)	\$ 980
Items not affecting cash:					
Amortization of tangible capital assets	-	63,957	-	63,957	58,238
Amortization of deferred capital contributions	-	(23,853)	-	(23,853)	(19,619)
	29,320	-	(15,695)	13,625	39,599
Changes in non-cash working capital:					
Accounts receivable	(1,040)	-	-	(1,040)	339
Prepaid expenses	(141)	-	-	(141)	(268)
Accounts payable and accrued liabilities	174	-	-	174	(2,356)
Deferred revenue	(15)	-	-	(15)	(2,830)
Due to (from) LEAF Fund	(612)	-	612	-	-
	(1,634)	-	612	(1,022)	(5,115)
Cash flow from (used by) operating activities	27,686	-	(15,083)	12,603	34,484
INVESTING ACTIVITIES					
Purchase of investments	(105,958)	-	-	(105,958)	(114,383)
Proceeds from disposition of investments	105,958	-	-	105,958	171,037
Reinvested interest	(3,965)	-	-	(3,965)	(4,858)
Purchase of capital assets	-	(66,614)	-	(66,614)	(192,965)
Cash flow from (used by) investing activities	(3,965)	(66,614)	-	(70,579)	(141,169)
FINANCING ACTIVITY					
Use of deferred cash contributions	1,286	77,840	-	79,126	96,529
Cash flow from financing activity	1,286	77,840	-	79,126	96,529
OTHER CASH FLOW ITEMS					
Interfund transfers	11,226	(11,226)	-	-	-
INCREASE (DECREASE) IN CASH	36,233	-	(15,083)	21,150	(10,156)
CASH - BEGINNING OF YEAR	194,753	-	62,218	256,971	267,127
CASH - END OF YEAR	\$ 230,986	\$ -	\$ 47,135	\$ 278,121	\$ 256,971
CASH CONSISTS OF:					
Cash	\$ 230,986	\$ -	\$ 47,135	\$ 278,121	\$ 256,971

See notes to the financial statements

SCENIC ACRES COMMUNITY ASSOCIATION

Notes to the Financial Statements

For the Year Ended December 31, 2024

1. DESCRIPTION OF OPERATIONS

The Scenic Acres Community Association ("the Association") is a not-for-profit organization incorporated under the *Societies Act* of the Province of Alberta on April 15, 1985.

The Association serves the entire Scenic Acres community and its membership is voluntary.

The Association's mission, vision and values reflect people, community and performance, working together towards success. The Association is built on a sharing foundation, thinking broadly without losing sight of its local roots to provide members and community residents with the attention and respect they deserve.

The Association's vision is for Scenic Acres to be a vibrant, sustainable, safe and attractive, where residents value community and engagement with a sense of pride and tradition.

The Association's mission is to advocate and act as a hub, physically and virtually, for the community and to provide access to various facilities, programs, events and services.

The Association is exempt from tax under the Income Tax Act of Canada as long as the Association maintains its not-for-profit status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in *Part III* of the CPA Handbook and include the following significant accounting policies:

Fund accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

Operating Fund

The Operating Fund accounts for the Association's revenues and expenses related to program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Capital Fund

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's tangible capital assets. The Capital Fund includes revenues received designated for the acquisition of capital assets. Expenses consist primarily of amortization of tangible capital assets.

Landscape Enhancement Appreciation Fund (LEAF)

The LEAF account funds the community endorsed program to maintain and beautify public green spaces. Funds received in trust for the LEAF program include the City of Calgary's allocated operating grant, supplemented by a special levy on all community residents' property taxes. The Association consolidates LEAF financial reporting into its own records but the program is for the benefit of the entire resident population. Endorsement to continue the program is required every five years by the residents of the community, not the Association.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.

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SCENIC ACRES COMMUNITY ASSOCIATION

Notes to the Financial Statements

For the Year Ended December 31, 2024

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

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis.

Community facility and volleyball courts	25 years
Furniture, equipment and parking lot	5 years
Computer equipment	4 years
Landscaping	25 years

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, investments, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, deferred contributions and revenue. The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

Revenue recognition

Scenic Acres Community Association 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. Unspent amounts are included in deferred contributions. Endowment contributions are recognized as direct increases in net assets.

In prior years, the Association's membership year ran from September through August. In 2022, the Association began using a new program to track memberships on an annual basis. The membership year begins upon payment and ends one year from the date of payment. Membership revenue reported for the year ended December 31, 2024, is comprised of fees that only relate to the 2024 fiscal year.

Other revenues are recognized when they are earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 cover.

Significant estimates include, but are not limited to, the useful life of tangible capital assets, and accruals for certain revenues and expenses.

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SCENIC ACRES COMMUNITY ASSOCIATION

Notes to the Financial Statements

For the Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions in-kind

Contributions in-kind are recorded at fair market value for goods and services used in the normal course of operations that would otherwise have been purchased.

Numerous volunteers have spent a considerable amount of time to develop the Association's programs. The value of this donated time is not reflected in these financial statements.

Directors appointed to the Board of Directors do not receive any compensation.

3. INTERNAL RESTRICTIONS - LIFE CYCLE FUND

The Life Cycle fund consists of money set aside to provide funds for future major expenditures required in connection with the maintenance of the community facility and has been internally restricted by the board of directors.

	2024	2023
Life Cycle Fund	\$ 126,000	\$ 126,000

4. LEAF

With the sole purpose of maintaining and beautifying the public green spaces of the community, the LEAF program supplements funds allotted by the City of Calgary (the "City") with funds collected via a mandatory levy registered on the title and added to the annual property tax bill of all community households. The LEAF program undergoes a review by the Scenic Acres residents every five years to ensure its continuation. The most recent review occurred in 2023. In 2024 the household levy was \$61.80/year. The Association is responsible to select turf and garden maintenance contractors and are reimbursed for the costs by the landscape levy funds. The program is managed by a volunteer committee with oversight from the Scenic Acres Community Association Board.

