

# **STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2019**



a member of

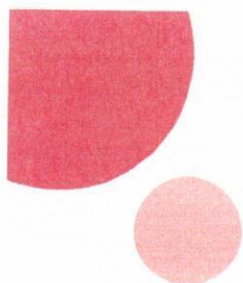
FEDERATION OF  
CALGARY COMMUNITIES

# STRATHCONA CHRISTIE ASPEN 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  
Strathcona Christie Aspen Community Association

#### Qualified Opinion

I have audited the Statement of Financial Position of the Strathcona Christie Aspen 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 described in the Basis for Qualified Opinion paragraph below, 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 Strathcona Christie Aspen 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 Strathcona Christie Aspen 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 Strathcona Christie Aspen 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 Strathcona Christie Aspen 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 Strathcona Christie Aspen 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 5, 2020

Nancy Murdoch  
Chartered Professional Accountant

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

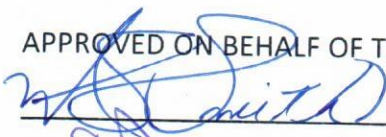
## STATEMENT OF FINANCIAL POSITION

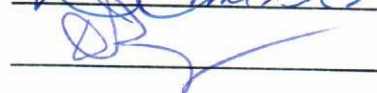
(Audited)

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 30,921	\$ 45,308
Externally restricted assets (Note 3)	101,949	47,980
Internally restricted investments (Note 4)	-	26,679
Short term investments (Note 4)	-	9,000
Goods and Services Tax receivable	16,758	6,211
Accounts receivable, unrestricted	-	20,390
Prepaid expense	20,516	19,374
	<u>170,144</u>	<u>174,942</u>
<b>Tangible capital assets (Note 5)</b>	<u>1,026,977</u>	<u>1,068,061</u>
	<u><u>\$ 1,197,121</u></u>	<u><u>\$ 1,243,003</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 23,226	\$ 21,216
Damage deposits	2,500	2,250
Deferred revenue	19,149	21,784
Deferred cash contributions (Note 3)	101,949	47,980
	<u>146,824</u>	<u>93,230</u>
<b>Deferred capital contributions (Note 6)</b>	<u>858,927</u>	<u>912,855</u>
	<u><u>1,005,751</u></u>	<u><u>1,006,085</u></u>
<b>Net assets</b>		
<b>Invested in capital assets</b>	168,050	155,206
<b>Reserve fund (Note 4)</b>	-	26,679
<b>Unrestricted</b>	23,320	55,033
	<u>191,370</u>	<u>236,918</u>
	<u><u>\$ 1,197,121</u></u>	<u><u>\$ 1,243,003</u></u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director

 Director

See Notes to the Financial Statements

**STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

For the Year Ended December 31, 2019

	Invested in capital assets	Reserve fund	Unrestricted	2019 Totals	2018 Totals
Balances, beginning of the year	\$ 155,206	26,679	50,687	232,572	262,883
Prior period adjustments (Note 7)	-	-	4,346	4,346	-
Balances as restated	155,206	26,679	55,033	236,918	262,883
Transfers between funds	36,306	(26,679)	(9,627)	-	-
Excess of (expenses) revenue	(23,462)	-	(22,086)	(45,548)	(25,965)
Balances, end of the year	<u>\$ 168,050</u>	<u>-</u>	<u>23,320</u>	<u>191,370</u>	<u>236,918</u>

See Notes to the Financial Statements



# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		
Hall rentals	\$ 278,813	\$ 297,743
Program and sports (Schedule 1)	41,804	32,353
Contributions from casino (Note 8)	34,509	32,873
Memberships	6,221	6,910
Miscellaneous	6,169	6,751
Social events and other (Schedule 2)	2,513	8,843
Contributions from grants (Note 9)	2,300	34,582
Donations	332	452
Interest	319	883
Playground contributions	2,513	8,843
	<u>372,980</u>	<u>421,390</u>
<b>Expense</b>		
Hall expense (Schedule 4)	279,435	267,885
Administration expense (Schedule 3)	103,230	97,530
Social events and other (Schedule 2)	26,725	35,299
Programs and sports (Schedule 1)	23,676	22,988
	<u>433,066</u>	<u>423,702</u>
<b>Excess of (expenses) revenue before amortization</b>	(60,086)	(2,312)
Amortization of deferred capital contributions (Note 6)	47,571	52,701
Amortization of tangible capital assets	(71,034)	(76,354)
<b>Excess of (expenses) revenue before extraordinary items</b>	<u>(83,549)</u>	<u>(25,965)</u>
<b>Extraordinary items</b>		
Insurance proceeds	205,839	-
Repairs due to flood	(167,838)	-
<b>Excess of (expenses) revenue</b>	<u>\$ (45,548)</u>	<u>\$ (25,965)</u>

