

# **CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2016**

a member of



# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2016

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## Independent Auditor's Report

To the Members of the  
Cambrian Heights Community Association

I have audited the financial statements of the Cambrian Heights Community Association as at December 31, 2016 which include the Statement of Financial Position and the Statements of Operations, Changes in Net Assets, Cash Flows, and a summary of significant accounting policies and other explanatory notes for the nine months ended December 31, 2016.

### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Cambrian Heights Community Association derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Cambrian Heights Community Association and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

**Qualified Opinion**

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Cambrian Heights Community Association as at December 31, 2016 and the results of its operations and cash flows for the nine months ended December 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
May 8, 2017

Nancy Murdoch, CPA CA

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

**As at December 31, 2016**

	<u>December 31, 2016</u>	<u>March 31, 2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents, unrestricted	\$ 176,487	\$ 132,848
Funds Held in Trust for Community Garden	125	435
Externally Restricted Assets (Note 3)	34,884	75,480
Short Term Investments, unrestricted (Note 4)	-	50,000
Accounts Receivable	2,001	271
Goods and Services Tax Receivable	449	245
Prepaid Expenses	4,720	3,612
	<u>218,666</u>	<u>262,891</u>
<b>Property and Equipment (Note 4)</b>	<u>163,825</u>	<u>172,597</u>
	<u>\$ 382,491</u>	<u>\$ 435,488</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 9,198	\$ 5,047
Funds Held in Trust for Community Garden	125	435
Deferred Revenue	-	3,029
Damage Deposits Held	1,875	4,500
Deferred Cash Contributions (Note 3)	34,884	75,480
	<u>46,082</u>	<u>88,491</u>
<b>Deferred Capital Contributions (Note 5)</b>	<u>143,619</u>	<u>151,103</u>
	<u>189,701</u>	<u>239,594</u>
<b>Net Assets</b>		
Unrestricted	172,584	174,400
Invested in Property and Equipment	20,206	21,494
	<u>192,790</u>	<u>195,894</u>
	<u>\$ 382,491</u>	<u>\$ 435,488</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) Daryl Connolly Director

(Signed) JoAnne Dorval-Dronyk Director

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

**For the Nine Months Ended December 31, 2016**

**(With Comparative Figures for the Year Ended March 31, 2016)**

	<u>Unrestricted</u>	<u>Invested in Property and Equipment</u>	<u>December 31, 2016 Totals</u>	<u>March 31, 2016 Totals</u>
Balances, Beginning of the Year	\$ 174,400	21,494	195,894	183,466
Excess of Revenue (Expenses)	<u>(1,816)</u>	<u>(1,288)</u>	<u>(3,104)</u>	12,428
Balances, End of the Year	<u>\$ 172,584</u>	<u>20,206</u>	<u>192,790</u>	195,894

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

For the Nine Months Ended December 31, 2016

(With Comparative Figures for the Year Ended March 31, 2016)

	<u>December 31,</u> <u>2016</u>	<u>March 31,</u> <u>2016</u>
<b>Revenue</b>		
Casino Contributions (Note 6)	\$ 36,487	\$ 42,403
Grants (Note 8)	1,300	800
Events	5,176	7,436
Hall Rentals	30,000	45,191
Interest Income	332	648
Memberships	4,343	4,240
Other and Rebates	576	4,081
	<u>78,214</u>	<u>104,799</u>
<b>Expenses</b>		
Advertising	1,177	2,052
Events	15,660	9,254
Grounds Keeping	7,586	7,209
Insurance	3,648	4,707
Maintenance and Cleaning	18,303	25,281
Office Administration	2,405	2,139
Professional Fees	4,507	4,497
Rink	-	486
Telephone	1,841	3,290
Utilities	7,789	9,001
Wages and Benefits	17,114	22,737
	<u>80,030</u>	<u>90,653</u>
<b>Excess of Revenue (Expenses) Before Amortization</b>	<b>(1,816)</b>	<b>14,146</b>
Amortization Expense	(10,921)	(14,418)
Amortized Contributions (Note 5)	<u>9,632</u>	<u>12,700</u>
<b>Excess of Revenue (Expenses)</b>	<b>\$ (3,105)</b>	<b>\$ 12,428</b>

