

CALGARY ROTARY CHALLENGER PARK SOCIETY  
3688 – 48 Avenue N.E.  
Calgary, Alberta  
T3J 5C8

**Notice Date - April 27, 2022**

## **NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the “**Meeting**”) of the members (“**Members**”) of Calgary Rotary Challenger Park Society (the “**Society**”) will be held via **TELECONFERENCE CALL** and/or **ZOOM VIDEO CONFERENCE** (see details at the bottom of the attached AGENDA for connecting into the meeting) on **Wednesday, May 11<sup>th</sup>, 2022 at Noon** (Calgary time) for the following purposes:

1. Receive the financial statements of the Society for the year ended December 31, 2021 and the Report of the Auditors thereon (see attached);
2. Electing Directors of the Society for the ensuing year; and
3. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

At the Meeting, members will be briefed on each of the foregoing items.

Only members of record as of 4:00 pm on April 22<sup>nd</sup>, 2022 (the Record Date) are entitled to: receive notice, receive material relating to the foregoing Meeting and vote at this meeting.

**DATED** at Calgary, Alberta, this 27<sup>th</sup> day of April 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*“Toby Oswald-Felker”*  
Board Chair

### **IMPORTANT**

If you do not expect to attend the Meeting and would like your Membership represented, please complete a **PROXY FORM** and return it **no later than May 6<sup>th</sup>, 2022**. All proxies, to be valid, must be received by the Society at 3688 – 48 Avenue N.E., Calgary, Alberta, no later than 4:00 p.m. (Calgary time) on May 16<sup>th</sup>, 2022.



**Calgary Rotary Challenger Park Society  
AGM Agenda**

**VIA TELECONFERENCE CALL AND OR ZOOM VIDEO  
CONFERENCING – SEE DETAILS BELOW**  
12 Noon Wednesday, May 11<sup>th</sup>, 2022

<b>ITEM</b>	<b>LEAD</b>	<b>TIME</b>	<b>LEGEND</b>
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Welcome and Introductions

Toby Oswald-Felker

**Business Part of Meeting**

- |   |                    |  |   |
|---|--------------------|--|---|
| 1. Approval of May 19 <sup>th</sup> , 2021 Minutes                | Toby Oswald-Felker |  | M |
| 2. Presentation of 2021 Auditor's Report and Financial Statements | Toby Oswald-Felker |  | M |
| 3. Election of Directors  | Toby Oswald-Felker |  | M |
| 4. Adjournment of Business Part of Meeting                        | Toby Oswald-Felker |  |   |

**Non-Business Part of Meeting**

- |  |                           |  |   |
|--|---------------------------|--|---|
| 1. Chairman and Executive Director Reports Including new project plans | Toby Oswald-Felker /J. Z. |  | I |
|--|---------------------------|--|---|

**Teleconference Call details:**

- From Calgary Dial 403-232-0994 / From Anywhere else in Canada/ USA Dial 1-877-385-4099, then follow the voice prompts and when prompted enter your access code, 5188449 followed by the # key

**Zoom Video Conference Link:**

- Will be sent to all members on May 10<sup>th</sup>, 2022, who have confirmed they are attending this AGM

# ANNUAL GENERAL MEETING

Date: May 11<sup>th</sup>, 2022  
(Noon – 1:00pm)

## ELECTION SLATE

Name	Term Being Elected For:
<b>Nominee</b>	
Liz Lyle	1 <sup>st</sup> - 3 year term
Ron Stickley	1 <sup>st</sup> - 3 year term
<b>Incumbents</b>	
Brian Kozak	3 <sup>rd</sup> – 3 year term

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## ANNUAL GENERAL MEETING OF MEMBERS

Calgary Rotary Challenger Park Society

Date of Meeting:  
**May 19, 2021**  
Time: **Noon**  
Place: **Via Zoom and  
Teleconference**

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*At Noon, a quorum being present, the Chairman of the meeting called the meeting to order.*

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1. Welcome by the Chairman –  
(Toby O-F)

Toby OF welcomed everyone attending the AGM. She noted that Shaayna from KLM captioning was providing “captioning services” for those who may need this service to fully participate.

