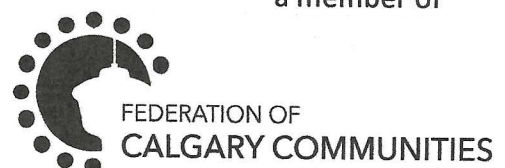


CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS **(Audited)**

December 31, 2019

a member of

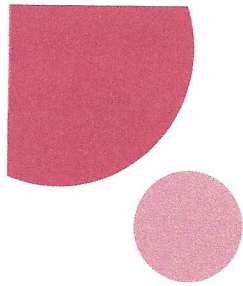


CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2019

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Nancy Murdoch

Chartered Professional Accountant

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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, 2019 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, 2019.

In my opinion, except for the effects of adjustments as described below in the Basis for Qualified Opinion paragraph, 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, 2019 and the results of its operations and cash flows for the year ended December 31, 2019 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.

Nancy Murdoch
Chartered Professional
Accountant

Calgary, Alberta
September 14, 2020

Nancy Murdoch
Chartered Professional Accountant

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

(Audited)

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted	\$ 116,057	\$ 179,428
Externally restricted assets (Note 3)	70,854	758
Accounts receivable	928	210
Goods and Services Tax receivable, unrestricted	12,849	4,461
Prepaid expenses	7,309	6,222
	<u>207,997</u>	<u>191,079</u>
Capital assets (Note 4)	<u>490,703</u>	<u>259,041</u>
	<u>\$ 698,700</u>	<u>\$ 450,120</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,726	\$ 9,606
Damage deposits held	2,450	1,175
Deferred cash contributions (Note 3)	70,854	758
	<u>82,030</u>	<u>11,539</u>
Deferred capital contributions (Note 5)	<u>464,018</u>	<u>236,060</u>
	<u>546,048</u>	<u>247,599</u>
Net assets		
Unrestricted	125,967	179,540
Invested in capital assets	26,685	22,981
	<u>152,652</u>	<u>202,521</u>
	<u>\$ 698,700</u>	<u>\$ 450,120</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, 2019

	Unrestricted	Invested in Capital Assets	2019 Totals	2018 Totals
Balances, beginning of the year	\$ 179,540	22,981	202,521	193,353
Transfers	(6,470)	6,470	-	-
Excess of revenue (expenses)	(47,103)	(2,766)	(49,869)	9,168
Balances, end of the year	\$ 125,967	26,685	152,652	202,521

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
Casino contributions (Note 6)	\$ 43	\$ 54,600
Grants (Note 8)	1,256	(655)
Events	13,437	9,173
Hall rentals	39,945	47,312
Interest income	81	86
Memberships	5,305	5,529
Other and rebates	17	328
	<u>60,084</u>	<u>116,373</u>
Expenses		
Advertising	1,662	1,549
Events	16,143	14,950
Gifts	823	225
Grounds keeping	8,554	8,432
Insurance	7,118	5,300
Maintenance and cleaning	29,617	28,788
Office administration	3,619	4,099
Professional fees	4,129	4,490
Rink	-	1,142
Telephone	3,037	2,832
Utilities	9,718	11,720
Wages and benefits	22,767	22,753
	<u>107,187</u>	<u>106,280</u>
Excess of (expenses) revenue before amortization	(47,103)	10,093
Amortization expense	(33,526)	(20,468)
Amortization of deferred contributions (Note 5)	30,760	18,233
Excess of (expenses) revenue	\$ (49,869)	\$ 7,858

