

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS Audited

DECEMBER 31, 2013



HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION

December 31, 2013

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
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
Schedules	
Schedule 1 - Bowview Pool	12
Schedule 2 - Child Services	13
Schedule 3 - Community Assistance for Seniors	14
Schedule 4 - Community Centre	15
Schedule 5 - Community Outreach and Development Services	16
Schedule 6 - Community Engagement	17

HEIDI BRAUER, *Certified Management Accountant*

Phone: (403) 244-4111 Ext 209
Fax: (403) 244-4129

Website: www.calgarycommunities.com
E-mail: heidi.brauer@calgarycommunities.com

Independent Auditor's Report

To the Members of:
Hillhurst Sunnyside Community Association

I have audited the financial statements of Hillhurst Sunnyside Community Association as at December 31, 2013, 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, 2013.

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 entities 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 for not for profit entities. 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 judgment, 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 audit opinion.

Opinion

In common with many not for profit organizations, the Association derives revenue from certain fund raising 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 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.

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 Association as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit entities.

Calgary, Alberta
Date of Board approval

Heidi Brauer
Certified Management Accountant

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
 Audited
 December 31, 2013

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents, unrestricted	\$ 369,968	\$ 332,592
Internally Restricted Cash (Note 6)	10,000	10,000
Externally Restricted Assets (Note 7)	158,142	138,378
Accounts Receivable	17,005	12,092
Government Receivables	19,626	5,207
Prepaid Expense	11,485	6,710
	586,226	504,979
PROPERTY AND EQUIPMENT (Note 3)	765,654	659,044
	\$ 1,351,880	\$ 1,164,023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 33,366	\$ 24,278
Deferred Revenue	33,641	13,418
Deferred Cash Contributions (Note 7)	158,142	138,378
	225,149	176,074
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	629,750	507,985
NET ASSETS		
Investment in Property and Equipment	135,904	151,059
Internally Restricted Assets (Note 6)	10,000	10,000
Net Assets, unrestricted	351,077	318,905
	496,981	479,964
	\$ 1,351,880	\$ 1,164,023

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

See Notes to the Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
Audited

For the Year ended December 31, 2013

	Invested in Property and Equipment	Unrestricted	Internally Restricted	2013 Totals	2012 Totals
Balances, Beginning of the Year	\$ 106,552	318,905	10,000	435,457	408,385
Re-statement (Note 11)	44,507	-	-	44,507	44,507
	151,059	318,905	10,000	479,964	452,892
Increase (Decrease)	(15,155)	32,172	-	17,017	27,072
Balances, End of the Year	\$ 135,904	351,077	10,000	496,981	479,964

See Notes to Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
Audited

For the Year ended December 31, 2013

	<u>Revenue</u>	<u>Expenses</u>	<u>Net 2013</u>	<u>Net 2012</u>
Amortization	\$ 56,239	87,031	(30,792)	(19,614)
Bow View Pool (Schedule 1)	135,888	129,730	6,158	4,703
Child Services (Schedule 2)	359,451	273,103	86,348	42,668
Community Assistance to Seniors & Families (Schedule 3)	198,525	198,525	-	-
Community Centre & Program Support (Schedule 4)	594,903	626,451	(31,548)	21,332
Community Food Programs (Schedule 5)	94,125	105,569	(11,444)	(7,901)
Community Engagement & Initiatives Schedule 6)	27,488	29,193	(1,705)	(14,116)
	<u>1,466,619</u>	<u>1,449,602</u>		
Excess of Revenue over Expenses			<u><u>\$ 17,017</u></u>	<u><u>27,072</u></u>

