

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS

Audited

December 31, 2019

a member of

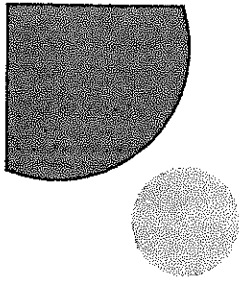


HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

December 31, 2019

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	13
Schedule 2 - Child Services	14
Schedule 3 - Community Assistance for Seniors & Families	15
Schedule 4 - Community Centre & Program Support	16



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, 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, 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, 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 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.

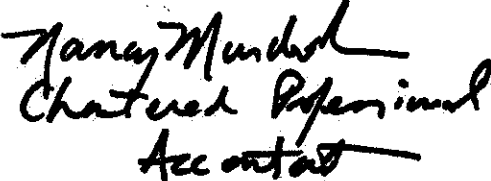
In preparing the financial statements, management is responsible for assessing the Hillhurst-Sunnyside Community Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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.



Nancy Murdoch
Chartered Professional
Accountant

Calgary, Alberta

April 27, 2020

Nancy Murdoch

Chartered Professional Accountant

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

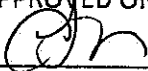
Audited

December 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 16,707	\$ 65,294
Internally restricted cash (Note 3)	-	95,794
Externally restricted assets (Note 4)	248,361	275,311
Funds in trust (Note 5)	2,905	23,116
Short-term investment, internally restricted (Note 6)	93,584	-
Short-term investment, unrestricted (Note 6)	16,172	106,922
Accounts receivable, unrestricted	73,900	65,453
Government receivables	12,359	11,342
Prepaid expense	13,652	12,261
	477,640	655,493
CAPITAL ASSETS (Note 7)	1,115,497	973,747
GOODWILL (Note 8)	99,000	99,000
	\$ 1,692,137	\$ 1,728,240
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 34,400	\$ 58,298
Funds in trust (Note 5)	2,905	23,116
Deferred revenue (Note 9)	46,370	40,318
Deferred cash contributions (Note 4)	248,361	275,311
	332,036	397,043
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	1,025,197	891,190
	1,357,233	1,288,233
NET ASSETS		
Investment in capital assets	90,300	82,557
Internally restricted assets (Note 3)	93,584	95,794
Unrestricted net assets	151,020	261,656
	334,904	440,007
	\$ 1,692,137	\$ 1,728,240

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

December 31, 2019

	Invested in Capital Assets	Unrestricted	Internally Restricted	2019 Totals	2018 Totals
Balances, beginning of the year	\$ 82,557	261,656	95,794	440,007	478,533
Purchase of capital assets with general funds	28,055	(28,055)	-	-	-
Projects transferred to internally restricted funds (Note 3)	-	2,210	(2,210)	-	-
Excess of revenue (expenses)	(20,312)	(84,791)	-	(105,103)	(38,526)
Balances, end of the year	\$ 90,300	151,020	93,584	334,904	440,007

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS

Audited

December 31, 2019

	<u>Revenue</u>	<u>Expenses</u>	<u>Net 2019</u>	<u>Net 2018</u>
Bowview Pool (Schedule 1)	\$ 174,456	150,077	24,379	3,289
Child Services (Schedule 2)	1,641,135	1,348,441	292,694	368,728
Community Assistance to Seniors & Families (Schedule 3)	152,972	159,328	(6,356)	(16,072)
Community Centre & Program Support (Schedule 4)	<u>644,350</u>	<u>1,060,170</u>	<u>(415,820)</u>	<u>(394,471)</u>
	<u>\$2,612,913</u>	<u>2,718,016</u>		
Excess of (expenses) revenue			<u><u>\$(105,103)</u></u>	<u><u>(38,526)</u></u>

