

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS

(Audited)

December 31, 2021

a member of



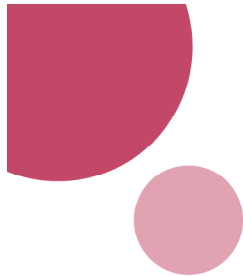
**FEDERATION OF
CALGARY COMMUNITIES**

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

December 31, 2021

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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, 2021 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, 2021.

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, 2021 and the results of its operations and cash flows for the year ended December 31, 2021 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
June 6, 2022

Nancy Murdoch
Chartered Professional Accountant

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

(Audited)

As at December 31, 2021

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted	\$ 105,545	\$ 94,199
Externally restricted assets (Note 3)	125,316	58,256
Accounts receivable	167	2,037
Goods and Services Tax receivable, unrestricted	977	14,083
Prepaid expenses	7,648	7,531
	239,653	176,106
Capital assets (Note 4)	553,166	490,334
	\$ 792,819	\$ 666,440
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,311	\$ 7,578
Damage deposits held	1,225	1,650
Deferred cash contributions (Note 3)	125,316	58,256
	133,852	67,484
Deferred capital contributions (Note 5)	529,665	463,925
	663,517	531,409
Net assets		
Unrestricted	105,801	108,622
Invested in capital assets	23,501	26,409
	129,302	135,031
	\$ 792,819	\$ 666,440

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, 2021

	Unrestricted	Invested in Capital Assets	2021 Totals	2020 Totals
Balances, beginning of the year	\$ 108,622	26,409	135,031	152,652
Capital assets paid by general funds	(684)	684	-	-
Excess of revenue (expenses)	(2,137)	(3,592)	(5,729)	(17,621)
Balances, end of the year	<u>\$ 105,801</u>	<u>23,501</u>	<u>129,302</u>	<u>135,031</u>

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Revenue		
Casino contributions (Note 6)	\$ 10,350	\$ 12,621
Grants (Note 9)	30,683	27,092
Events	2,750	8,910
Hall rentals	29,143	25,657
Interest income	48	45
Memberships	1,757	3,479
Other and rebates	-	576
	<u>74,731</u>	<u>78,380</u>
Expenses		
Advertising	1,039	1,089
Community programs and events	8,425	12,460
Gifts	-	414
Grounds keeping	6,527	8,192
Insurance	8,141	7,986
Maintenance and cleaning	12,172	20,037
Office administration	1,424	1,308
Professional fees	4,753	4,834
Rink	416	1,540
Telephone	1,963	2,930
Utilities	9,977	9,032
Wages and benefits	22,819	23,314
	<u>77,656</u>	<u>93,136</u>
Excess of (expenses) revenue before amortization	(2,925)	(14,756)
Amortization expense	(40,054)	(35,239)
Amortization of deferred contributions (Note 5)	37,250	32,374
Excess of (expenses) revenue	\$ (5,729)	\$ (17,621)

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended December 31, 2021

	2021	2020
Cash generated from/(used in):		
Operating activities		
Excess of revenue (expenses)	\$ (5,729)	\$ (17,621)
Charges not affecting cash outlay:		
Amortization	40,054	35,239
Amortization of deferred contributions	(37,250)	(32,374)
Changes in non-cash operating working capital:		
Accounts receivable	1,869	(1,109)
Goods and Services Tax receivable	13,107	(1,234)
Prepaid expenses	(117)	(223)
Accounts payable and accrued liabilities	(267)	(1,148)
Damage deposits held	(425)	(800)
	11,242	(19,270)
Investing activities		
Building improvements	(102,202)	(33,764)
Purchase of furniture and equipment	(684)	(1,108)
	(102,886)	(34,872)
Financing activities		
Receipt of grant funds	134,871	59,372
Receipt of gaming funds	76,187	-
Net use of deferred cash contributions	(41,008)	(39,686)
	170,050	19,686
Increases (decrease) in cash and cash equivalents	78,406	(34,456)
Cash and cash equivalents, beginning of the year	152,455	186,911
Cash and cash equivalents, end of the year	\$ 230,861	\$ 152,455
Cash and cash equivalents consist of:		
Unrestricted cash and cash equivalents	\$ 105,545	\$ 94,199
Externally restricted cash and cash equivalents (Note 3)	125,316	58,256
	\$ 230,861	\$ 152,455

See Notes to the Financial Statements

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2021

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, 2021

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

	2021	2020
Cash in casino bank - Casino	\$ 123,776	\$ 57,914
Casino funds held in general bank	342	342
CFEP funds held in general bank	1,198	-
	\$ 125,316	\$ 58,256

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2021 Net	2020 Net
Leasehold improvements	\$ 752,270	210,114	542,156	477,567
Furniture and equipment	44,057	33,047	11,010	12,767
	\$ 796,327	243,161	553,166	490,334

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.

	2021	2020
Balance from the previous year	\$ 463,925	\$ 464,018
Contributions from grant funds (Note 9)	102,990	32,281
Less: Amortization	(37,250)	(32,374)
Balance to next year	\$ 529,665	\$ 463,925

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2021

6. CASINO CONTRIBUTIONS

	2021	2020
Balance from the previous year	\$ 58,256	\$ 70,854
Casino proceeds	76,187	-
Bank charges and other	-	-
Interest earned	25	23
Carried forward to next year	(124,118)	(58,256)
Casino funds spent on operations	\$ 10,350	\$ 12,621

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 (2020 - \$ 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, 2021

9. GRANT CONTRIBUTIONS

	2021	2020
Community Facility Enhancement Program (CFEP)		
Grants received/receivable	\$ 27,476	\$ 6,340
Contributed to capital assets	<u>(26,278)</u>	<u>(6,340)</u>
Carried forward to next year	<u>1,198</u>	<u>-</u>
City of Calgary Capital Conservation Grant (CCG)		
Grants received/receivable	76,712	25,941
Contributed to capital assets	<u>(76,712)</u>	<u>(25,941)</u>
Contributed to operations	<u>-</u>	<u>-</u>
City of Calgary Cleanup Grant and Ward Event Fund		
Grants received in the year	832	-
Contributed to operations	<u>(832)</u>	<u>-</u>
Carried forward to next year	<u>-</u>	<u>-</u>
Province of Alberta Enterprise Relaunch Grant		
Grants received	3,026	1,009
Contributed to operations	<u>(3,026)</u>	<u>(1,009)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
City of Calgary COVID19 Relief		
Grants received/receivable	22,292	13,182
Contributed to operations	<u>(22,292)</u>	<u>(13,182)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
Canada Emergency Wage Subsidy (CEWS)		
Grants received/receivable	4,533	12,901
Contributed to operations	<u>(4,533)</u>	<u>(12,901)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
Totals for the year		
Grants received/receivable	134,871	59,373
Contributed to capital assets	<u>(102,990)</u>	<u>(32,281)</u>
Contributed to operations	<u>(30,683)</u>	<u>(27,092)</u>
Balances carried forward to next year	<u>\$ 1,198</u>	<u>\$ -</u>

CAMBRIAN HEIGHTS COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2021

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.