See Notes to Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
Audited

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Cash provided by (used in):		
Operations		
Excess of Revenue over Expenses	\$ 17,017	\$ 27,072
Adjustments for:		
Amortization of Capital Contributions	(56,239)	(45,899)
Amortization	87,031	65,513
Non-cash operating working capital:		
Accounts Receivable	(19,332)	(903)
Prepaid Expense	(4,775)	952
Accounts Payable	9,088	(51,997)
Deferred Revenue	20,223	(14,694)
	<u>53,013</u>	<u>(19,956)</u>
Financing		
Deferred Capital Contributions	178,004	68,918
Deferred Cash Contributions	19,764	(46,585)
	<u>197,768</u>	<u>22,333</u>
Investing		
Building and Leasehold Improvements	(171,942)	(66,838)
Hall Equipment	-	(4,730)
Office Equipment	(21,699)	(4,739)
	<u>(193,641)</u>	<u>(76,307)</u>
Increase/(Decrease) in Cash	57,140	(73,930)
Cash, Beginning of Year	<u>480,970</u>	<u>554,900</u>
Cash, End of Year	\$ 538,110	\$ 480,970
 Consisting of		
Cash, unrestricted	\$ 369,968	\$ 332,592
Cash, externally restricted (Note 7)	158,142	138,378
Cash, internally restricted (Note 6)	10,000	10,000
	<u>\$ 538,110</u>	<u>\$ 480,970</u>

See Notes to Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited

December 31, 2013

1. THE ASSOCIATION

The Hillhurst Sunnyside Community Association (the "Association") was registered with the Province of Alberta in August of 1948 as a not for profit association and as such is exempt from Income Tax under section 149 of the Canadian Income Tax Act.

The Association currently holds charity status.

The Association was organized to preserve and enhance a healthy and vibrant quality of life for the residents of Hillhurst Sunnyside.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not for profit entities, of which the most significant policies are:

Property and Equipment

Property and equipment are recorded at cost. Amortization is recorded at the following annual rates using the straight line method:

Building/Leasehold Improvements	5%
Parking Lot	5%
Hall Equipment	10%
Daycare Equipment	10%
Office Equipment	12.5%

Revenue recognition

Revenue is recognized on amounts received or receivable during the year with the exception of prepayments received relating to activities or programs to be provided by the Association subsequent to year end.

Grants and other amounts earned or received, that are restricted in use are recorded as deferred revenue. When these funds are spent on operations, they are recorded as revenue. When they are spent on property and equipment, they are set up as deferred capital contributions and are amortized and brought into income on the same basis as the related capital asset is expensed as amortization expense. Externally restricted assets stay a liability until they are spent (deferred cash contributions).

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited

December 31, 2013

Donated Services

The association relies on the volunteer services of many members. The value of donated services is not recognized in these statement.

Basis of Accounting

Management has concluded, that the going concern basis of accounting is appropriate for the Association.

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, 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.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered.

The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

Change of Policy:

In previous years, certain administration expenses were allocated amongst the scheduled projects at a percentage of costs. From 2013 on, an administration fee is being charged from general operations to the Pool, Community Assistance & Outreach for Seniors and Families and Community Engagement & Initiatives. The administration fee is determined by funders' approved administration fees or an allowable amount based on full cost accounting of overhead expenses.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited

December 31, 2013

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2013	2012
Buildings/Leasehold				
Improvements	\$ 1,240,347	718,563	521,784	512,656
Hall Equipment	360,057	327,146	32,911	38,357
Office Equipment	148,266	113,804	34,462	19,188
Parking Lot	220,549	44,052	176,497	88,843
	<u>\$ 1,969,219</u>	<u>1,203,565</u>	<u>765,654</u>	<u>659,044</u>

4. GOVERNMENT ASSISTANCE

Government assistance is recorded as revenue in the year the assistance is earned.

Out of School Program

During the year, the program received assistance from the City of Calgary and Province of Alberta. The subsidy is based upon the family income of the children attending the facility and amounted to \$ 60,219 (2012 \$ 42,016). There are no conditions for repayment of amounts earned.

Family Community Support Services

The Association obtained financial assistance from the City of Calgary Family and Community Support Program in the amount of \$138,585 (2012 \$148,274). This assistance is based upon an annual approved operating budget submitted by the Association. Any resulting excess of revenue over expenses in a year is to be repaid by way of reduced assistance in the subsequent year or a direct cash repayment.