She then did a roll call, based on the responses we had to our AGM Notice and asked people in attendance to say “HERE” when their name was called. (a roll call was then done)

She then said this is the annual general meeting of the members of Calgary Rotary Challenger Park Society and that she will be Chairing this meeting, being Chair of the Board of Directors of the Society, by the authority of the Society’s Articles in acting as the Chair of the Meeting.

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  2. Call to Order

Toby OF then officially called the meeting to order at 12:10 pm. She noted that in accordance with Bylaw Article 7.05, this meeting may be held via “telephone or other communication facilities that permit all persons to participate”.

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  3. Appointment of Secretary

Toby OF then requested Jim Zackowski to serve as Recording Secretary for this Meeting.

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  4. Quorum

Toby OF then noted that our registration records indicate that the required quorum of ten (10) members, who are either in attendance (or who are represented by a proxy and entitled to vote at the meeting) were present.

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  5. Explanation of Voting Procedures

Before commencing with the business of the meeting Toby OF made the following comments on the Meeting’s voting procedures.

Any items specified in the Notice of the Meeting (or that arise at the AGM), that require a resolutions to approve (for example: election of Directors) would be decided by a simple majority of votes cast, including those cast by a proxy.

Those who are on the Society’s Membership Register as of 4:00 pm May 14th, 2021 (our Society’s Record Date) are the ONLY ones entitled to vote on any business to be transacted at the Meeting. She noted that our Recording Secretary has confirmed, based on the Roll Call, all in attendance are on our copy of the Register and hence are then entitled to vote. She then said, that casting of votes will be done using our Roll Call method and those eligible to vote will be asked to say Yes (which will indicated acceptance of the Motion) OR No (which will indicate non-acceptance of the Motion) OR Abstain (which will
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indicate you are not casting a vote). She further noted that each member present, or represented by proxy, shall have one vote for each membership held, if you are representing an organizations, only one (1) person from this organization shall be permitted to cast a vote.

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6.	Notice of Meeting	<p>Toby OF then said that The Notice calling this Meeting was emailed to our members on or before April 27<sup>th</sup>, 2021. The notice was also posted on our website by April 27<sup>th</sup>, 2021.</p> <p>She said unless I hear someone object, I will dispense with reading of the notice of meeting. No objections were made.</p>
<hr/>		
7.	Commencement of the Meeting	<p>Toby OF said that being that the Notice was properly given and a quorum was present, she declared the Meeting to be regularly called and properly constituted for the transaction of business.</p>
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8.	Minutes of Last Meeting	<p>Toby OF that noted that the last Annual General Meeting of the Society was held on May 20<sup>th</sup>, 2020 and the minutes of that meeting are filed in the Society's minute book and a copy was sent out to all members along with the Notice of this Meeting. The following motion came forward:</p> <p><b>MOTION:</b> Moved by Brian G and seconded by Brian K that we dispense with the reading of the minutes of the Annual Meeting held on May 20<sup>th</sup>, 2020.</p> <p>Toby OF then said that the motion is now open for discussion. If there is no [further] discussion I will now call for a vote by roll call. Being there was no discussion the Motion was then voted upon.</p> <p style="text-align: right;"><b>MOTION CARRIED</b></p> <p>She declared the motion carried.</p>
<hr/>		
9.	Presentation of Financial Statements (Board Approved)	<p>Toby OF then moved on to the next item on the Agenda, that being a brief presentation of the Auditors Report and Audited Financial Statements of the Society for the fiscal year ended December 31<sup>st</sup>, 2020. She noted that the Report and Statements were circulated to everyone with the Meeting's Notice and that the Board of Directors, as required by our bylaws, have approved these statements.</p> <p>She asked Matt Noel-Bentley, being our Audit Committee Chair to speak to the Auditor's Report and he and/or Jim will answer any questions people may have on the Statements and/or Notes.</p> <p><b>ALSO NOTED: That Buchanan Barry LLP will be continuing on as our Auditors for 2021.</b></p> <p>The Meeting was then turned back over the Meeting Chair.</p>
<hr/>		
10.	Number of Directors	<p>Toby OF then moved on to the next item on the Agenda. She first confirmed that for this forthcoming year the Board of Directors has resolved that the number of Directors of the Society be set at eight (8).</p>
<hr/>		
11.	Election of Directors	<p>Toby OF then passed the meeting over to the Board's Nominations Chair, Sheila MacLean.</p> <p>Sheila then confirmed that the Board of Directors presently consists of eight (8) directors, two (2) of which whose term of office expires today. The member's whose term is expiring today and whom we want to express our thanks to are Matt Noel-Bentley and Kwabena Oduro-</p>

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Kontoh. She noted that since we are not in person today, we will recognize their years of service at our Christmas social in November.

