

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS Audited

December 31, 2018

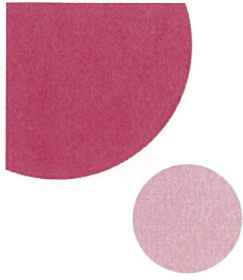
a member of



HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION

December 31, 2018
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Nancy Murdoch

Chartered Professional Accountant

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Independent Auditor's Report

To the members of the
Hillhurst Sunnyside Community Association

Qualified Opinion

I have audited the Statement of Financial Position of the Hillhurst Sunnyside 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 Hillhurst Sunnyside 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 Hillhurst Sunnyside 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 Hillhurst Sunnyside 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 Hillhurst Sunnyside 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.

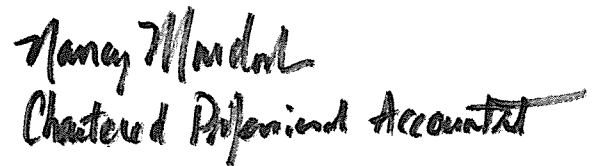
In preparing the financial statements, management is responsible for assessing the Hillhurst Sunnyside Community Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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.

Handwritten signature of Nancy Murdoch in black ink, written in a cursive style. Below the signature, the title "Chartered Professional Accountant" is written in a similar cursive style.

Calgary, Alberta

April 25, 2019

Nancy Murdoch

Chartered Professional Accountant

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
Audited

December 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 65,294	\$ 164,875
Internally restricted cash (Note 3)	95,794	74,113
Externally restricted assets (Note 4)	275,311	297,823
Funds in trust (Note 5)	23,116	7,842
Short-term investments (Note 6)	106,922	104,825
Accounts receivable, unrestricted	65,453	66,274
Government receivables	11,342	7,499
Prepaid expense	12,261	8,840
	655,493	732,091
CAPITAL ASSETS (Note 7)	973,747	887,223
GOODWILL (Note 8)	99,000	99,000
	\$ 1,728,240	\$ 1,718,314
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 58,298	\$ 59,764
Funds in trust (Note 5)	23,116	7,842
Deferred revenue (Note 9)	40,318	27,016
Deferred cash contributions (Note 4)	275,311	297,823
	397,043	392,445
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	891,190	847,336
	1,288,233	1,239,781
NET ASSETS		
Investment in capital assets	82,557	39,887
Internally restricted assets (Note 3)	95,794	74,113
Unrestricted net assets	261,656	364,533
	440,007	478,533
	\$ 1,728,240	\$ 1,718,314

Contingency (Note 11)

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, 2018

	Invested in Capital Assets	Unrestricted	Internally Restricted	2018 Totals	2017 Totals
Balances, beginning of the year	\$ 39,887	364,533	74,113	478,533	462,050
Purchase of capital assets with general funds	60,382	(60,382)	-	-	-
Externally restricted project now internally restricted	-	(15,000)	15,000	-	-
Excess of revenue (expenses)	(17,712)	(27,495)	(8,319)	(38,526)	16,483
Balances, end of the year	<u>\$ 82,557</u>	<u>261,656</u>	<u>95,794</u>	<u>440,007</u>	<u>478,533</u>

See Notes to the Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
Audited

For the Year ended December 31, 2018

	<u>Revenue</u>	<u>Expenses</u>	<u>Net 2018</u>	<u>Net 2017</u>
Bowview Pool (Schedule 1)	\$ 172,519	169,230	3,289	17,160
Child Services (Schedule 2)	1,569,947	1,201,219	368,728	257,539
Community Assistance to Seniors & Families (Schedule 3)	156,440	172,430	(15,990)	10,873
Community Centre & Program Support (Schedule 4)	500,743	849,321	(348,578)	(202,725)
Community Food Programs (Schedule 5)	50,135	44,094	6,041	(24,368)
Community Engagement & Initiatives (Schedule 6)	50	52,066	(52,016)	(41,996)
	<u>\$2,449,834</u>	<u>2,488,360</u>		
Excess of (expenses) revenue			<u><u>\$ (38,526)</u></u>	<u><u>16,483</u></u>