Bowview Pool

The Bowview Pool received assistance from the Calgary Outdoor Swimming Pool Association (COSPA) for the pool operation in the amount of \$3,000 (2012 \$3,000). The pay back at the end of the season had been \$668 (2012 \$407).

5. DEFERRED CAPITAL CONTRIBUTIONS

	2013	2012
Balance from previous Year	\$ 507,985	\$ 484,966
Contributions	178,004	68,918
Less: Amortization	(56,239)	(45,899)
Balance to next year	<u>\$ 629,750</u>	<u>\$ 507,985</u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited

December 31, 2013

6. INTERNALLY RESTRICTED CASH

The board of directors internally restricted cash as a reserve fund.

7. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

	2013	2012
Bank Casino	\$ 69,654	\$ 61,948
CAF - Lawn/Snow	21,941	11,510
Other Restricted Funds	19,737	-
Community Facility Enhancement Grant (CFEP)	14,789	-
Bow to Bluff	13,075	4,507
Bank - Pull Ticket	9,441	12,935
Community Spirit - Garden	3,301	8,485
Community Garden	2,095	3,820
Handiperson Fees	1,641	2,186
Farmers Market	1,340	2,500
CAF - Housekeeping	827	-
Seniors Dinner	518	4,244
Out of School Care	510	-
20/20 Vision	20	20
Community Planning	-	5,000
Strategic Planning	-	2,500
Plaza Feasibility Project	-	7,500
Wild Rose - HP	-	11,223
Unrestricted Donations in Casino Bank	(747)	-
	\$ 158,142	\$ 138,378

8. BOW TO BLUFF RELATIONSHIP

The Bow to Bluff is a group of Calgary citizens that formed out of the Vitalization Committee's initiative to improve the C-train corridor in Sunnyside. Bow to Bluff received the City of Calgary Innovation Fund in the spring of 2011. The Hillhurst Sunnyside Community Association board motioned to manage the funds at the June 28, 2011 board meeting.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited

December 31, 2013

9. COMPARATIVE DATA

Certain of the 2012 data has been reallocated to agree with this year's presentation.

10. RECENT ACCOUNTING PRONOUNCEMENTS

Financial Statement Presentation by Not-For-Profit Organizations

The Association has elected to the standards contained in Part III of the CICA Handbook - Accounting - Accounting for Not for Profit Organizations. These standards are supplemented, where appropriate, with the accounting standards for private enterprises in Part II of the CICA Handbook.

There is no noted impact on the transition to the organization.

11. RESTATEMENT

During a review of the amortization schedule, we noticed that an error occurred from 2009 on in the amortization of the equipment. The percentage had been calculated from the total cost not realizing, that some of the equipment had been amortized. We recalculated the amortization going back to 2009, which resulted in a decrease in accumulated amortization and an increase in net assets for prior years of \$44,506.54.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 1 - BOWVIEW POOL

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Sales and rentals	\$ 102,450	\$ 87,662
Concessions	20,332	16,054
Employment grant	9,943	4,468
Operating grant and recoveries (Note 4)	3,000	11,902
Other	163	7
	<u>135,888</u>	<u>120,093</u>
 Expenses		
Salaries and related costs	89,824	79,069
Concession purchases	12,487	11,136
Administration	9,720	8,000
Chemicals and supplies	8,302	7,308
Repairs and maintenance	2,192	4,235
Program expenses	3,469	2,122
Uniforms	1,252	972
Office supplies and expense	2,484	827
Insurance	-	1,721
	<u>129,730</u>	<u>115,390</u>
 EXCESS OF REVENUE OVER EXPENSES	 <u><u>\$ 6,158</u></u>	 <u><u>\$ 4,703</u></u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 2 - CHILD SERVICES
For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
User fees	\$ 225,644	\$ 182,453
Subsidies and grants	<u>133,807</u>	<u>78,641</u>
	<u>359,451</u>	<u>261,093</u>
 Expenses		
Salaries and related costs	248,433	201,632
Program supplies and expenses	16,891	9,495
Office and administration	3,431	2,841
Volunteer and Staff Appreciation and Development	2,768	1,379
Transportation	1,499	2,397
Advertising, Printing, Brochures	81	681
	<u>273,103</u>	<u>218,425</u>
 Excess of Revenue over Expenses	 <u><u>\$ 86,348</u></u>	 <u><u>\$ 42,668</u></u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 3 - COMMUNITY ASSISTANCE & OUTREACH FOR SENIORS & FAMILIES

