

# **CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** **(Audited)**

**December 31, 2020**

a member of

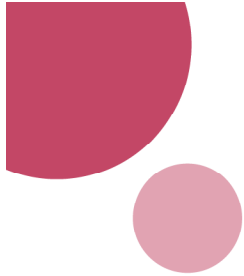


# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2020

## Contents

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11



# 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, 2020 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, 2020.

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, 2020 and the results of its operations and cash flows for the year ended December 31, 2020 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  
May 3, 2021

Nancy Murdoch  
Chartered Professional Accountant

# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

(Audited)

As at December 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents, unrestricted	\$ 94,199	\$ 116,057
Externally restricted assets (Note 3)	58,256	70,854
Accounts receivable	2,037	928
Goods and Services Tax receivable, unrestricted	14,083	12,849
Prepaid expenses	7,531	7,309
	176,106	207,997
<b>Capital assets (Note 4)</b>	<b>490,334</b>	<b>490,703</b>
	<b>\$ 666,440</b>	<b>\$ 698,700</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,578	\$ 8,726
Damage deposits held	1,650	2,450
Deferred cash contributions (Note 3)	58,256	70,854
	67,484	82,030
<b>Deferred capital contributions (Note 5)</b>	<b>463,925</b>	<b>464,018</b>
	<b>531,409</b>	<b>546,048</b>
<b>Net assets</b>		
Unrestricted	108,622	125,967
Invested in capital assets	26,409	26,685
	<b>135,031</b>	<b>152,652</b>
	<b>\$ 666,440</b>	<b>\$ 698,700</b>

Subsequent event (Note 11)

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, 2020**

	<b>Unrestricted</b>	<b>Invested in Capital Assets</b>	<b>2020 Totals</b>	<b>2019 Totals</b>
Balances, beginning of the year	\$ 125,967	26,685	152,652	202,521
Capital assets paid by general funds	(2,589)	2,589	-	-
Excess of revenue (expenses)	(14,756)	(2,865)	(17,621)	(49,869)
Balances, end of the year	<u>\$ 108,622</u>	<u>26,409</u>	<u>135,031</u>	<u>152,652</u>

See Notes to the Financial Statements

# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Revenue</b>		
Casino contributions (Note 6)	\$ 12,621	\$ 43
Grants (Note 9)	27,092	1,256
Events	8,910	13,437
Hall rentals	25,657	39,945
Interest income	45	81
Memberships	3,479	5,305
Other and rebates	576	17
	<u>78,380</u>	<u>60,084</u>
<b>Expenses</b>		
Advertising	1,089	1,662
Community programs and events	12,460	16,143
Gifts	414	823
Grounds keeping	8,192	8,554
Insurance	7,986	7,118
Maintenance and cleaning	20,037	29,617
Office administration	1,308	3,619
Professional fees	4,834	4,129
Rink	1,540	-
Telephone	2,930	3,037
Utilities	9,032	9,718
Wages and benefits	23,314	22,767
	<u>93,136</u>	<u>107,187</u>
<b>Excess of (expenses) revenue before amortization</b>	<b>(14,756)</b>	<b>(47,103)</b>
Amortization expense	(35,239)	(33,526)
Amortization of deferred contributions (Note 5)	32,374	30,760
<b>Excess of (expenses) revenue</b>	<b>\$ (17,621)</b>	<b>\$ (49,869)</b>