See Notes to the Financial Statements

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Cash generated from (used in):</b>		
<b>Operating activities</b>		
Excess of (expenses) revenue	\$ (45,548)	\$ (25,965)
Charges not affecting cash:		
Amortization of tangible capital assets	71,034	76,354
Amortization of deferred capital contributions	(47,571)	(52,701)
Changes in non-cash operating working capital:		
Accounts receivable	(28,386)	36,881
Goods and Services Tax	(10,548)	1,140
Prepaid expenses	(1,143)	(4,617)
Accounts payable and accrued liabilities	2,010	(1,686)
Damage deposits	250	250
Deferred rental revenue	(2,635)	5,309
	<u>(62,537)</u>	<u>34,965</u>
<b>Investing activities</b>		
Renovation expenditures	(28,876)	(11,150)
Tennis court renovations	-	(44,902)
Purchase of equipment	(1,074)	(5,537)
Purchase of booking software	-	(2,476)
Purchase of GICs	-	(116,279)
Redemption of GICs	75,979	155,800
	<u>46,029</u>	<u>(24,544)</u>
<b>Financing activities</b>		
Net (transfer to) use of deferred cash contributions	(16,345)	(70,537)
Receipt of grant and gaming funding	23,659	73,302
	<u>7,314</u>	<u>2,765</u>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(9,194)</b>	<b>13,186</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>73,619</b>	<b>60,433</b>
<b>Cash and cash equivalents, end of the year</b>	<b><u>\$ 64,425</u></b>	<b><u>\$ 73,619</u></b>
<b>Cash and cash equivalents is comprised of:</b>		
Unrestricted cash and cash equivalent	\$ 30,921	\$ 45,308
Externally restricted cash (Note 3)	33,504	28,311
	<u>\$ 64,425</u>	<u>\$ 73,619</u>

See Notes to the Financial Statements



# **STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

(Audited)

**For the Year Ended December 31, 2019**

### **1. NATURE OF OPERATIONS**

The Strathcona Christie Aspen Community Association (the "Association") was incorporated as the Strathcona Community Association under the Societies Act of Alberta on December 2, 1981 as a not-for-profit organization. The Association changed its name to Strathcona Christie Aspen Community Association on January 8, 2010. The Association is exempt from income tax under Section 149 (1) (I) of the Income Tax Act.

The objectives of the Association are to enhance neighbourhood life in the Strathcona, Christie and Aspen communities by creating and facilitating programs, services and resources for residents, visitors and volunteers.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared according to Canadian accounting standards for not-for-profit organizations (ASNPO) as set out in Part III of the Chartered Professional Accountants of Canada Handbook. The significant accounting policies are summarized as follows:

#### **(a) Revenue Recognition**

Externally restricted contributions including casino revenue are recognized using the deferral method as revenue in the year in which the related expenses are incurred. Grants received and not spent are recorded as deferred cash contributions, grants and casino cash spent to purchase capital assets are recorded as deferred capital contributions and are transferred to income on the same basis that the related capital asset is amortized.

Hall rentals are recognized when payments become non-refundable.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when it is earned.

#### **(b) 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.

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

For the Year Ended December 31, 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued...

#### (c) Short Term Investments

Investments in guaranteed investment certificates (GICs) are recorded at cost and accrued interest is recorded as a receivable.

#### (d) Tangible Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives. Contributed capital assets are recorded at fair value at the date of contribution when fair value can be reasonably estimated, when they would otherwise have been purchased and when they are used in the normal course of operations of the Association.

Amortization is provided for on the declining balance basis at the following annual rates:

Building	5%
Tennis courts, rink and landscaping	10%
Furniture and equipment	20%
Signage	20%
Computer equipment and software	30%

#### (e) Measurement Uncertainty

The valuation of assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amounts recorded for amortization of property and equipment are based on management's best estimates of the remaining lives and period of future benefit of the related assets.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

#### (f) Donated Goods and Services

Goods and services donated to the Association are recorded at their fair market value when received if a fair value can be reasonably determined, if they are used in the normal operations and if they would otherwise have been purchased. No donations have been recorded in the financial statements in the current year (2016 - \$Nil).