For the Year Ended December 31, 2013

	2013	2012
Revenue		
FCSS Grant	\$ 138,585	\$ 138,585
Housekeeping and Contributions	39,359	38,168
Handiperson fees	11,818	1,179
Employment Grants	4,476	-
Lawn and Snow Removal	3,381	9,036
Fundraising and donations	906	1,650
	198,525	188,618
 Expenses		
Salaries and related costs	172,796	156,762
Administration	19,000	20,000
Office and Administration	2,556	5,299
Transportation	2,447	1,780
Donations/Contributions	734	1,415
Volunteer and Staff Appreciation	701	377
Program Supplies and Expenses	291	1,315
Advertising, Signs and Posters	-	1,670
	198,525	188,618
 Excess of Revenue over Expenses	\$ -	\$ -

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 4 - COMMUNITY CENTRE & PROGRAM SUPPORT

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Hall & Gym Rentals	\$ 193,323	\$ 201,135
Flea and Antique Markets	187,611	182,265
Daycare Rentals	52,344	43,620
Parking	36,592	41,769
Recreation Programs	32,667	22,858
Operating Grants	23,844	24,072
Casino and Pull Tickets	23,817	9,143
Donations/Fundraising	21,895	3,341
Memberships	9,700	10,795
Other Income	6,940	577
Commission	6,165	5,652
Interest Earned	5	-
	<u>594,903</u>	<u>545,227</u>
Expenses		
Salaries and related costs	447,642	370,296
Utilities	47,692	46,991
Repair and maintenance	33,341	23,270
Program supplies and expenses	35,212	13,160
Consulting Services	22,774	26,079
Office and administration	18,882	19,234
Insurance	5,621	5,843
Computer Supplies & Services	5,668	4,320
Volunteer and Staff Development and Appreciation	5,143	8,037
Advertising, Signs Posters	4,476	6,665
	<u>626,451</u>	<u>523,895</u>
Excess of Revenue (Deficit)	<u>\$ (31,548)</u>	<u>\$ 21,332</u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 5 - COMMUNITY FOOD PROGRAMS

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Operating Grants	\$ 49,240	\$ 4,106
Farmers' Market	25,642	27,139
Donations/Fundraising	15,145	3,857
User Fees	4,137	1,508
Other Income	(39)	-
Employment Grants	-	5,878
	<u>94,125</u>	<u>42,488</u>
 Expenses		
Salaries and related costs	78,272	35,830
Volunteer/Staff Development and Appreciation	1,667	853
Office and administration	1,017	902
Program Supplies & Expenses	16,561	11,179
Advertising	341	1,625
Consulting & Professional Fees	7,711	-
	<u>105,569</u>	<u>50,389</u>
 Deficit	 <u>\$ (11,444)</u>	 <u>\$ (7,901)</u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 6 - COMMUNITY ENGAGEMENT & INITIATIVES

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Operating Grants	\$ 20,000	\$ 2,240
Donations/ Fundraising	<u>7,488</u>	<u>5,771</u>
	<u>27,488</u>	<u>8,011</u>
Expenses		
Consulting & Professional Fees	15,923	8,107
Salaries & Related Costs	10,998	11,580
Program Supplies & Expenses	2,198	1,716
Volunteer/Staff Appreciation & Development	56	193
Office & Administration	<u>18</u>	<u>531</u>
	<u>29,193</u>	<u>22,127</u>
Deficit	<u>\$ (1,705)</u>	<u>\$ (14,116)</u>