

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS Audited

December 31, 2014

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

December 31, 2014
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Independent Auditor's Report

To the members of the
Hillhurst-Sunnyside Community Association

I have audited the financial statements of Hillhurst-Sunnyside Community Association as at December 31, 2014, 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, 2014.

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 organizations 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. 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 qualified audit opinion.

Basis of Qualified Opinion

In common with many not-for-profit organizations, 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 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 common with many not-for-profit organizations that rely on specific project funding, the Hillhurst-Sunnyside Community Association records an internal administration fee as revenue to administration and expenditures to the various projects. This policy does not conform to Canadian accounting standards for not-for-profit organizations.

The Hillhurst-Sunnyside Community Association defers certain project revenues that are not externally restricted that represent unspent revenues carried forward in various programs. This policy does not conform to Canadian accounting standards for not-for-profit organizations.

Qualified Opinion

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, if the internal administration fees had been eliminated and if certain unrestricted program revenues had been recognized as revenue in the years received, these financial statements present fairly, in all material respects, the financial position of the Hillhurst-Sunnyside Community Association as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
March 26, 2015



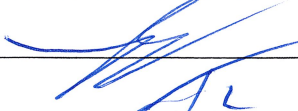
Nancy Murdoch
Chartered Accountant

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
Audited

December 31, 2014

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 191,153	\$ 369,968
Internally restricted cash (Note 3)	10,000	10,000
Externally restricted assets (Note 4)	298,015	145,067
Funds in Trust - Bow to Bluff (Note 5)	12,873	13,075
Short-term investments (Note 6)	250,000	-
Accounts receivable	5,081	17,005
Government receivables	12,232	19,626
Prepaid expense	984	11,485
	780,338	586,226
CAPITAL ASSETS (Note 7)	741,433	765,654
	\$ 1,521,771	\$ 1,351,880
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 38,917	\$ 33,366
Funds in Trust - Bow to Bluff (Note 5)	12,873	13,075
Deferred revenue	23,533	33,641
Deferred cash contributions (Note 4)	298,015	145,067
	373,338	225,149
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	629,136	629,750
	1,002,474	854,899
NET ASSETS		
Investment in capital assets	112,297	135,904
Internally restricted assets (Note 3)	10,000	10,000
Unrestricted net assets	397,000	351,077
	519,297	496,981
	\$ 1,521,771	\$ 1,351,880

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, 2014

	Invested in Capital Assets	Unrestricted	- Internally Restricted	2014 Totals	2013 Totals
Balances, beginning of the year	\$ 135,904	351,077	10,000	496,981	479,964
Transfers	10,971	(10,971)	-	-	-
Reserve fund - unrestricted in current year	-	10,000	(10,000)	-	-
Internal restriction placed on emergency relief funds (Note 3)	-	(10,000)	10,000	-	-
Excess of revenue (expenses)	<u>(34,578)</u>	<u>56,894</u>	<u>-</u>	<u>22,316</u>	<u>17,017</u>
Balances, end of the year	<u>\$ 112,297</u>	<u>397,000</u>	<u>10,000</u>	<u>519,297</u>	<u>496,981</u>

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
Audited

For the Year ended December 31, 2014

	<u>Revenue</u>	<u>Expenses</u>	<u>Net 2014</u>	<u>Net 2013</u>
Bowview Pool (Schedule 1)	\$ 133,943	112,266	21,677	6,159
Child Services (Schedule 2)	394,503	277,928	116,575	86,348
Community Assistance to Seniors & Families (Schedule 3)	194,292	194,292	-	-
Community Centre & Program Support (Schedule 4)	680,476	742,760	(62,284)	(62,340)
Community Food Programs (Schedule 5)	103,882	142,324	(38,442)	(11,444)
Community Engagement & Initiatives (Schedule 6)	92,786	107,996	(15,210)	(1,705)
	<u>\$ 1,599,882</u>	<u>1,577,566</u>		
Excess of Revenue (Expenses)			<u><u>\$ 22,316</u></u>	<u><u>17,018</u></u>