See Notes to the Financial Statements

# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended December 31, 2020

	2020	2019
<b>Cash generated from/(used in):</b>		
<b>Operating activities</b>		
Excess of revenue (expenses)	\$ (17,621)	\$ (49,869)
Charges not affecting cash outlay:		
Amortization	35,239	33,526
Amortization of deferred contributions	(32,374)	(30,760)
Changes in non-cash operating working capital:		
Accounts receivable	(1,109)	(494)
Goods and Services Tax receivable	(1,234)	(8,388)
Prepaid expenses	(223)	(1,087)
Accounts payable and accrued liabilities	(1,148)	(880)
Damage deposits held	(800)	1,275
	<b>(19,270)</b>	<b>(56,677)</b>
<b>Investing activities</b>		
Building improvements	(33,764)	(265,188)
Purchase of furniture and equipment	(1,108)	(4,140)
	<b>(34,872)</b>	<b>(269,328)</b>
<b>Financing activities</b>		
Receipt of grant funds	59,372	259,186
Net use of deferred cash contributions	(39,686)	75,077
	<b>19,686</b>	<b>334,263</b>
<b>Increases (decrease) in cash and cash equivalents</b>	<b>(34,456)</b>	<b>8,258</b>
Cash and cash equivalents, beginning of the year	<b>186,911</b>	<b>178,653</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 152,455</b>	<b>\$ 186,911</b>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash and cash equivalents	\$ 94,199	\$ 116,057
Externally restricted cash and cash equivalents (Note 3)	58,256	70,854
	<b>\$ 152,455</b>	<b>\$ 186,911</b>

See Notes to the Financial Statements



# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2020

### 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. Memberships are recorded when received.

#### (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, 2020

### 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

	<b>2020</b>	<b>2019</b>
Cash in casino bank - Casino	\$ 57,914	\$ 70,512
Casino funds held in general bank	342	342
	<b>\$ 58,256</b>	<b>\$ 70,854</b>

### 4. CAPITAL ASSETS

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2020 Net</b>	<b>2019 Net</b>
Leasehold improvements	\$ 650,068	172,501	477,567	476,307
Furniture and equipment	43,373	30,606	12,767	14,396
	<b>\$ 693,441</b>	<b>203,107</b>	<b>490,334</b>	<b>490,703</b>

### 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.

	<b>2020</b>	<b>2019</b>
Balance from the previous year	\$ 464,018	\$ 236,060
Contributions from grant funds (Note 9)	32,281	258,718
Less: Amortization	(32,374)	(30,760)
Balance to next year	<b>\$ 463,925</b>	<b>\$ 464,018</b>

# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2020

### 6. CASINO CONTRIBUTIONS

	2020	2019
Balance from the previous year	\$ 70,854	\$ 758
Casino proceeds	-	70,220
Bank charges and other	-	(90)
Interest earned	23	9
Carried forward to next year	(58,256)	(70,854)
Casino funds spent on operations	\$ 12,621	\$ 43

### 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 (2019 - \$ 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, 2020

### 9. GRANT CONTRIBUTIONS

	2020	2019
<b>Community Facility Enhancement Program (CFEP)</b>		
Grants received/receivable	\$ 6,340	\$ 72,807
Contributed to capital assets	<u>(6,340)</u>	<u>(72,807)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>City of Calgary Capital Conservation Grant (CCG)</b>		
Grants received/receivable	25,941	185,911
Contributed to capital assets	<u>(25,941)</u>	<u>(185,911)</u>
Contributed to operations	<u>-</u>	<u>-</u>
<b>City of Calgary Cleanup Grant and Ward Event Fund</b>		
Grants received in the year	-	1,256
Contributed to operations	<u>-</u>	<u>(1,256)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Province of Alberta Enterprise Relaunch Grant</b>		
Grants received	1,009	-
Contributed to operations	<u>(1,009)</u>	<u>-</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>City of Calgary COVID19 Relief</b>		
Grants received/receivable	13,182	-
Contributed to operations	<u>(13,182)</u>	<u>-</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Canada Emergency Wage Subsidy (CEWS)</b>		
Grants received/receivable	12,901	-
Contributed to operations	<u>(12,901)</u>	<u>-</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Totals for the year</b>		
Grants received/receivable	59,373	259,974
Contributed to capital assets	<u>(32,281)</u>	<u>(258,718)</u>
Contributed to operations	<u>(27,092)</u>	<u>(1,256)</u>
Balances carried forward to next year	<u>\$ -</u>	<u>\$ -</u>

# CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2020

### 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, liquidity, 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.