

HAWKWOOD COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

July 31, 2013

HAWKWOOD COMMUNITY ASSOCIATION

July 31, 2013

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Independent Auditor's Report

To the Members of the
Hawkwood Community Association

I have audited the financial statements of the Hawkwood Community Association as at July 31, 2013, July 31, 2012 and August 1, 2011 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 years ended July 31, 2013 and July 31, 2012.

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 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, 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 for Qualified Opinion

In common with many not for profit organizations, the Hawkwood Community Association derives revenue from certain fund raising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Hawkwood 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.

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, these financial statements present fairly, in all material respects, the financial position of the Hawkwood Community Association as at July 31, 2013, July 31, 2012 and August 1, 2011 and the results of its operations and cash flows for the years ended July 31, 2013 and July 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
October 29, 2013

Nancy Murdoch
Chartered Accountant

HAWKWOOD COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at July 31, 2013

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents, unrestricted	\$ 39,899	\$ 40,071
Externally Restricted Assets (Note 3)	518,099	511,039
Prepaid Expenses	1,444	1,598
	559,442	552,708
 Property and Equipment (Note 4)	 8,547	 10,056
	\$ 567,989	\$ 562,764
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 3,528	\$ 3,932
Deferred Revenue	3,496	4,768
Deferred Cash Contributions (Note 3)	518,099	511,039
	525,123	519,739
 Deferred Capital Contributions (Note 5)	 1,358	 1,509
	526,481	521,248
 NET ASSETS		
Unrestricted Assets	34,319	32,969
Invested in Property and Equipment	7,189	8,547
	41,508	41,516
	\$ 567,989	\$ 562,764

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

See Notes to the Financial Statements

HAWKWOOD COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended July 31, 2013

	Unrestricted	Invested in Property and Equipment	2013 Total	2012 Total
Balances, Beginning of the Year	\$ 32,969	8,547	41,516	51,703
Increases (Decreases)	1,350	(1,358)	(8)	(10,187)
Balances, End of the Year	<u>\$ 34,319</u>	<u>7,189</u>	<u>41,508</u>	<u>41,516</u>

See Notes to the Financial Statements

HAWKWOOD COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended July 31, 2013

	2013	2012
REVENUE		
Amortized Contributions (Note 5)	\$ 151	\$ 168
Donations	2,403	3,667
Grants (Note 6)	800	2,585
Interest	20	22
Membership Fees	7,702	7,008
Miscellaneous, Rebates	2	79
School Rental	1,169	4,615
Sponsorships	-	241
Sports and Recreation	9,385	9,680
	21,632	28,065
 EXPENDITURES		
Amortization	1,509	1,816
Community Events	1,765	3,735
Equipment Rental	353	715
Insurance	2,601	2,859
Office and Administration	1,961	2,979
Professional Fees	3,000	4,640
Repayment of CFEP Grant	-	6,690
School Rental	1,113	5,164
Sports and Recreation	8,133	7,372
Telephone	-	467
Uncollectable GST	736	1,137
Utilities	469	678
	21,640	38,252
EXCESS OF REVENUE (EXPENDITURES)	\$ (8)	\$ (10,187)

See Notes to the Financial Statements

HAWKWOOD COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended July 31, 2013

	2013	2012
Net inflows (outflows) of cash related to the following activities:		
Operating		
Excess of Revenue (Expenditures)	\$ (8)	\$ (10,187)
Items not affecting cash:		
Amortization	1,509	1,816
Amortized Contributions	(151)	(168)
Changes in non-cash operating working capital:		
Accounts Receivable	-	879
Prepaid Expenses	154	(582)
Accounts Payable and Accrued Liabilities	(404)	683
Deferred Revenue	(1,272)	792
	(172)	(6,767)
Financing		
Increase in Deferred Cash Contributions	7,061	52,560
Net Cash Inflow (Outflow)	6,889	45,793
Cash and Cash Equivalents, Beginning of the Year	551,111	505,320
Cash and Cash Equivalents, End of the Year	\$ 557,998	\$ 551,111
 Cash and Cash Equivalents Consists of:		
Unrestricted	\$ 39,899	\$ 40,071
Externally Restricted	518,099	511,039
	\$ 557,998	\$ 551,111

See Notes to the Financial Statements

HAWKWOOD COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

July 31, 2013

1. NATURE OF OPERATIONS

The Hawkwood Community Association (the Association) was registered under the Societies Act of Alberta on May 24, 1984 as a not for profit organization and is exempt from Income Tax under Section 149 of the Income Tax Act.