She then said that since Matt and Kwabena's departure will create two (2) vacancies on the Board, I am happy to report that we have two (2) candidates who have come forward and allowing their names to stand for a Director's position on the Board. Those candidates are Mr. Craig Tervit and Mr. Marvin Pawlivsky. Both of whom are participating in this meeting. As a result I would hereby nominate both to serve as new Directors of the Society for the term noted on the election slate, that was also circulated with the Meeting Notice.

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Sheila then noted that since there will be eight (8) positions on the Board and six (6) Directors are remaining, and we have two (2) nominees standing for election, I declare that these two (2) nominees be elected by acclamation to join the Board as Directors of the Society and to hold office until their term expires or until the next Annual General Meeting of the Society, subject to the articles of the Society and the Alberta *Societies Act*.

She asked everyone to join her in welcoming both Craig and Marvin to your Board of Directors. Sheila then turned the meeting back over to Toby OF.

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**12. Other Questions/ Discussion**

Toby OF then noted that this then concluded the business portion of the meeting and asked if there were any further questions..

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**13. Adjournment of Meeting**

Toby OF, seeing that there were no questions, said she would entertain a motion that the meeting be adjourned.

Lou M., so moved.

Informal Part of the Meeting

Toby OF then noted the meeting was adjourned at 12:42 pm.

Toby OF then referred people to the Society's newsletter and gave a brief report, using her and Jim's message in the Newsletter as a baseline of information. After the presentation, she invited Jim to speak. Jim added a special acknowledgement and thank you to all who support the Park, either with their time, expertise or donations. He gave special recognition to Jim and Pat Burn's for their continued belief and extraordinary support of the Park's operations and future.

Toby OF then opened up meeting to a brief Q & A.

**CALGARY ROTARY CHALLENGER PARK  
SOCIETY**

Financial Statements

DECEMBER 31, 2021

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**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Calgary Rotary Challenger Park Society

*Opinion*

We have audited the accompanying financial statements of Calgary Rotary Challenger Park Society (the "Society") which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021 and the results of its operations, changes in fund balances and 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 Society 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 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 ASPNO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Members of Calgary Rotary Challenger Park Society *(continued)*

*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 Society'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 Society'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 Society 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.

April 20, 2022

Calgary, Alberta

  
BUCHANAN BARRY LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## CALGARY ROTARY CHALLENGER PARK SOCIETY

### STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	2021				2020
	General Fund	Park Construction Fund	Capital Fund	Total	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 560,226	\$ 118,901	\$ -	\$ 679,127	\$ 489,167
Accounts receivable	-	-	-	-	500
Goods and services tax recoverable	12,581	-	-	12,581	9,892
Prepaid expenses	188	-	-	188	188
	572,995	118,901	-	691,896	499,747
<b>Marketable Securities</b>					
	520,114	1,805,527	1,478,532	3,804,173	3,483,599
<b>Capital Assets (Note 3)</b>	2,856	-	5,548,721	5,551,577	5,761,419
	\$ 1,095,965	\$ 1,924,428	\$ 7,027,253	\$ 10,047,646	\$ 9,744,765
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	\$ 154,231	\$ 4,290	\$ 3,298	\$ 161,819	\$ 114,267
Current portion of long-term debt (Note 7)	36,281	-	-	36,281	-
Deferred revenue (Note 5)	110,872	-	-	110,872	135,194
Deferred contributions (Note 6)	119,836	-	-	119,836	108,470
	421,220	4,290	3,298	428,808	357,931
<b>Tenant Deposits</b>	25,097	-	-	25,097	25,097
<b>Long-Term Debt (Note 7)</b>	-	-	-	-	36,281
	446,317	4,290	3,298	453,905	419,309
<b>FUND BALANCES</b>					
Park construction operating	-	(4,290)	-	(4,290)	(4,123)
Invested in capital assets	2,856	-	5,548,721	5,551,577	5,761,419
Internally restricted (Note 8)	520,114	1,924,428	1,475,234	3,919,776	3,517,357
Unrestricted	126,678	-	-	126,678	50,803
	649,648	1,920,138	7,023,955	9,593,741	9,325,456
	\$ 1,095,965	\$ 1,924,428	\$ 7,027,253	\$ 10,047,646	\$ 9,744,765