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

STATEMENT OF CASH FLOWS

Audited

December 31, 2019

	2019	2018
Cash provided by (used in):		
Operations		
Excess of revenue (expenses)	\$ (105,103)	\$ (38,526)
Non-cash adjustments for:		
Amortization of deferred capital contributions	(86,051)	(75,659)
Amortization expense	102,397	93,372
Non-cash operating working capital:		
Accounts receivable	(8,447)	821
Government receivables	(1,018)	(3,842)
Prepaid expense	(1,391)	(3,421)
Accounts payable and accrued liabilities	(23,897)	(1,466)
Funds in trust - Bow to Bluff	(20,211)	15,273
Deferred revenue	6,052	13,302
Cash flows from operations	(137,669)	(146)
Financing		
Use of deferred cash contributions	(737,174)	(688,454)
Receipt of casino and grant proceeds	1,023,765	785,454
	286,591	97,000
Investing		
Capital renovations and leasehold improvements	(214,949)	(139,206)
Purchase of office equipment	(21,806)	(34,297)
Purchase of child care equipment	(2,362)	(6,392)
Purchase of hall and pool equipment	(4,930)	-
Reinvestment of interest in GIC	(2,833)	(2,097)
	(246,880)	(181,992)
Increase (decrease) in cash and cash equivalents	(97,958)	(85,138)
Cash and cash equivalents, beginning of year	459,515	544,653
Cash and cash equivalents, end of year	\$ 361,557	\$ 459,515
Cash and cash equivalents consists of:		
Cash, unrestricted	\$ 16,707	\$ 65,294
Cash, externally restricted (Note 4)	248,361	275,311
Cash, internally restricted (Note 3)	93,584	95,794
Funds in trust (Note 5)	2,905	23,116
	\$ 361,557	\$ 459,515

See Notes to the Financial Statements

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Audited

December 31, 2019

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:

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.

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.

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Audited

December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued

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.

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>2019</u>	<u>2018</u>
Programs for Seniors	\$ 54,368	\$ 54,427
Emergency Relief Funds	10,000	10,000
Community Garden B	10,887	11,662
Community Garden A	3,329	4,705
Ezra Funds for Riley Park	15,000	15,000
	<u>\$ 93,584</u>	<u>\$ 95,794</u>

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Audited

December 31, 2019

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
Casino bank account	\$ 71,798	\$ 87,005
Less: General funds held in casino bank account	(747)	(747)
Pull ticket bank account	367	6,817
Pull ticket float	500	500
Early Learning and Child Care grant held in general bank	157,537	171,555
Community Facility Enhancement Grant (CFEP) held in general bank account	16,056	5,118
Other restricted amounts held in general bank	2,850	2,850
	<u>248,361</u>	<u>273,098</u>
Casino advisor reimbursement from AGLC	-	2,213
	<u>\$ 248,361</u>	<u>\$ 275,311</u>

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.

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Audited

December 31, 2019

6. SHORT TERM INVESTMENT

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. The GIC earns matures October 2024, is redeemable on its annual anniversary and earns 0.7% in its first year. The funds held in the GIC are comprised of:

Internally restricted funds	\$	93,584
Unrestricted funds		<u>16,172</u>
	\$	<u><u>109,756</u></u>

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Building and leasehold improvements	\$ 2,286,751	1,252,493	1,034,258	893,409
Hall equipment	371,426	361,778	9,648	10,294
Office equipment	225,929	170,147	55,782	46,989
Child care equipment	51,323	35,514	15,809	23,055
	<u>\$ 2,935,429</u>	<u>1,819,932</u>	<u>1,115,497</u>	<u>973,747</u>

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. In the current year no writedown was required.

9. DEFERRED REVENUE

HSCA defers revenue that has not yet been earned.

	2019	2018
Parking	\$ 19,000	\$ 14,875
Rentals	16,676	11,849
Farmers market	5,736	6,429
Memberships	3,458	-
Art program	1,500	4,989
Child care fees	-	2,176
	<u>\$ 46,370</u>	<u>\$ 40,318</u>

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Audited

December 31, 2019

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>2019</u>	<u>2018</u>
Balance carried forward from the previous year	\$ 891,190	\$ 847,336
Contributions from gaming funds	41,940	5,129
Contributions from grant funds	175,620	114,384
Less: Amortization	(86,051)	(75,659)
Balance carried forward to the next year	<u>\$ 1,025,197</u>	<u>\$ 891,190</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.

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 \$ 87,212 (2018 \$ 74,838). 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 \$ 108,632 (2018 \$ 76,677). 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 \$581,388 (2018 \$539,377).