Volunteer services provided by the members and other individuals have not been recorded in these financial statements.



# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

For the Year Ended December 31, 2019

### 3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Casino revenue and grant funding are restricted to the objectives approved by Alberta Gaming and Liquor Commission or the grant providers. Until spent they are recorded as deferred cash contributions and remain as liabilities. These funds are held in the following bank accounts and as restricted receivables:

	2019	2018
Casino bank account	\$ 22,655	\$ 25,606
Casino funds held in general bank account	1,666	2,705
Grant funds held in general bank account	9,183	-
	<u>33,504</u>	<u>28,311</u>
GST receivable, restricted	1,184	1,986
Casino proceeds receivable	67,261	-
Grants receivable	-	17,683
	<u>\$ 101,949</u>	<u>\$ 47,980</u>

### 4. SHORT TERM INVESTMENTS

The Association redeemed all Guaranteed Investment Certificates (GICs) which were held at the Bank of Montreal including those held as an internally restricted reserve.

	2019	2018
GIC -0.75%, rate riser, maturing March 22, 2020, cashable, interest payable on redemption	\$ -	\$ 26,679
GIC - 2.65%, maturing July 15, 2019, cashable, interest paid annually	-	9,000
GIC - 1.4%, maturing July 15, 2019, cashable, interest paid annually	-	20,000
GIC - 1.4%, maturing July 15, 2019, cashable, interest paid annually	-	20,300
	<u>-</u>	<u>75,979</u>
Less: Cash equivalents	-	(40,300)
Less: Reserve funds held in GICs	-	(26,679)
Short term investments, securing credit cards	<u>\$ -</u>	<u>\$ 9,000</u>



# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

For the Year Ended December 31, 2019

### 5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Building	\$ 2,211,921	1,366,792	845,129	860,733
Tennis courts, rink and landscaping	304,001	158,326	145,675	161,861
Furniture and equipment	182,087	162,347	19,740	24,675
Signage	17,600	8,589	9,011	11,264
Computer equipment and software	24,109	16,687	7,422	9,528
	<u>\$ 2,739,718</u>	<u>1,712,741</u>	<u>1,026,977</u>	<u>1,068,061</u>

### 6. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted assets like casino funds and grant funding contributed to the purchase of property and equipment is deferred and recognized as revenue on the same basis that the related capital assets are amortized.

	2019	2018
Balance, beginning of the year	\$ 912,855	\$ 876,375
Capital assets purchased by grant funding (Note 8)	23,362	89,181
Previously purchased by casino funds and disallowed	(29,719)	-
Recognized as revenue	(47,571)	(52,701)
	<u>\$ 858,927</u>	<u>\$ 912,855</u>

### 7. PRIOR PERIOD ADJUSTMENTS

During the year it was noted that a grant that had been approved and spent in 2018 but not reimbursed until 2019 had not been recorded as a receivable in error therefore a prior period adjustment has been recorded. In addition, a rental payment for 2018 that was not received until 2019 had not been recorded as receivable in error, therefore it has been recorded as a prior period adjustment. The net effect of these prior period adjustments in the prior year are as follows:

Increase in accounts receivable, unrestricted	\$ 4,346
Increase in net assets	\$ 4,346
Increase in long term hall rentals	\$ 3,604
Decrease in event expense	\$ 742

### 8. CASINO CONTRIBUTIONS

	2019	2018
Casino balance, beginning of the year	\$ 30,297	\$ 92,888
Plus: Casino proceeds receivable/ received	67,621	-
Plus: Net reimbursements and receivables	(361)	-
Less: Spent on capital assets (disallowed this year)	29,718	(29,718)
Less: Balance carried forward	(92,766)	(30,297)
Spent on operations	<u>\$ 34,509</u>	<u>\$ 32,873</u>