**SUBSEQUENT EVENT (Note 7)**

**APPROVED ON BEHALF OF THE BOARD**

*Marvin Pawlinsky* Director

*[Signature]* Director

**CALGARY ROTARY CHALLENGER PARK SOCIETY**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2021**

	General Fund		Park Construction Fund		Capital Fund		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues</b>								
Casino	\$ -	\$ 55,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,764
Contributions	236,933	756,931	-	-	-	-	236,933	756,931
Facility rental	502,287	476,438	-	-	-	-	502,287	476,438
Grants	344,569	287,296	-	-	-	-	344,569	287,296
Programming	1,980	2,070	-	-	-	-	1,980	2,070
Special event	68,273	-	-	-	-	-	68,273	-
	<u>1,154,042</u>	<u>1,578,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,042</u>	<u>1,578,499</u>
<b>Expenses</b>								
Amortization of capital assets	714	893	-	-	300,624	319,033	301,338	319,926
Land and services	-	-	610	-	-	-	610	-
Marketing and public relations	21,135	16,446	-	-	-	-	21,135	16,446
Operations and administration (Note 9)	704,188	647,309	15,895	3,926	10,938	7,793	731,001	659,028
Special event	20,171	2,276	-	-	-	-	20,171	2,276
	<u>746,188</u>	<u>666,924</u>	<u>16,505</u>	<u>3,926</u>	<u>311,562</u>	<u>326,826</u>	<u>1,074,255</u>	<u>997,676</u>
<b>Excess (deficiency) of revenues over expenses from operations</b>	<u>407,854</u>	<u>911,575</u>	<u>(16,505)</u>	<u>(3,926)</u>	<u>(311,562)</u>	<u>(326,826)</u>	<u>79,787</u>	<u>580,823</u>
<b>Other income (loss)</b>								
Non-claimable GST ITC's	(12,581)	(9,892)	-	-	-	-	(12,581)	(9,892)
Change in fair value of marketable securities	5,767	11,326	(60,983)	(8,533)	33,154	17,567	(22,062)	20,360
Interest income	2,964	4,312	-	-	-	-	2,964	4,312
Investment income	17,086	24,966	118,833	37,425	41,584	56,211	177,483	118,902
Realized gain on sale of marketable securities	9,055	-	13,800	20,615	-	-	22,855	20,615
Loan forgiveness	20,000	-	-	-	-	-	20,000	-
Foreign exchange (loss)	-	-	(161)	31,266	-	-	(161)	31,266
	<u>42,291</u>	<u>30,712</u>	<u>71,489</u>	<u>80,773</u>	<u>74,718</u>	<u>73,778</u>	<u>188,498</u>	<u>185,263</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>450,145</u>	<u>942,287</u>	<u>54,984</u>	<u>76,847</u>	<u>(236,844)</u>	<u>(253,048)</u>	<u>268,285</u>	<u>766,086</u>
<b>Fund Balances - Beginning of Year</b>	<u>542,579</u>	<u>474,712</u>	<u>1,848,816</u>	<u>1,272,166</u>	<u>6,934,061</u>	<u>6,812,492</u>	<u>9,325,456</u>	<u>8,559,370</u>
<b>Interfund transfers (Note 11)</b>	<u>(343,076)</u>	<u>(874,420)</u>	<u>107,834</u>	<u>514,995</u>	<u>235,242</u>	<u>359,425</u>	<u>-</u>	<u>-</u>
<b>Transfer of capital assets</b>	<u>-</u>	<u>-</u>	<u>(91,496)</u>	<u>(15,192)</u>	<u>91,496</u>	<u>15,192</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - End of Year</b>	<u>\$ 649,648</u>	<u>\$ 542,579</u>	<u>\$ 1,920,138</u>	<u>\$ 1,848,816</u>	<u>\$ 7,023,955</u>	<u>\$ 6,934,061</u>	<u>\$ 9,593,741</u>	<u>\$ 9,325,456</u>