The Association was formed to improve the quality of community life in Hawkwood by providing services to its members and to work with the City of Calgary and Province of Alberta representatives, committees, boards and other bodies to best protect the interests of the Hawkwood community.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared according to 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.

Revenue Recognition

Externally restricted assets are recorded according to the deferral method where revenue is recognized when the related expense occurs. Operating revenue is recorded when received or reasonable assurance is given that it is receivable.

Property and Equipment

Property and equipment are recorded at cost and are amortized according to the declining balance method over their estimated useful life at the following rates:

Office and Sports Equipment	20%
Rink Maintenance Equipment	20%
Shed	10%

3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Proceeds received from casinos are restricted to spending according to the approved objectives in the casino licence application to Alberta Gaming and Liquor Commission. Unspent grant funding is restricted to spending according to approved grant objectives. These amounts remain liabilities until spent.

	<u>2013</u>	<u>2012</u>
Casino Chequing	\$ 810	\$ 810
Casino Savings	517,287	510,227
Grant Chequing	2	2
	<u>\$ 518,099</u>	<u>\$ 511,039</u>

HAWKWOOD COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

July 31, 2013

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2013	Net 2012
Office and Sports Equipment	\$ 2,090	1,232	858	1,073
Rink Maintenance Equipment	7,183	4,015	3,168	3,960
Shed	8,504	3,983	4,521	5,023
	<u>\$ 17,777</u>	<u>9,230</u>	<u>8,547</u>	<u>10,056</u>

5. DEFERRED CAPITAL CONTRIBUTIONS

Restricted donations, casino and grant funding that have been used to fund purchases of a capital nature are deferred and recognized as revenue on the same basis that the related assets are amortized.

	2013	2012
Balance from prior year	\$ 1,509	\$ 1,677
Current year amortization	(151)	(168)
Carried forward	<u>\$ 1,358</u>	<u>\$ 1,509</u>

6. GRANTS

	2013	2012
Province of Alberta - Community Facility Enhancement Program (CFEP)		
Deferred from previous year	\$ -	\$ 21,284
Plus: Interest	-	-
Repaid during the year	-	(21,284)
Deferred to next year	-	-
City of Calgary - Council Strategic Initiatives Grants	600	800
Contributed to operations	(600)	(800)
Deferred to next year	-	-
City of Calgary - Lifecycle Reimbursement	200	1,785
Contributed to operations	(200)	(1,785)
Deferred to next year	-	-
Total contributed to operations	<u>\$ 800</u>	<u>\$ 2,585</u>
Total deferred to next year	<u>\$ -</u>	<u>\$ -</u>

HAWKWOOD COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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July 31, 2013

7. MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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.

It is management's opinion that the Association is not exposed to significant interest, currency, price or credit risks.

8. CONTRIBUTED GOODS AND SERVICES

Contributed services and donated goods are recognized in the financial statements when fair value can be reasonably estimated, when the services are used in the normal course of the Association's operations and would otherwise have been purchased. During the year \$Nil (2011 - \$Nil) donated goods and contributed services were recorded in the financial statements.

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

HAWKWOOD COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

July 31, 2013

9. ELECTION OF NEW ACCOUNTING STANDARDS

In December 2010, the Accounting Standards Board issued Part III of the CICA Handbook – Accounting – Accounting Standards for Not-for-Profit Organizations. First time adoption of this Part of the Handbook was mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012. The Association had the choice at that time to elect to use this part of the Handbook or adopt the International Financial Reporting Standards (IFRS).

The Association has elected to adopt the standards contained in Part III of the CICA handbook – Accounting – Accounting for Not-for-Profit Organizations. Upon adoption it is required to provide an opening statement of financial position as at the date of transition to these accounting standards which in the case of the Association was August 1, 2011.

	Opening balance at <u>August 1, 2011</u>
ASSETS	
Cash and Cash Equivalents	\$ 46,840
Externally Restricted Assets	458,479
Accounts Receivable	878
Prepaid Expenses	1,016
Property and Equipment	<u>11,872</u>
	<u>\$ 519,085</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 3,250
Deferred Revenue	3,976
Deferred Cash Contributions	458,479
Deferred Capital Contributions	<u>1,677</u>
	<u>467,382</u>
NET ASSETS	
Unrestricted Net Assets	41,508
Invested in Property and Equipment	<u>10,195</u>
	<u>51,703</u>
	<u>\$ 519,085</u>