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash generated from/(used in):		
Operating activities		
Excess of revenue (expenses)	\$ (49,869)	\$ 7,858
Charges not affecting cash outlay:		
Amortization	33,526	20,468
Amortization of deferred contributions	(30,760)	(18,233)
Changes in non-cash operating working capital:		
Accounts receivable	(494)	4,113
Goods and Services Tax receivable	(8,388)	517
Prepaid expenses	(1,087)	(665)
Accounts payable and accrued liabilities	(880)	(1,845)
Damage deposits held	1,275	425
	<u>(56,677)</u>	<u>12,638</u>
Investing activities		
Building improvements	(265,188)	(26,060)
Purchase of furniture and equipment	(4,140)	(4,465)
	<u>(269,328)</u>	<u>(30,525)</u>
Financing activities		
Receipt of grant funds	259,186	21,677
Net use of deferred cash contributions	75,077	(55,242)
	<u>334,263</u>	<u>(33,565)</u>
Increases (decrease) in cash and cash equivalents	8,258	(51,452)
Cash and cash equivalents, beginning of the year	<u>178,653</u>	<u>230,105</u>
Cash and cash equivalents, end of the year	<u><u>\$ 186,911</u></u>	<u><u>\$ 178,653</u></u>
Cash and cash equivalents consist of:		
Unrestricted cash and cash equivalents	\$ 116,057	\$ 179,428
Externally restricted cash and cash equivalents (Note 3)	70,854	535
	<u><u>\$ 186,911</u></u>	<u><u>\$ 179,963</u></u>

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2019

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) 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.

(b) 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.

(c) 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

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2019

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 funder contribution agreements

	2019	2018
Cash in casino bank - Casino	\$ 70,512	\$ 35
Casino funds held in general bank	342	500
Restricted GST	-	223
	<u>\$ 70,854</u>	<u>\$ 758</u>

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2019 Net	2018 Net
Leasehold improvements	\$ 616,304	139,997	476,307	246,074
Furniture and equipment	43,406	29,010	14,396	12,967
	<u>\$ 659,710</u>	<u>169,007</u>	<u>490,703</u>	<u>259,041</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.

	2019	2018
Balance from the previous year	\$ 236,060	\$ 226,718
Contributions from casino funds (Note 6)	-	3,965
Contributions from grant funds (Note 9)	258,718	23,610
Less: Amortization	(30,760)	(18,233)
Balance to next year	<u>\$ 464,018</u>	<u>\$ 236,060</u>

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2019

6. CASINO CONTRIBUTIONS

	2019	2018
Balance from the previous year	\$ 758	\$ 59,311
Casino proceeds	70,220	-
Bank charges and other	(94)	-
Interest earned	9	12
Purchase of capital assets (Note 5)	-	(3,965)
Carried forward to next year	(70,854)	(758)
Casino funds spent on operations	<u>\$ 43</u>	<u>\$ 54,600</u>

7. 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.

8. 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 (2018 - \$ 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

As at December 31, 2019

9. GRANT CONTRIBUTIONS

	2019	2018
Community Facility Enhancement Program (CFEP)		
Carried forward from the prior year	\$ -	\$ 2,587
Received/receivable in the year	72,807	-
Spent on capital assets	(72,807)	(2,587)
Carried forward to next year	-	-
City of Calgary Capital Conservation Grant (CCG)		
Grants received/receivable in the year	185,911	20,522
Contributed to tangible capital assets in the year	(185,911)	(20,522)
Recognized as revenue	-	-
City of Calgary Cleanup Grant		
Grants received in the year	256	135
Contributed to operations in the year	(256)	(135)
Carried forward to next year	-	-
City of Calgary Ward Event Fund		
Grants received in the year	1,000	-
Contributed to operations in the year	(1,000)	-
Carried forward to next year	-	-
Shell Canada		
Grant received in the year	-	500
Reimbursed to casino bank account	-	(500)
Carried forward to next year	-	-
Energy Efficiency Alberta		
Grant received in the year	-	520
Contributed to operations in the year	-	(520)
Carried forward to next year	-	-
Totals for the year		
Carried forward from the prior year	-	2,587
Grants received/receivable in the year	259,974	21,678
Contributed to tangible capital assets in the year	(258,718)	(23,610)
Contributed to operations in the year	(1,256)	(655)
Balances carried forward to next year	\$ -	\$ -

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2019

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.

11. SUBSEQUENT EVENT

The global COVID19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association's ability to continue to service its members and maintain its assets is dependent on the continued ability to generate revenue and manage expenses.