## CALGARY ROTARY CHALLENGER PARK SOCIETY

### STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2021

	2021	2020
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses of the:		
General Fund	\$ 450,145	\$ 942,287
Park Construction Fund	54,984	76,847
Capital Fund	(236,844)	(253,048)
	268,285	766,086
Items not affecting cash:		
Amortization of capital assets	301,338	319,926
Loan forgiveness	(20,000)	-
Investment income reinvested	(94,945)	(86,572)
Change in fair value of marketable securities	22,062	(20,630)
Realized gain on sale of marketable securities	(22,855)	(20,615)
Change in foreign exchange	161	(31,266)
Recognition of deferred contributions (Note 6)	(1,980)	(2,070)
	452,066	924,859
Change in non-cash working capital:		
Accounts receivable	500	(350)
Goods and services tax recoverable	(2,689)	1,285
Prepaid expenses	-	(188)
Accounts payable and accrued liabilities	47,552	7,697
Deferred revenue	(24,322)	84,591
Tenant deposits	-	(2,583)
	473,107	1,015,311
<b>Investing activity</b>		
Capital asset additions	(91,496)	(18,000)
<b>Financing activities</b>		
Deferred contributions received (Note 6)	13,346	13,163
Proceeds from disposal of marketable securities	574,749	509,789
Purchase of marketable securities	(799,746)	(1,369,249)
Proceeds from long-term debt (Note 7)	20,000	40,000
	(191,651)	(806,297)
<b>Increase in cash</b>	189,960	191,014
<b>Cash, beginning of year</b>	489,167	298,153
<b>Cash, end of year</b>	\$ 679,127	\$ 489,167

**Non-cash transactions** (Note 7, Note 15)

**CALGARY ROTARY CHALLENGER PARK SOCIETY**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**1. Significant accounting policies**

The financial statements of Calgary Rotary Challenger Park Society (the "Society") 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 policies summarized below.

The global outbreak of COVID-19 (Coronavirus) has had a significant impact on businesses and non-profit organizations through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time it is unknown the extent of the impact the COVID-19 pandemic may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, it is feasible that the pandemic may cause changes in the availability of grants, corporate and individual donations, and the Society's ability to hold fundraising events and operate. The Society has qualified for and received government assistance, as described in Note 14.

**Fund accounting**

The General Fund accounts for the Society's operating and services revenues and expenses, as well as administrative and fundraising activities. The fund also reports the assets and liabilities of the general operations.

The Park Construction Fund is a restricted fund that reports the assets, liabilities, revenues and expenses related to the Society's construction activities.

The Capital Fund is a restricted fund that reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

**Revenue recognition**

The Society follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to Park construction are recorded as revenue in the Park Construction Fund when received or receivable. Restricted contributions related to the acquisition of capital assets are recognized as revenue in the Capital Fund when received or receivable.

Casino, programming and special event revenue is recognized as revenue of the General Fund using the deferral method, whereby contributions are recognized as revenue in the year in which the related expenses are incurred only if the contributions are externally restricted.

Facility rental revenue is recognized on an accrual basis as it is earned. Deferred revenues represent amounts received in advance for rents related to subsequent periods.

*Continues...*

## CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

### 1. Significant accounting policies (continued)

#### Financial instruments

##### *Measurement*

The Society 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 Society 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 operations.

Financial assets subsequently measured at amortized cost include cash.

Financial assets subsequently measured at fair value include marketable securities.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, tenant deposits and current portion of long-term debt.

##### *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 operations. 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 operations in the period the reversal occurs.

##### *Transactions costs*

The Society recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of operations 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.

#### Cash and cash equivalents

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

#### Pledges receivable

Pledges receivable are recorded in the financial statements when the following criteria are met:

- (a) The Society receives a signed letter from the donor stating the pledged amount with no outstanding conditions; and
- (b) The fair value of the pledge can be reasonably estimated.

#### Capital assets

Capital assets are recorded at cost and amortized over their useful life using the declining balance method at the following annual rates:

Buildings	4%
Furniture and equipment	20%
Land improvements and services	4%
Outdoor facilities/fields	15%

*Continues...*

**CALGARY ROTARY CHALLENGER PARK SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**1. Significant accounting policies (continued)****Park construction**

Park construction costs include tangible and intangible costs of developing, constructing and enhancing the Park and are not subject to amortization until the work is complete and the assets are put into use. Once in use, they are amortized at the applicable rate.