See Notes to the Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
Audited

For the Year Ended December 31, 2018

	2018	2017
Cash provided by (used in):		
Operations		
Excess of revenue (expenses)	\$ (38,526)	\$ 16,483
Non-cash adjustments for:		
Amortization of deferred capital contributions	(75,659)	(69,808)
Amortization expense	93,372	120,707
Non-cash operating working capital:		
Accounts receivable	821	(3,201)
Government receivables	(3,842)	523
Prepaid expense	(3,421)	(1,071)
Accounts payable and accrued liabilities	(1,466)	2,961
Funds in trust - Bow to Bluff	15,273	(1,065)
Deferred revenue	13,302	(3,991)
Cash flows from operations	(146)	61,538
Financing		
Use of deferred cash contributions	(688,454)	(431,288)
Receipt of casino and grant proceeds	785,454	757,960
	97,000	326,672
Investing		
Capital renovations and leasehold improvements	(139,206)	(134,008)
Purchase of office equipment	(34,297)	-
Purchase of child care equipment	(6,392)	-
Reinvestment of interest in GIC	(2,097)	(1,803)
	(181,992)	(135,811)
Increase (decrease) in cash and cash equivalents	(85,138)	252,399
Cash and cash equivalents, beginning of year	544,653	292,254
Cash and cash equivalents, end of year	\$ 459,515	\$ 544,653
Cash and cash equivalents consists of:		
Cash, unrestricted	\$ 65,294	\$ 164,875
Cash, externally restricted (Note 4)	275,311	297,823
Cash, internally restricted (Note 3)	95,794	74,113
Funds in trust (Note 5)	23,116	7,842
	\$ 459,515	\$ 544,653

See Notes to the Financial Statements

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited
December 31, 2018

1. THE ASSOCIATION

The Hillhurst-Sunnyside Community Association (the "Association") was registered under the Societies Act of Alberta on July 13, 1948 as a not-for-profit association.

The Association was registered as a charity on August 1, 1980 and is exempt from income tax under paragraph 149 (1) (f) of the Income Tax Act.

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 accounting standards for not-for-profit organizations, of which the most significant polices are:

Basis of Accounting

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

Capital Assets

Capital assets are recorded at cost. Amortization is recorded over their estimated useful lives at the following annual rates using the straight line method:

Building and leasehold improvements	20 years
Hall equipment	10 years
Office equipment	8 years
Child care equipment	5 & 10 years

Revenue recognition

The Association follows the deferral method for accounting for externally restricted contributions where deferred cash contributions are recognized as revenue when the funds are spent on operations. Where the funds are spent on capital assets, they are deferred as capital contributions and are recognized as revenue as the related asset is amortized.

All other revenue is recognized when 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 the year end.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited
December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Donated Goods and Services

Contributed services and donated items are recognized in the financial statements when their fair value can be reasonably determined, when the services are used in the normal course of the Association's operations and would otherwise have been purchased.

A number of volunteers have made significant contributions of their time to the Association. The value of this contributed time is not reflected in these financial statements.

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, investments, accounts receivable, government receivables and accounts payable and accrued liabilities.

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 collectibility of receivables, the useful life of capital assets and amounts recorded as accrued liabilities.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2018

3. INTERNALLY RESTRICTED CASH

The board of directors has internally restricted amounts to be held as reserves for certain programs. These amounts may be used to fund shortfalls in program revenue going forward to ensure the continuation of these programs. The internally restricted amounts after allocation are as follows:

	<u>2018</u>	<u>2017</u>
Programs for Seniors	\$ 54,427	\$ -
Lawn Care and Snow Removal for Seniors	-	36,152
Emergency Relief Funds	10,000	10,000
Housekeeping for Seniors	-	18,273
Community Garden B	11,662	6,098
Community Garden A	4,705	3,590
Ezra Funds for Riley Park	15,000	-
	<u>\$ 95,794</u>	<u>\$ 74,113</u>

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Casino bank account	\$ 87,005	\$ 41,122
Less: General funds held in casino bank account	(747)	(747)
Pull ticket bank account	6,817	5,354
Pull ticket float	500	500
Early Learning and Child Care grant held in general bank	171,555	188,678
Neighbourhood Support Network grant held in the general bank	-	37,757
Community Facility Enhancement Grant (CFEP) held in the general bank account	5,118	22,309
Other restricted amounts held in general bank	2,850	2,850
	<u>273,098</u>	<u>297,823</u>
Casino advisor reimbursement from AGLC	2,213	-
	<u>\$ 275,311</u>	<u>\$ 297,823</u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2018

5. FUNDS IN TRUST

These programs are administered by the Association and the revenues and expenses of these funds are not included in the Statement of Operations.

