

# **CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2017**

a member of



# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2017

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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, 2017 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 year ended December 31, 2017.

### 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, 2017 and the results of its operations and cash flows for the year ended December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
May 7, 2018

Nancy Murdoch, CPA CA

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

**As at December 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents, unrestricted	\$ 168,207	\$ 176,487
Funds held in trust for community garden group	-	125
Externally restricted assets (Note 3)	61,898	34,884
Accounts receivable	4,546	2,001
Goods and Services Tax receivable	4,978	449
Prepaid expenses	5,557	4,720
	<b>245,186</b>	<b>218,666</b>
<b>Capital assets (Note 4)</b>	<b>248,984</b>	<b>163,825</b>
	<b>\$ 494,170</b>	<b>\$ 382,491</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 11,451	\$ 9,198
Funds held in trust for community garden	-	125
Damage deposits held	750	1,875
Deferred cash contributions (Note 3)	61,898	34,884
	<b>74,099</b>	<b>46,082</b>
<b>Deferred capital contributions (Note 5)</b>	<b>226,718</b>	<b>143,619</b>
	<b>300,817</b>	<b>189,701</b>
<b>Net assets</b>		
Unrestricted	171,087	172,584
Invested in capital assets	22,266	20,206
	<b>193,353</b>	<b>192,790</b>
	<b>\$ 494,170</b>	<b>\$ 382,491</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See Notes to the Financial Statements

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

**For the Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Balances, beginning of the year	\$ 172,584	20,206	192,790	195,894
Transfers	(4,144)	4,144	-	-
Excess of revenue (expenses)	2,647	(2,084)	563	(3,104)
Balances, end of the year	<u>\$ 171,087</u>	<u>22,266</u>	<u>193,353</u>	<u>192,790</u>

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

**For the Year Ended December 31, 2017**  
**Comparative figures are for the nine months ended December 31, 2016**

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Casino contributions (Note 6)	\$ 40,833	\$ 36,487
Grants (Note 8)	194	1,300
Events	8,008	5,176
Hall rentals	41,132	30,000
Interest income	87	332
Memberships	3,595	4,343
Other and rebates	482	576
	<b>94,331</b>	<b>78,214</b>
<b>Expenses</b>		
Advertising	1,734	1,177
Events	7,903	15,660
Grounds keeping	9,721	7,586
Insurance	4,934	3,648
Maintenance and cleaning	21,563	18,303
Office administration	2,465	2,404
Professional fees	4,257	4,507
Rink	156	-
Telephone	2,464	1,841
Utilities	13,825	7,789
Wages and benefits	22,661	17,114
	<b>91,683</b>	<b>80,029</b>
<b>Excess of revenue (expenses) before amortization</b>	<b>2,648</b>	<b>(1,815)</b>
Amortization expense	(19,940)	(10,921)
Amortization of deferred contributions (Note 5)	17,855	9,632
	<b>563</b>	<b>(3,104)</b>
<b>Excess of revenue (expenses)</b>	<b>\$ 563</b>	<b>\$ (3,104)</b>

See Notes to the Financial Statements

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

**For the Year Ended December 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>Cash generated from/(used in):</b>		
<b>Operating activities</b>		
Excess of revenue (expenses)	\$ 563	\$ (3,104)
Charges not affecting cash outlay:		
Amortization	19,940	10,921
Amortization of deferred contributions	(17,855)	(9,632)
Changes in non-cash operating working capital:		
Accounts receivable	(2,545)	70,270
Goods and Services Tax receivable	(4,529)	(204)
Prepaid expenses	(837)	(1,108)
Accounts payable and accrued liabilities	2,254	4,151
Deferred membership fees	-	(3,029)
Damage deposits held	(1,125)	(2,625)
	<b>(4,134)</b>	<b>65,639</b>
<b>Investing activities</b>		
Building improvements	(101,912)	(2,148)
Purchase of furniture and equipment	(3,187)	-
Redemption of investments	-	50,000
	<b>(105,099)</b>	<b>47,852</b>
<b>Financing activities</b>		
Addition to deferred capital contributions	100,954	2,148
Net addition to (use of) deferred cash	26,888	(40,906)
	<b>127,842</b>	<b>(38,758)</b>
<b>Increases (decrease) in cash and cash equivalents</b>	<b>18,609</b>	<b>74,733</b>
Cash and cash equivalents, beginning of the year	<b>211,496</b>	<b>136,763</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 230,105</b>	<b>\$ 211,496</b>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash and cash equivalents	\$ 168,207	\$ 176,612
Externally restricted cash and cash equivalents (Note 3)	61,898	34,884
	<b>\$ 230,105</b>	<b>\$ 211,496</b>

See Notes to the Financial Statements



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

**December 31, 2017**

**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 the 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, 2017**

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

**(d) Capital Assets**

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. Cash generated from grant funding is restricted to spending according to the funder contribution agreement.

	<u>2017</u>	<u>2016</u>
Cash in casino bank - Casino	\$ 59,311	\$ 34,053
Casino funds held in general bank	-	831
CFEP funds held in general bank	<u>2,587</u>	-
	<u>\$ 61,898</u>	<u>\$ 34,884</u>

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2017 Net	2016 Net
Leasehold improvements	\$ 329,196	91,419	237,777	152,325
Furniture and equipment	34,801	23,594	11,207	11,500
	<u>\$ 363,997</u>	<u>115,013</u>	<u>248,984</u>	<u>163,825</u>

**5. DEFERRED CAPITAL CONTRIBUTIONS**

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

	<u>2017</u>	<u>2016</u>
Balance from the previous year	\$ 143,619	\$ 151,103
Contributions from casino funds (Note 6)	-	2,148
Contributions from grant funds (Note 7)	100,954	-
Less: Amortization	<u>(17,855)</u>	<u>(9,632)</u>
Balance to next year	<u>\$ 226,718</u>	<u>\$ 143,619</u>

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

**December 31, 2017**

**6. CASINO CONTRIBUTIONS**

	<u>2017</u>	<u>2016</u>
Balance from the previous year	\$ 34,884	\$ 75,480
Casino proceeds	64,616	(1,977)
Transfers and rebates	637	-
Interest earned	7	16
Purchase of capital assets (Note 5)	-	(2,148)
Carried forward to next year	(59,311)	(34,884)
Casino funds spent on operations	<u>\$ 40,833</u>	<u>\$ 36,487</u>

**7. GRANT CONTRIBUTIONS**

	<u>2017</u>	<u>2016</u>
Energizing spaces - Enmax	\$ 4,546	\$ -
City of Calgary - Ward Community Event Fund	194	1,300
City of Calgary - Capital Conservation Grant	75,922	-
Province of Alberta - Community Facility Enhancement Program	23,074	-
Purchase of capital assets (Note 5)	(100,955)	-
Grant funds spent on operations	<u>\$ 194</u>	<u>\$ 1,300</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, the estimates for prepaid expenses, the useful life of capital assets and accrued liabilities 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 year no contributions were recognized (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, 2017**

**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.