Intangible development costs are tested for impairment annually, or when events or circumstances indicate uncertainty as to realizing a future benefit. If the carrying amount of the intangible asset exceeds its fair value, the excess amount is recognized as an impairment loss in the statement of operations.

**Contributed services**

In the current fiscal year, volunteers contributed services to assist the Society in carrying out its mandate. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**Allocation of expenses**

The costs included in each respective function are expenses that are directly related to the services and functions carried on by the Society. Operations and administration are considered a function in their own right and have not been allocated. Detail of operations and administration - General Fund is included in Note 9.

**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. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, fair value of current portion of long-term debt, and the net recoverable amount of capital assets. 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.



## CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

### 2. Nature and purpose of organization

The Society is incorporated under the Societies Act of Alberta and received its charitable status in January 2005. The Society is not subject to federal or provincial income tax.

The mission statement for the Society is that it will be responsible for "Providing accessible sport and recreational facilities, *WHERE EVERYONE CAN PLAY*".

The Society constructed a barrier-free sport and recreational facility (the "Park") that facilitates the development and delivery of programs and services to persons of all abilities. The Park is located on 25 acres of land in northeast Calgary.

The Society has entered into two (2) new agreements. The first was a Funding Agreement with the City of Calgary (the "City"), which replaced the Society's Management and Operations Agreement with the City. The second agreement was a Consent To Assignment, which was a tri-party agreement between the City, the Society and the Calgary Airport Authority. The latter agreement assigns the original Sublease on the Park's lands to the Society directly. Subsequent to this agreement, the Society received an Extension to this Sublease to June 29, 2072.

As part of the new Funding Agreement, the City will continue to provide an annual Operating grant, as part of the City's 4-year budget cycle until December 31, 2022, to support the operating expenses of the Society. This agreement may be renewed or extended for a subsequent budget cycle, upon mutual agreement between the City and the Society. The amount of the grant for the current year was \$273,084 (2020 – \$270,810).

### 3. Capital assets

	<u>2021</u>			<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	Net Book Value
Buildings	\$ 4,807,363	\$ 2,302,378	\$ 2,504,985	\$ 2,609,359
Furniture and equipment	225,675	204,934	20,741	25,926
Land improvements and services	5,409,361	2,915,105	2,494,256	2,566,180
Outdoor facilities/fields	<u>5,080,323</u>	<u>4,548,728</u>	<u>531,595</u>	<u>559,954</u>
	<u>\$15,522,722</u>	<u>\$ 9,971,145</u>	<u>\$ 5,551,577</u>	<u>\$ 5,761,419</u>

Buildings, land improvements and services and outdoor facilities/fields are owned by the Park (Note 2, Note 4).

### 4. Park construction

Under the terms of the Consent To Assignment (Note 2), the Park buildings, land improvements and services and outdoor facilities/fields constructed are now the property of the Park. As the Society has the beneficial risks and rewards of ownership for the assets, the financial statements account for these expenditures as long-term assets of the Society.

Park construction costs include development costs related to upgrading of the current Park facilities. During the year, the Society undertook new improvements amounting to \$91,495 (2020 - \$18,000). These costs are included in the the Capital Fund and have been amortized accordingly.

The Society continues to explore ways to develop the 5.34 acres of lands currently under a Sublease Agreement until June 2072 with the Calgary Airport Authority.

## CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

### 5. Deferred revenue

Included in deferred revenue is \$110,872 (2020 - \$135,194) of revenue related to bookings, rentals, grants and donations revenue. This revenue will be recognized for activities that will occur in 2022.

### 6. Deferred contributions

	2021	2020
Balance, beginning of year	\$ 108,470	\$ 97,377
Contributions during the year	13,346	13,163
Recognized as revenue in the year	(1,980)	(2,070)
Balance, end of year	\$ 119,836	\$ 108,470

Deferred contributions relate to contributions made specifically for the Everyone Can Play Fund Program ("ECPF"). The ECPF is a subsidy-based program used by the Society to assist disability organizations in paying for their use of the Park. Contributions received for the ECPF for this year were \$13,347 (2020 - \$13,163). The amount of contributions recognized as revenue in the General Fund is equal to the amount of subsidies the Society has provided for bookings during the year.