Bow to Bluff

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 Association board motioned to manage the funds at the June 28, 2011 board meeting.

Enough For All

The Enough For All Implementation Project Catalyst Fund (Enough For All) is a project that is administered by the Association on behalf of Basic Income Calgary. The Association collects an administration fee for this. This funding was received by Basic Income Calgary from the Burns Memorial Fund held by the Calgary Foundation.

The project is designed to advance the implementation of Enough For All and the achievement of its aspirational goal of a 50% reduction of people living in poverty by 2023.

6. SHORT-TERM INVESTMENTS

The Association has invested in a guaranteed investment certificate (GIC) held at the Bank of Montreal. The GIC is recorded at cost with accrued interest recorded as a receivable.

\$ 106,922 2.65%, maturing September 2019, redeemable

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Building and leasehold improvements	\$ 2,071,802	1,178,393	893,409	822,063
Hall equipment	366,396	356,102	10,294	16,384
Office equipment	204,123	157,134	46,989	22,978
Child care equipment	48,961	25,906	23,055	25,798
	<u>\$ 2,691,282</u>	<u>1,717,535</u>	<u>973,747</u>	<u>887,223</u>

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2018

8. GOODWILL

In a previous year the Association purchased the assets of a daycare including goodwill. Each year goodwill must be assessed as to its present value. If the assessed value is lower than the carrying value, the goodwill will be written down to the assessed value with the write down amount recorded as an expense.

9. DEFERRED REVENUE

HSCA defers revenue that has not yet been earned.

	<u>2018</u>	<u>2017</u>
Rentals	\$ 11,849	\$ 15,343
Art program	4,989	3,150
Farmers market	6,429	6,896
Parking	14,875	1,627
Child care fees	2,176	-
	<u>\$ 40,318</u>	<u>\$ 27,016</u>

10. DEFERRED CAPITAL CONTRIBUTIONS

Restricted contributions that have been used to fund purchases of a capital nature are deferred and recognized as revenue as the related capital assets are amortized.

	<u>2018</u>	<u>2017</u>
Balance carried forward from the previous year	\$ 847,336	\$ 798,483
Contributions from gaming funds	5,129	18,794
Contributions from grant funds	114,384	99,867
Less: Amortization	(75,659)	(69,808)
Balance carried forward to the next year	<u>\$ 891,190</u>	<u>\$ 847,336</u>

11. CONTINGENCY

In 2016 the Association became aware of a potential legal claim that had been filed, although no statement of claim has been received by the Association to date. The Association may be involved only to the extent that the named person was a volunteer of the Association. The claim totals \$241,000, which, if successful would be covered by the insurance of the Association. Since the claim has not been received by the Association at this time, there is not sufficient information to determine the relative merits of this claim.

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited
December 31, 2018

12. GOVERNMENT ASSISTANCE

Out of School Care 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 \$ 74,838 (2017 \$ 105,951). There are no conditions for repayment of amounts earned.

Daycare Program

During the year, the program received assistance from the City of Calgary and Province of Alberta in the form of subsidies and an operating grant. The subsidy is based upon the family income of the children attending the facility and amounted to \$ 76,677 (2017 \$ 36,122). There are no conditions for repayment of amounts earned. The operating grant is part of the provincial initiative for early learning and child care and amounted to \$539,377 (2017 \$272,389).

Family Community Support Services

The Association obtained financial assistance from the City of Calgary Family and Community Support Services Program in the amount of \$ 151,029 (2017 - \$ 152,529). This assistance is based upon an annual approved operating budget submitted by the Association.

Bowview Pool

The Bowview Pool received assistance from the Calgary Outdoor Swimming Pool Association (COSPA) for the pool operation in the amount of \$ 1,500 (2017 - \$ 1,500).