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
Audited

For the Year Ended December 31, 2014

	2014	2013
Cash provided by (used in):		
Operations		
Excess of Revenue (Expenses)	\$ 22,316	\$ 17,018
Non-cash adjustments for:		
Amortization of deferred capital contributions	(54,253)	(56,239)
Amortization expense	88,830	87,031
Non-cash operating working capital:		
Accounts receivable	11,923	(3,122)
Government receivables	7,394	(16,210)
Prepaid expense	10,501	(4,775)
Accounts payable and accrued liabilities	5,551	9,088
Funds in Trust - Bow to Bluff	(202)	8,568
Deferred revenue	(10,109)	20,223
Cash flows from operations	81,951	61,582
Financing		
Increase to deferred capital contributions	53,639	178,004
Net contribution to (use of) deferred cash contributions	152,950	11,196
	206,589	189,200
Investing		
Capital renovations and leasehold improvements	(47,557)	(171,942)
Purchase of office equipment	(10,390)	(21,699)
Parking lot renovations	(6,663)	-
Purchase of GICs	(250,000)	-
	(314,610)	(193,641)
Increase (Decrease) in Cash and Cash Equivalents	(26,070)	57,141
Cash and Cash Equivalents, Beginning of Year	538,111	480,970
Cash and Cash Equivalents, End of Year	\$ 512,041	\$ 538,111
Cash and Cash Equivalents Consist of:		
Cash, unrestricted	\$ 191,153	\$ 369,968
Cash, externally restricted (Note 7)	298,014	145,067
Cash, internally restricted (Note 6)	10,000	10,000
Funds in Trust - Bow to Bluff	12,873	13,075
	\$ 512,040	\$ 538,110

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Audited
December 31, 2014

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 policies are:

Basis of Accounting

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

Capital Assets

Property and equipment 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
Parking lot	20 years
Hall equipment	10 years
Office equipment	8 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.

The Association also defers certain project revenues that are not externally restricted that represent unspent revenues carried forward in various programs. This policy does not conform to Canadian accounting standards for not-for-profit organizations.

The Association records an internal administration fee as revenue to administration and expenditures to the various projects. This policy does not conform to Canadian accounting standards for not-for-profit organizations.

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
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December 31, 2014

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

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited
December 31, 2014

3. INTERNALLY RESTRICTED CASH

The board of directors have internally restricted funds received from the Red Cross to be used for emergency relief.

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2014</u>	<u>2013</u>
Restricted Funds - Emergency planning	\$ 40,873	\$ 19,737
Community Facility Enhancement Grant (CFEP)	33,481	14,789
CAFS - Lawn/Snow	33,181	21,941
City of Calgary - FCSS - Lawn & Snow Program 2015	18,368	-
City of Calgary - FCSS - Outreach Program 2015	16,278	-
Farmers Market	7,420	1,340
CAFS - Housekeeping	2,846	827
Community Garden B	2,210	3,301
Community Garden A	2,030	2,095
Handiperson Fees	1,875	1,641
Out of School Care	-	510
20/20 Vision	-	20
Restricted funds held in general bank account	<u>158,562</u>	<u>66,201</u>
Casino bank account	133,539	69,654
Pull Ticket bank account	6,161	8,941
Pull ticket float	500	500
Senior's Dinner bank account	-	518
	<u>298,762</u>	<u>145,814</u>
Less: General funds held in Casino bank account	<u>(747)</u>	<u>(747)</u>
	<u>\$ 298,015</u>	<u>\$ 145,067</u>

5. FUNDS IN TRUST - BOW TO BLUFF

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

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2014

6. SHORT-TERM INVESTMENTS

The Association has invested in guaranteed investment certificates (GICs) held at the Bank of Montreal. The GICs are recorded at cost with any interest accruing recorded as a receivable.

\$ 100,000	1.4%, maturing September 2019, redeemable in the current year
100,000	1.15%, maturing October 2017, redeemable in the current year
<u>50,000</u>	1.15%, maturing September 2017, redeemable in the current year
<u><u>\$ 250,000</u></u>	

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2014	Net 2013
Building and leasehold improvements	\$ 1,287,904	782,958	504,946	521,784
Parking lot	360,057	332,592	27,465	32,911
Hall equipment	158,656	120,694	37,962	34,462
Office equipment	227,211	56,151	171,060	176,497
	<u><u>\$ 2,033,828</u></u>	<u><u>1,292,395</u></u>	<u><u>741,433</u></u>	<u><u>765,654</u></u>

8. 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.

	2014	2013
Balance carried forward from the previous year	\$ 629,750	\$ 507,985
Contributions from casino funds	5,065	48,995
Contributions from grant funds	48,574	129,009
Less: Amortization	<u>(54,253)</u>	<u>(56,239)</u>
Balance carried forward to the next year	<u><u>\$ 629,136</u></u>	<u><u>\$ 629,750</u></u>

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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9. 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 \$ 55,407 (2013 \$ 60,219). 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 Services Program in the amount of \$148,585 (2013 - \$138,585). 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 (2013 - \$3,000). The amount transferred to COSPA at the end of the season was \$1,048 (2013 - \$668).

10. COMPARATIVE FIGURES

Some of the prior year figures have been reclassified to conform to the current year presentation.