See Notes to the Financial Statements

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

**For the Nine Months Ended December 31, 2016**

**(With Comparative Figures for the Year Ended March 31, 2016)**

	<b>2016</b>	<b>2016</b>
<b>Cash generated from/(used in):</b>		
<b>Operating Activities</b>		
Excess of Revenue (Expenses)	\$ (3,105)	\$ 12,428
Charges not affecting cash outlay:		
Amortization	10,921	14,418
Amortization of Deferred Contributions	(9,632)	(12,700)
Changes in non-cash operating working capital:		
Accounts Receivable	70,270	(71,334)
Goods and Services Tax Receivable/Payable	(204)	1,939
Prepaid Expenses	(1,108)	47
Accounts Payable and Accrued Liabilities	4,151	(2,693)
Deferred Membership Fees	(3,029)	618
Damage Deposits Held	(2,625)	375
	<b>65,639</b>	<b>(56,902)</b>
<b>Investing Activities</b>		
Purchase of Building Improvements	(2,148)	-
Purchase of Furniture and Equipment	-	(6,559)
Redemption of Investments	50,000	175,000
Purchase of Investments	-	(150,000)
	<b>47,852</b>	<b>18,441</b>
<b>Financing Activities</b>		
Net addition to (Use of) Deferred Cash Contributions	(40,907)	(45,215)
Addition to Deferred Capital Contributions	2,148	5,213
	<b>(38,759)</b>	<b>(40,002)</b>
<b>Increases (Decrease) in Cash and Cash Equivalents</b>	<b>74,732</b>	<b>(78,463)</b>
Cash and Cash Equivalents, Beginning of the Year	<b>136,763</b>	<b>215,226</b>
<b>Cash and Cash Equivalents, End of the Year</b>	<b>\$ 211,495</b>	<b>\$ 136,763</b>
<b>Cash and Cash Equivalents Consist of:</b>		
Unrestricted Cash and Cash Equivalents	\$ 176,612	\$ 133,283
Externally Restricted Cash and Cash Equivalents (Note 3)	34,884	3,480
	<b>\$ 211,496</b>	<b>\$ 136,763</b>

See Notes to the Financial Statements



**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2016**

**1. NATURE OF THE ORGANIZATION**

The Cambrian Heights Community Association (the Association) was incorporated under the Alberta Societies Act on March 5, 1958 as a not-for-profit organization. The Association is exempt from income tax under Section 149 (1) of the Income Tax Act as long as it maintains its not for profit status with Canada Revenue Agency.

The Association was established to promote and foster better relations among the residents of the Cambrian Heights Community.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared according to Canadian accounting standards for not-for-profit organizations of which the most significant policies are:

**(a) Basis of Accounting**

Management has concluded that the going concern basis of accounting is appropriate for the Association.

**(b) Revenue Recognition**

Externally restricted contributions are recorded according to the deferral method where revenue is recognized when the related expense occurs. Externally restricted contributions for property and equipment are recorded as deferred capital contributions and are amortized on the same basis that the related capital asset is expensed.

Operating revenue is recognized when received or reasonable assurance is given that it is receivable.

**(c) Cash and Cash Equivalents**

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Equity investments are excluded from cash equivalents.

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued**

**(d) Property and Equipment**

The Association follows the policy of capitalizing all major assets acquired and amortizes them over their estimated useful lives using the straight line method at the following rates:

Leasehold Improvements	20 years
Furniture and Equipment	10 years

**3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS**

Cash generated from casino activities is restricted to spending according to the approved use of proceeds by the Alberta Gaming and Liquor Commission.

	<b>December 31, 2016</b>	<b>March 31, 2016</b>
Cash in Bank - Casino	\$ 34,053	\$ 3,139
Casino funds held in general	831	341
Estimated casino proceeds receivable	-	72,000
	<b>\$ 34,884</b>	<b>\$ 75,480</b>

**4. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>December 31, 2016 Net</b>	<b>March 31, 2016 Net</b>
Leasehold Improvements	\$ 227,284	74,959	152,325	158,726
Furniture & Equipment	31,614	20,114	11,500	13,871
	<b>\$ 258,898</b>	<b>95,073</b>	<b>163,825</b>	<b>172,597</b>

**5. DEFERRED CAPITAL CONTRIBUTIONS**

Externally restricted contributions spent on the purchase of property and equipment are recorded as deferred capital contributions. These contributions are recognized as revenue on the same basis that the related property and equipment is amortized.

	<b>December 31, 2016</b>	<b>March 31, 2016</b>
Balance from previous year	\$ 151,103	\$ 158,590
Contributions from casino funds (Note 6)	2,148	-
Contributions from grant funds (Note 8)	-	5,213
Less: Amortization	(9,632)	(12,700)
Balance to next year	<b>\$ 143,619</b>	<b>\$ 151,103</b>

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2016**

**6. CASINO CONTRIBUTIONS**

	<b>December 31, 2016</b>	<b>March 31, 2016</b>
Balance from previous year	\$ 75,480	\$ 45,876
Casino proceeds	(1,977)	72,000
Interest earned	16	7
Purchase of property and equipment (Note 6)	(2,148)	-
Carried forward to next year	(34,884)	(75,480)
Casino funds spent on operations	<u>\$ 36,487</u>	<u>\$ 42,403</u>

**7. GRANT CONTRIBUTIONS**

	<b>December 31, 2016</b>	<b>March 31, 2016</b>
Enmax	\$ -	5,213
City of Calgary - Ward Community Event Funds	1,300	800
Purchase of property and equipment (Note 6)	-	(5,213)
Grant funds spent on operations	<u>\$ 1,300</u>	<u>\$ 800</u>

**8. MEASUREMENT UNCERTAINTY**

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant.

**9. CONTRIBUTED GOODS AND SERVICES**

Contributed services and donated items are recognized in the financial statements when their fair value can reasonably be determined, when the services or goods are used in the normal course of the Association's operations and when they would otherwise have been purchased. During the nine months no contributions were recognized (March 31, 2016 - \$ Nil).

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs. The value of this contributed time is not reflected in these financial statements.

**CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2016**

**10. FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income.

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable and accounts payable.

*Risk*

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.