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 1 - BOWVIEW POOL

For the Year Ended December 31, 2018

	2018	2017
Revenue		
Sales and rentals	\$ 145,568	\$ 156,890
Concessions	15,571	15,839
Employment grant	9,880	-
Operating grant (Note 12)	1,500	1,500
Other revenue	-	63
	172,519	174,292
 Expenses		
Salaries and related costs	128,252	113,348
Administration	13,000	13,000
Program expenses	8,793	6,811
Chemicals and supplies	9,106	10,385
Repairs and maintenance	-	3,321
Concession purchases	6,088	7,231
Office supplies and expense	2,051	2,295
Uniforms	1,764	696
Volunteer and staff appreciation	176	45
	169,230	157,132
 Excess of revenue (expenses)	\$ 3,289	\$ 17,160

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 2 - CHILD SERVICES

For the Year Ended December 31, 2018

	2018	2017
Revenue		
User fees	\$ 657,005	\$ 730,187
Subsidies and grants	369,005	333,288
Operating grants	539,377	272,389
Donations and other	4,560	25,288
	1,569,947	1,361,152
 Expenses		
Salaries and related costs	1,082,498	982,312
Program supplies and expenses	103,433	89,546
Office and administration	7,237	16,307
Volunteer and staff appreciation and development	7,519	12,143
Program contractors	-	2,576
Transportation	219	456
Advertising, printing, brochures	313	273
	1,201,219	1,103,613
 Excess of revenue (expenses)	\$ 368,728	\$ 257,539

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

For the Year Ended December 31, 2018

	2018	2017
Revenue		
FCSS grant (Note 12)	\$ 151,029	\$ 152,529
Housekeeping and contributions	912	28,674
Lawn and snow removal	26	14,857
Fundraising and donations	4,473	697
	156,440	196,757
 Expenses		
Salaries and related costs	133,197	138,076
Administration	25,858	36,465
Program supplies and expenses	10,054	6,901
Transportation	342	911
Volunteer and staff appreciation	2,040	918
Office and administration	789	1,609
Equipment	-	1,004
Advertising, signs and posters	150	-
	172,430	185,884
 Excess of revenue (expenses)	\$ (15,990)	\$ 10,873

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

For the Year Ended December 31, 2018

	2018	2017
Revenue		
Flea and antique markets	\$ 167,388	\$ 189,657
Hall & gym rentals	142,767	170,661
Operating grants	2,512	3,113
Recreation programs	18,599	19,605
Parking	42,103	39,301
Donations/fundraising	6,502	14,127
Memberships	12,775	12,965
Casino and pull tickets	12,736	1,857
Commission	6,665	7,219
Other income	10,940	7,803
Interest earned	2,097	2,081
	425,084	468,389
 Expenses		
Salaries and related costs	509,454	439,355
Consulting services	45,758	18,435
Utilities	50,221	43,780
Repair and maintenance	40,712	32,119
Volunteer and staff development and appreciation	6,432	6,436
Office and administration	43,119	16,930
Program supplies and expenses	24,103	18,073
Computer supplies & services	19,528	22,840
Program contractors	3,690	10,621
Insurance	9,145	8,512
Advertising, signs posters	3,787	3,114
	755,949	620,215
 Excess of revenue (expenses) before amortization	(330,865)	(151,826)
Amortization of deferred capital contributions	75,659	69,808
Amortization expense	(93,372)	(120,707)
 Excess of revenue (expenses)	\$ (348,578)	\$ (202,725)

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 5 - COMMUNITY FOOD PROGRAMS

For the Year Ended December 31, 2018

	2018	2017
Revenue		
Farmers' market	\$ 46,605	\$ 41,931
Operating grants	-	15,500
Donations / fundraising	1,330	4,673
Employment grants	-	2,439
User fees	2,200	2,020
Other income	-	(73)
	50,135	66,490
 Expenses		
Salaries and related costs	34,193	65,411
Program supplies and expenses	7,015	7,199
Program contractors	-	10,946
Office and administration	882	1,268
Advertising	1,857	1,286
Volunteer / staff development and appreciation	147	4,748
Consulting and professional fees	-	-
	44,094	90,858
 Excess of revenue (expenses)	\$ 6,041	\$ (24,368)

HILLHURST SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 6 - COMMUNITY ENGAGEMENT & INITIATIVES

For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
Revenue		
Operating grants	\$ -	\$ 18,936
Donations / fundraising	50	4,735
	<u>50</u>	<u>23,671</u>
 Expenses		
Salaries and related costs	49,196	48,097
Program supplies and expenses	319	9,316
Volunteer / staff appreciation and development	1,812	2,014
Office and administration	739	877
Consulting and professional fees	-	5,363
	<u>52,066</u>	<u>65,667</u>
 Excess of revenue (expenses)	 <u>\$ (52,016)</u>	 <u>\$ (41,996)</u>