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 1 - BOWVIEW POOL

For the Year Ended December 31, 2014

	2014	2013
Revenue		
Sales and rentals	\$ 106,700	\$ 102,614
Concessions	14,811	20,332
Employment grant	9,432	9,943
Operating grant (Note 8)	3,000	3,000
	133,943	135,889
 Expenses		
Salaries and related costs	84,367	89,824
Administration	9,720	9,720
Chemicals and supplies	6,864	8,302
Concession purchases	5,959	12,487
Program expenses	3,027	3,469
Repairs and maintenance	1,247	2,192
Uniforms	592	1,252
Office supplies and expense	490	2,484
	112,266	129,730
 Excess of Revenue (Expenses)	\$ 21,677	\$ 6,159

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 2 - CHILD SERVICES

For the Year Ended December 31, 2014

	2014	2013
Revenue		
User fees	\$ 289,997	\$ 225,644
Subsidies and grants	103,549	133,807
Donations and other	957	-
	394,503	359,451
 Expenses		
Salaries and related costs	254,181	248,433
Program supplies and expenses	14,167	16,891
Office and administration	4,821	3,431
Volunteer and Staff Appreciation and Development	3,319	2,768
Transportation	1,253	1,499
Advertising, Printing, Brochures	187	81
	277,928	273,103
 Excess of Revenue (Expenses)	\$ 116,575	\$ 86,348

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

For the Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
FCSS Grant (Note 8)	\$ 148,349	\$ 138,585
Housekeeping and Contributions	39,895	39,359
Lawn and Snow Removal	4,691	3,381
Fundraising and donations	1,216	906
Handiperson fees	141	11,818
Employment Grants	-	4,476
	<u>194,292</u>	<u>198,525</u>
Expenses		
Salaries and related costs	159,708	172,796
Administration	19,000	19,000
Consulting	9,533	-
Transportation	2,021	2,447
Office and Administration	1,855	2,556
Program Supplies and Expenses	1,644	291
Donations/Contributions	385	734
Volunteer and Staff Appreciation	146	701
	<u>194,292</u>	<u>198,525</u>
Excess of Revenue (Expenses)	<u>\$ -</u>	<u>\$ -</u>

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

For the Year Ended December 31, 2014

	2014	2013
Revenue		
Flea and Antique Markets	\$ 191,842	\$ 187,611
Hall & Gym Rentals	188,443	193,323
Daycare Rentals	53,653	52,344
Recreation Programs	47,920	32,667
Parking	42,321	36,592
Professional Secondment	28,720	29,639
Other Income	24,595	6,940
Casino and Pull Tickets	12,776	23,817
Memberships	10,630	9,700
Donations/Fundraising	8,467	21,895
Commission	8,141	6,165
Operating Grants	7,660	23,844
Interest Earned	1,055	5
	626,223	624,542
Expenses		
Salaries and related costs	479,054	469,144
Utilities	54,445	47,692
Repair and maintenance	32,632	38,521
Program supplies and expenses	19,688	36,032
Consulting Services	17,943	23,193
Office and administration	15,702	18,882
Volunteer and Staff Development and Appreciation	10,964	5,143
Computer Supplies & Services	8,638	5,668
Insurance	7,607	7,339
Advertising, Signs Posters	7,257	4,476
	653,930	656,090
Excess of Revenue (Expenses) before Amortization	(27,707)	(31,548)
Amortization of Deferred Capital Contributions	54,253	56,239
Amortization Expense	(88,830)	(87,031)
Excess of Revenue (Expenses)	\$ (62,284)	\$ (62,340)

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 5 - COMMUNITY FOOD PROGRAMS

For the Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Operating Grants	\$ 35,106	\$ 49,240
Farmers' Market	24,682	25,642
Donations/Fundraising	18,522	15,145
User Fees	2,820	4,137
Other Income	22,752	(39)
	<u>103,882</u>	<u>94,125</u>
 Expenses		
Salaries and related costs	92,685	78,272
Office and administration	22,276	1,017
Program Supplies & Expenses	21,934	16,561
Consulting & Professional Fees	3,895	7,711
Volunteer/Staff Development and Appreciation	1,138	1,667
Advertising	396	341
	<u>142,324</u>	<u>105,569</u>
 Excess of Revenue (Expenses)	 <u>\$ (38,442)</u>	 <u>\$ (11,444)</u>

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 6 - COMMUNITY ENGAGEMENT & INITIATIVES

For the Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Operating Grants	\$ 69,295	\$ 20,000
Donations/ Fundraising	15,709	7,488
Other Income	7,782	-
	<u>92,786</u>	<u>27,488</u>
 Expenses		
Salaries & Related Costs	57,865	10,998
Program Supplies & Expenses	33,690	2,198
Office & Administration	11,558	18
Volunteer/Staff Appreciation & Development	3,896	56
Consulting & Professional Fees	987	15,923
	<u>107,996</u>	<u>29,193</u>
 Excess of Revenue (Expenses)	 <u>\$ (15,210)</u>	 <u>\$ (1,705)</u>