

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

December 31, 2018

a member of

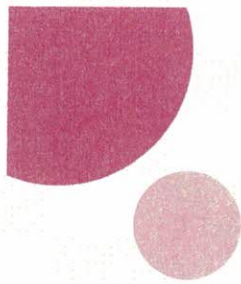


CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2018

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Nancy Murdoch

Chartered Professional Accountant

(403) 244-4111 ext. 206

nancy.murdoch@calgarycommunities.com

110, 720 - 28 Street NE Calgary, AB T2A 6R3

Independent Auditor's Report

To the Members of the
Cambrian Heights Community Association

Qualified Opinion

I have audited the Statement of Financial Position of the Cambrian Heights Community Association as at December 31, 2018 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2018.

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, 2018 and the results of its operations and cash flows for the year ended December 31, 2018 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Qualified Opinion

In common with many not-for-profit associations, 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. I conducted my audit in accordance with Canadian auditing standards. I am independent of the Cambrian Heights Community Association in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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 associations 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.

In preparing the financial statements, management is responsible for assessing the Cambrian Heights Community 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.

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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
May 6, 2019

Nancy Murdoch
Chartered Professional Accountant


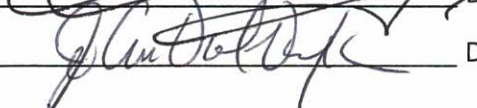
Nancy Murdoch
Chartered Professional Accountant

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted	\$ 179,428	\$ 168,207
Externally restricted assets (Note 3)	758	61,898
Accounts receivable	210	4,546
Goods and Services Tax receivable, unrestricted	4,461	4,978
Prepaid expenses	6,222	5,557
	<u>191,079</u>	<u>245,186</u>
Capital assets (Note 4)	<u>259,041</u>	<u>248,984</u>
	<u>\$ 450,120</u>	<u>\$ 494,170</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,606	\$ 11,451
Damage deposits held	1,175	750
Deferred cash contributions (Note 3)	758	61,898
	<u>11,539</u>	<u>74,099</u>
Deferred capital contributions (Note 5)	<u>236,060</u>	<u>226,718</u>
	<u>247,599</u>	<u>300,817</u>
Net assets		
Unrestricted	179,540	171,087
Invested in capital assets	22,981	22,266
	<u>202,521</u>	<u>193,353</u>
	<u>\$ 450,120</u>	<u>\$ 494,170</u>

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, 2018

	Unrestricted	Invested in Capital Assets	2018 Totals	2017 Totals
Balances, beginning of the year	\$ 171,087	22,266	193,353	192,790
Transfers	(2,951)	2,951	-	-
Excess of revenue (expenses)	11,404	(2,236)	9,168	563
Balances, end of the year	<u>\$ 179,540</u>	<u>22,981</u>	<u>202,521</u>	<u>193,353</u>

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
Revenue		
Casino contributions (Note 6)	\$ 54,600	\$ 40,833
Grants (Note 8)	655	194
Events	9,173	8,008
Hall rentals	47,312	41,132
Interest income	86	87
Memberships	5,529	3,595
Other and rebates	328	482
	<u>117,683</u>	<u>94,331</u>
Expenses		
Advertising	1,549	1,734
Events	14,950	7,903
Grounds keeping	8,432	9,721
Insurance	5,300	4,934
Maintenance and cleaning	28,788	21,563
Office administration	4,324	2,465
Professional fees	4,490	4,257
Rink	1,142	156
Telephone	2,832	2,464
Utilities	11,720	13,825
Wages and benefits	22,753	22,661
	<u>106,280</u>	<u>91,683</u>
Excess of revenue (expenses) before amortization	11,403	2,648
Amortization expense	(20,468)	(19,940)
Amortization of deferred contributions (Note 5)	18,233	17,855
	<u>18,233</u>	<u>17,855</u>
Excess of revenue (expenses)	\$ 9,168	\$ 563

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
Cash generated from/(used in):		
Operating activities		
Excess of revenue (expenses)	\$ 9,168	\$ 563
Charges not affecting cash outlay:		
Amortization	20,468	19,940
Amortization of deferred contributions	(18,233)	(17,855)
Changes in non-cash operating working capital:		
Accounts receivable	4,113	(2,545)
Goods and Services Tax receivable	517	(4,529)
Prepaid expenses	(665)	(837)
Accounts payable and accrued liabilities	(1,845)	2,254
Damage deposits held	425	(1,125)
	<u>13,948</u>	<u>(4,134)</u>
Investing activities		
Building improvements	(26,060)	(101,912)
Purchase of furniture and equipment	(4,465)	(3,187)
	<u>(30,525)</u>	<u>(105,099)</u>
Financing activities		
Receipt of grant funds	21,677	100,954
Net use of deferred cash contributions	(55,242)	26,888
	<u>(33,565)</u>	<u>127,842</u>
Increases (decrease) in cash and cash equivalents	(50,142)	18,609
Cash and cash equivalents, beginning of the year	<u>230,105</u>	<u>211,496</u>
Cash and cash equivalents, end of the year	\$ 179,963	\$ 230,105
Cash and cash equivalents consist of:		
Unrestricted cash and cash equivalents	\$ 179,428	\$ 168,207
Externally restricted cash and cash equivalents (Note 3)	535	61,898
	<u>\$ 179,963</u>	<u>\$ 230,105</u>

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2018

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, 2018

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.

	2018	2017
Cash in casino bank - Casino	\$ 35	\$ 59,311
Casino funds held in general bank	500	-
CFEP funds held in general bank	-	2,587
	535	61,898
Restricted GST	223	-
	<u>\$ 758</u>	<u>\$ 61,898</u>

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net	2017 Net
Leasehold improvements	\$ 355,256	109,182	246,074	237,777
Furniture and equipment	39,266	26,299	12,967	11,207
	<u>\$ 394,522</u>	<u>135,481</u>	<u>259,041</u>	<u>248,984</u>

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2018

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.

	2018	2017
Balance from the previous year	\$ 226,718	\$ 143,619
Contributions from casino funds (Note 6)	3,965	-
Contributions from grant funds (Note 7)	23,610	100,954
Less: Amortization	(18,233)	(17,855)
Balance to next year	<u>\$ 236,060</u>	<u>\$ 226,718</u>

6. CASINO CONTRIBUTIONS

	2018	2017
Balance from the previous year	\$ 59,311	\$ 34,884
Casino proceeds	-	64,616
Transfers and rebates	-	637
Interest earned	12	7
Purchase of capital assets (Note 5)	(3,965)	-
Carried forward to next year	(758)	(59,311)
Casino funds spent on operations	<u>\$ 54,600</u>	<u>\$ 40,833</u>

7. GRANT CONTRIBUTIONS

	2018	2017
Grants carried forward	\$ 2,587	\$ -
Energizing spaces - Enmax	-	4,546
Energy Efficient Alberta	520	-
City of Calgary - Ward Community Event Fund	135	194
City of Calgary - Capital Conservation Grant	20,523	75,922
Province of Alberta - CFEP	-	23,074
Shell Canada Community Grant	500	-
Carried forward to next year	-	(2,587)
Purchase of capital assets (Note 5)	(23,610)	(100,955)
Grant funds spent on operations	<u>\$ 655</u>	<u>\$ 194</u>

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2018

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 (2017 - \$ 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.

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.