## CALGARY ROTARY CHALLENGER PARK SOCIETY

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

### 7. Long-term debt

During the prior year, the Society obtained a loan from the Government of Canada under the Canada Emergency Business Account (CEBA) bearing interest at 0% per annum. As the stated interest rate of the loan is below market rates, the fair value of the loan is estimated at the present value of all future cash payments discounted using the prevailing market rates of interest for a similar financial instrument with a similar credit rating. In the current year, the Society was eligible and received the expansion amount of \$20,000. If this loan is repaid prior to December 31, 2023, it will result in loan forgiveness of \$20,000. It is the Society's opinion that the loan will be repaid by the December 31, 2023 deadline, and therefore all fair value calculations have assumed the Society will qualify for the \$20,000 forgiveness. Using a 5% interest rate, the fair value of the loan is \$36,281 as at December 31, 2021. The difference between the fair value of the loan and the outstanding debt is recorded to deferred revenue and is amortized over the interest free period as an adjustment to excess (deficiency) of revenues over expenses. As the fair value adjustment on the loan is non-cash in nature, it has been excluded from the statement of cash flows. Subsequent to year end, the Society repaid the loan.

### 8. Reserves internally restricted

	2021		
	Life Cycle Maintenance	Operating Reserve	Park Construction Reserve
Balance, beginning of year	\$ 1,176,212	\$ 488,206	\$ 1,852,939
Transfers from general fund	225,000	-	-
Investment income, change in fair value & gain on marketable securities	74,718	31,908	71,489
Investment fees payable	(696)	-	-
Balance, end of year	<u>\$ 1,475,234</u>	<u>\$ 520,114</u>	<u>\$ 1,924,428</u>
		2020	
	Life Cycle Maintenance	Operating Reserve	Park Construction Reserve
Balance, beginning of year	\$ 753,608	\$ 441,914	\$ 1,272,166
Transfer from general fund	350,000	10,000	500,000
Investment income, change in fair value & gain on marketable securities	73,779	36,292	80,773
Investment fees payable	(1,175)	-	-
Balance, end of year	<u>\$ 1,176,212</u>	<u>\$ 488,206</u>	<u>\$ 1,852,939</u>

*Continues...*

## CALGARY ROTARY CHALLENGER PARK SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### 8. Reserves internally restricted (continued)

The Society is continuing to maintain reserves for general operations, life cycle maintenance and capital projects.

The Operating Reserve is reported as an internally restricted fund balance in the General Fund as this reserve is to be utilized at the discretion of the Society towards unanticipated operational costs or actual shortfalls. The assets of the Operating reserve are comprised of marketable securities which are held in mutual funds.

The Life Cycle Maintenance Reserve is reported as an internally restricted fund balance in the Capital Fund as these funds are restricted for the purpose of protecting the integrity of the Park. Disbursements from the Life Cycle Maintenance Reserve are outlined in the life cycle plan. The assets of the Life Cycle Maintenance Reserve are comprised of marketable securities that are held in mutual funds.

The Park Construction Reserve is reported as an internally restricted fund balance in the Park Construction Fund as these funds are restricted for the purpose of capital improvements and/or life cycle maintenance. Disbursements from the Park Construction Reserve are included in the annual budgeting process of the Society. The reserve is comprised of cash of \$118,901 (2020 - \$36,361), and marketable securities with a value of \$1,805,527 (2020 - \$1,816,577).

During the year, the Board of Directors internally restricted \$225,000 (2020 - \$350,000) for the Life Cycle Maintenance Reserve, \$Nil (2020 - \$10,000) for the Operating Reserve and \$Nil (2020 - \$500,000) for the Park Construction Reserve.

#### 9. Operations and administration - General Fund

	<u>2021</u>	<u>2020</u>
Governance	\$ 8,138	\$ 8,065
Insurance	25,893	23,161
Park maintenance	253,874	242,944
Park utilities	51,730	52,035
Professional fees	37,166	28,680
Secretarial and office	27,221	30,890
Staff salaries, benefits and expenses	<u>300,146</u>	<u>261,534</u>
	<u>\$ 704,168</u>	<u>\$ 647,309</u>

#### 10. Operating line of credit

The Society has an operating line of credit with a maximum available amount of \$20,000, bearing interest at bank prime plus 3.00%. As of December 31, 2021, \$Nil (2020 - \$Nil) was drawn on this credit facility.