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

For the Year Ended December 31, 2019

### 9. GRANTS

	2019	2018
<b>Community Facility Enhancement Program (CFEP)</b>		
Carried forward from the prior year	\$ 17,683	\$ 81,806
Received/receivable in the year	-	17,683
Spent on capital assets	(14,710)	(52,966)
Recognized as revenue	-	(28,840)
Carried forward to next year	<u>2,973</u>	<u>17,683</u>
<b>City of Calgary Capital Conservation Grant (CCG)</b>		
Grants received/receivable in the year	21,359	6,497
Contributed to tangible capital assets in the year	<u>(21,359)</u>	<u>(6,497)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Other Grants</b>		
Grants received in the year	-	742
Contributed to operations in the year	<u>-</u>	<u>(742)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>City of Calgary Ward Event Fund</b>		
Grants received in the year	2,300	4,300
Contributed to operations in the year	<u>(2,300)</u>	<u>(4,300)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Heritage Canada</b>		
Grant received in the year	-	20,000
Contributed to operations in the year	<u>-</u>	<u>(20,000)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Community Initiatives Program</b>		
Grant received in the year	-	3,000
Contributed to operations in the year	<u>-</u>	<u>(3,000)</u>
Carried forward to next year	<u>-</u>	<u>-</u>
<b>Totals for the year</b>		
Carried forward from the prior year	17,683	81,806
Grants and interest received/receivable in the year	23,659	29,922
Contributed to tangible capital assets in the year	(36,069)	(59,463)
Contributed to operations in the year	(2,300)	(34,582)
Balances carried forward to next year	<u>\$ 2,973</u>	<u>\$ 17,683</u>



# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

For the Year Ended 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, investments 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 is dependent on the continued ability to maintain its assets, to generate revenue and to manage expenses.



# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## SCHEDULE 1 - PROGRAMS AND SPORTS

For the Year Ended December 31, 2019

	2019			2018		
	Revenue	Expenses	Net	Revenue	Expenses	Net
Art programs	\$ 6,040	-	6,040	2,936	-	2,936
Bridge lessons	2,691	-	2,691	1,920	-	1,920
Dance programs	16,405	-	16,405	9,677	-	9,677
Other programs	207	23,676	(23,469)	312	22,988	(22,676)
Summer camps	3,219	-	3,219	6,928	-	6,928
Tai Chi program	6,216	-	6,216	5,348	-	5,348
Yoga	7,026	-	7,026	5,232	-	5,232
	<u>\$ 41,804</u>	<u>23,676</u>	<u>18,128</u>	<u>\$ 32,353</u>	<u>22,988</u>	<u>9,365</u>

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## SCHEDULE 2 - SOCIAL EVENTS AND OTHER

For the Year Ended December 31, 2019

	2019			2018		
	Revenue	Expenses	Net	Revenue	Expenses	Net
Community garden	\$ 268	-	268	\$ 500	530	(30)
Craft fair	580	-	580	1,520	-	1,520
Canada 150	-	-	-	-	1,473	(1,473)
Skating events	-	1,324	(1,324)	-	903	(903)
Special events	1,665	25,401	(23,736)	6,823	32,393	(25,571)
	<u>\$ 2,513</u>	<u>26,725</u>	<u>(24,212)</u>	<u>\$ 8,843</u>	<u>35,299</u>	<u>(26,457)</u>

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## SCHEDULE 3 - ADMINISTRATION EXPENSES

For the Year Ended December 31, 2019

	2019	2018
Advertising and promotion	\$ 4,009	\$ 1,716
Accounting and legal	6,805	7,092
Administration management contract	65,165	66,228
Business fees and licences	1,997	1,492
Communications management contract	8,056	8,676
Courier and postage	124	42
Donations	907	100
Interest, bank charges and credit card fees	6,714	7,649
Office supplies	1,082	279
Meeting expenses	662	1,070
Miscellaneous expenses	452	556
Training	5,557	2,207
Travel	-	205
Volunteer appreciation	360	218
Workers compensation	1,340	-
	<u>\$ 103,230</u>	<u>\$ 97,530</u>

# STRATHCONA CHRISTIE ASPEN COMMUNITY ASSOCIATION

## SCHEDULE 4 - HALL EXPENSES

For the Year Ended December 31, 2019

	2019	2018
Building superintendent	\$ 74,022	\$ 62,984
Equipment purchases	1,099	180
Exterior maintenance and repairs	9,091	5,591
Fire alarms	2,210	1,781
Insurance	17,093	15,023
Interior maintenance and repairs	28,217	33,651
Janitorial expense	83,455	79,579
Recycling and garbage	5,410	5,422
Snow removal	22,746	28,387
Telephone	1,414	1,641
Utilities	32,062	30,551
Website and service	2,616	3,095
	<u>\$ 279,435</u>	<u>\$ 267,885</u>