Family Community Support Services

The Association obtained financial assistance from the City of Calgary Family and Community Support Services Program in the amount of \$ 151,028 (2018 - \$ 151,029). 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 (2018 - \$ 1,500).

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
 Audited

December 31, 2019

13. PAYROLL

The Association's payroll for all programs and locations is as follows:

	2019	2018
Salaries and wages	\$ 1,968,133	\$ 1,764,334
Benefits	194,646	190,489
WCB and other	27,855	27,317
	2,190,634	1,982,140

14. 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 generate revenue and manage expenses.

15. 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, 2019

	2019	2018
Revenue		
Sales and rentals	143,990	145,568
Concessions	15,023	15,571
Employment grant	13,943	9,880
Operating grant (Note 12)	1,500	1,500
Other revenue	-	-
	174,456	172,519
 Expenses		
Salaries and related costs	111,034	128,252
Administration	13,000	13,000
Chemicals and supplies	9,611	9,106
Program expenses	6,689	8,793
Concession purchases	5,628	6,088
Office supplies and expense	2,259	2,051
Uniforms	1,108	1,764
Repairs and maintenance	685	-
Volunteer and staff appreciation	63	176
	150,077	169,230
 Excess of revenue (expenses)	\$ 24,379	\$ 3,289

HILLHURST-SUNNYSIDE COMMUNITY ASSOCIATION
SCHEDULE 2 - CHILD SERVICES

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
User fees	\$ 651,811	\$ 657,005
Operating grants	585,817	568,180
Subsidies and grants	399,359	340,202
Donations and other	4,148	4,560
	<u>1,641,135</u>	<u>1,569,947</u>
Expenses		
Salaries and related costs	1,234,680	1,082,498
Program supplies and expenses	91,901	103,433
Volunteer and staff appreciation and development	14,108	7,519
Office and administration	7,097	7,237
Transportation	419	219
Advertising, printing, brochures	236	313
	<u>1,348,441</u>	<u>1,201,219</u>
Excess of revenue (expenses)	<u>\$ 292,694</u>	<u>\$ 368,728</u>

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
FCSS grant (Note 12)	\$ 151,028	\$ 151,029
Fundraising and donations	1,944	4,473
Housekeeping and contributions	-	-
Lawn and snow removal	-	26
	<u>152,972</u>	<u>155,528</u>
Expenses		
Salaries and related costs	125,033	133,197
Administration	25,858	25,858
Program supplies and expenses	6,312	9,224
Volunteer and staff appreciation	1,357	2,040
Office and administration	519	789
Transportation	174	342
Advertising, signs and posters	75	150
Equipment	-	-
	<u>159,328</u>	<u>171,600</u>
Excess of revenue (expenses)	<u>\$ (6,356)</u>	<u>\$ (16,072)</u>

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
Flea and antique markets	\$ 241,460	\$ 213,994
Hall & gym rentals	130,718	142,767
Casino and pull tickets	50,104	12,736
Parking	44,218	42,103
Donations/fundraising	22,787	7,578
Operating grants	21,651	3,728
Recreation programs	17,153	20,799
Other income	15,133	10,940
Memberships	8,821	12,775
Commission	4,012	6,665
Interest earned	2,242	2,097
	<u>558,299</u>	<u>476,182</u>
Expenses		
Salaries and related costs	679,672	596,176
Utilities	57,640	51,051
Repair and maintenance	57,398	40,976
Consulting services	56,397	45,758
Office and administration	34,692	44,167
Program supplies and expenses	21,083	24,732
Food program supplies and expenses	17,351	7,015
Computer supplies & services	12,056	19,528
Insurance	11,266	9,145
Volunteer and staff development and appreciation	5,777	5,059
Advertising, signs posters	3,220	5,643
Program contractors	1,221	3,690
	<u>957,773</u>	<u>852,940</u>
Excess of revenue (expenses) before amortization	(399,474)	(376,758)
Amortization of deferred capital contributions	86,051	75,659
Amortization expense	<u>(102,397)</u>	<u>(93,372)</u>
Excess of revenue (expenses)	\$ (415,820)	\$ (394,471)