**CALGARY ROTARY CHALLENGER PARK SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**11. Interfund transfers**

Interfund transfers consist of transfers from the General Fund to the Life Cycle Maintenance Reserve to cover park construction costs totalling \$91,496 (2020 - \$18,000). Furthermore, there were transfers from the General Fund to the Life Cycle Maintenance Reserve and the Park Construction Reserve, to cover investment broker fees of \$10,242 (2020 - \$6,617), and \$15,726 (2020 - \$Nil) respectively. There was also a transfer from the Park Construction Reserve to the Operating Reserve to cover investment broker fees of \$Nil (2020 - \$197). Finally, \$612 (2020 - \$Nil) was transferred from the General Fund to the Park Construction Reserve to cover land and service expenses.

The Board of Directors also internally restricted \$225,000 (2020 - \$860,000) from the General Fund and transferred \$225,000 (2020 - \$350,000) to the Life Cycle Maintenance Reserve, \$Nil (2020 - \$10,000) to the Operating Reserve and \$Nil (2020 - \$500,000) for the Park Construction Reserve, to fund costs described in Note 8.

**12. Sublease**

The Society retains two (2) separate subleases from the Calgary Airport Authority. One lease is for the current Park lands and the second lease is for 2.16 hectares (5.34 acres) of land adjacent to the current Park's South West boundary. Both of these subleases are for a term until June 30, 2072. Development of the 5.34 acre parcel of land is restricted by the Land Uses Guidelines of the Calgary Airport Authority.

**13. Endowment Fund**

During the year ended December 31, 2006, a contribution of \$100,000 was made by Mr. Lou MacEachern (the "donor") to The Calgary Foundation with a direction that 3.5% of the market value of the funds be distributed annually to the Society. The donor designated this annual distribution to be used in its Everyone Can Play Fund Program. During the year, the Society received \$5,847 (2020 - \$5,663) from the Lou MacEachern Fund which is included in contributions to the Society's Everyone Can Play Fund (Note 6).

The fair market value of the Lou MacEachern Fund at The Calgary Foundation at December 31, 2021 was \$183,802 (2020 - \$167,050).

**14. Government assistance**

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Business Account ("CEBA")

CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is being assessed over multiple four week application period segments. The Society has determined it qualified for this subsidy from April 15, 2021 through May 15, 2021 and has, accordingly, applied for the CEWS and received \$4,242 (2020 - \$22,787) in the fiscal year.

The subsidies have been recognized as a reduction to the eligible remuneration incurred by the Society during the year.

The Society also received the \$20,000 expansion from the Canada Emergency Business Account ("CEBA") loan as detailed in Note 7.

**CALGARY ROTARY CHALLENGER PARK SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**15. Non-cash transaction**

During the year, the Society had marketable securities which were reinvested for proceeds totalling \$610,549 (2020 - \$1,825,227). As this transaction is non-cash in nature, it has been excluded from the statement of cash flows.

**16. Financial instruments risk exposure**

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

**(a) Credit risk**

Credit risk arises from the possibility that third parties may default on their financial obligations. The Society is exposed to credit risk on cash and marketable securities.

The Society's credit risk exposure on cash and marketable securities are minimized substantially by ensuring that both are held with credible financial institutions.

**(b) Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

**(c) 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 is comprised of currency risk, interest rate risk, and other price risk as described below.

• **Currency risk**

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Society will fluctuate due to changes in foreign exchange rates. The Society is exposed to foreign currency exchange risk on its cash and marketable securities denominated in US dollars. At December 31, 2021 the Society holds in US dollars, cash of \$33,225 (2020 - \$4,142) and marketable securities of \$161,827 (2020 - \$158,038).

• **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. The Society is not exposed to significant interest rate risk.

• **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk on its marketable securities which have a cost base of \$3,486,858 (2020 - \$3,211,354) and a market value of \$3,804,173 (2020 - \$3,483,599) as at December 31, 2021. The marketable securities are comprised of mutual funds, the majority of which are invested in bonds and money market funds. Approximately 30% of the mutual funds are made up of equity investments which carry a higher risk of fluctuation in fair value.