	Households	2024	2023
Reserve cash held in trust by the city, beginning of year	-	\$ -	\$ 57,583
City operating grant	-	85,010	85,010
Revenue allocation - \$61.80 per household	2,905	179,529	179,530
Cash transferred to SACA Leaf Account	-	(264,539)	(322,123)
Reserve cash held in trust by the City, end of the year		\$ -	\$ -

	2024	2023
SACA Leaf account balance, beginning of the year	\$ 62,218	\$ 34,901
Transfers from the City of Calgary	264,539	322,123
LEAF expenses	(286,023)	(295,137)
Payment of Leaf accounts payable	-	(2,986)
Transfers to Operating Fund	-	(3,000)
Other Leaf transactions, net	6,401	6,317
SACA Leaf account balance, end of the year	\$ 47,135	\$ 62,218

SCENIC ACRES COMMUNITY ASSOCIATION

Notes to the Financial Statements

For the Year Ended December 31, 2024

5. INVESTMENTS

	Term	2024	Yield	2023
Short-term				
Term deposits	< 1 year	\$ 109,344	4.80%	\$ 105,379
		\$ 109,344		\$ 105,379

6. ACCOUNTS RECEIVABLE

	2024	2023
Trade receivables	\$ 8,061	\$ 7,021

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Community facility	\$ 1,186,985	\$ 727,946	\$ 459,039	\$ 486,992
Computer equipment	7,017	1,626	5,391	5,322
Furniture and equipment	25,781	12,451	13,330	2,707
Volleyball courts	82,077	31,398	50,679	45,667
Landscaping	15,089	183	14,906	-
	\$ 1,316,949	\$ 773,604	\$ 543,345	\$ 540,688

The building is located on land leased from the City of Calgary for two 15-year periods starting in 1997 for a nominal yearly fee of \$10. The current period ends on March 31, 2027.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable	\$ 12,155	\$ 16,942
Accrued payables	8,400	7,500
Hall deposits	10,500	7,250
GST payable (refundable)	584	(227)
	\$ 31,639	\$ 31,465

SCENIC ACRES COMMUNITY ASSOCIATION**Notes to the Financial Statements****For the Year Ended December 31, 2024****9. DEFERRED CONTRIBUTIONS**

The deferred contributions balance represents restricted funding in the current period that is related to expenses to be incurred in the subsequent period.

In the prior year, SACA received funding from Alberta Gaming to be held, administered and distributed in accordance with the related funding agreement.

The Capital Conservation Grant and CFEP programs provide funding to enable the Association to complete large capital projects.

In accordance with *Section 4410 Contributions - revenue recognition*, the deferred contributions for the purchase of tangible capital assets are being recognized on the same basis as the amortization expense on the asset purchased.

The deferred contributions balance is composed of the following:

	2024	2023
Deferred contributions, beginning of year	\$ 466,889	\$ 389,980
<i>Contributions received during the year:</i>		
Alberta Gaming, casino funds	79,907	-
Raffle funds and other amounts received	2,351	-
Capital Conservation Grant	25,375	142,875
CFEP grant funding	41,164	-
Enmax grant funding	6,841	-
In-kind funding	9,985	-
<i>Less</i>		
Amounts recognized as grant revenue	(86,498)	(46,347)
Current year's amortization of deferred contributions	(23,852)	(19,619)
Deferred contributions, end of year	\$ 522,162	\$ 466,889

The deferred contributions at year-end relates to the following:

	2024	2023
Deferred casino funds	\$ 42,419	\$ 41,133
Deferred CFEP grant	26,572	26,572
Deferred capital contributions	453,171	399,184
	\$ 522,162	\$ 466,889

10. CROWCHILD HOCKEY

Residents of Scenic Acres who participate in Crowchild Hockey are required to pay a membership or user fee for the Crowchild Twin Arena. These fees are collected by the sports organizations and a proportional share is remitted to the Association.

SCENIC ACRES COMMUNITY ASSOCIATION**Notes to the Financial Statements****For the Year Ended December 31, 2024****11. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members, reduction of grant programs and other related sources, and payment of accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk on its investments in fixed income instruments.

12. INTERFUND TRANSFERS

During the current year, the Board of Directors approved a transfer of \$66,614 (2023 - \$192,965) from Operating Fund to the Capital Assets fund for the purchase of tangible capital assets.

During the current year, the Board of Directors approved a transfer of \$77,840 (2023 - \$184,160) to Operating Fund from the Capital Assets fund to defer contributions related to the HVAC system.

During the current year, the Board of Directors approved a transfer of \$Nil (2023 - \$7,300) to Operating Fund from the LEAF fund to transfer operating revenue recognized through the LEAF fund.

13. LEAF PROGRAM EXPENSES

	2024	2023
Administrative costs	\$ 3,167	\$ 1,348
Contractor services	5,690	7,682
Extra projects	5,165	-
Flower bed prep and planting	16,979	19,206
Flowers	24,012	20,315
Inground/Xeriscape bed creation	21,582	8,721
Maintenance	24,675	23,956
Professional fees	-	2,746
Shrub bed maintenance	25,283	55,234
Turf mowing and trimming	92,101	87,715
Watering	38,315	43,396
Weed Control	-	495
Winter displays	29,054	24,323
	\$ 286,023	\$ 295,137