

# **HAWKWOOD COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**July 31, 2015**

a member of



**FEDERATION OF  
CALGARY COMMUNITIES**

# HAWKWOOD COMMUNITY ASSOCIATION

July 31, 2015

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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, 2015 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 July 31, 2015.

### **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 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 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, 2015 and the results of its operations and cash flows for the years ended July 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
October 27, 2015



Nancy Murdoch  
Chartered Accountant

**HAWKWOOD COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

**As at July 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents, unrestricted	\$ 29,138	\$ 34,629
Externally restricted assets (Note 3)	407,392	341,041
Accounts receivable	2,300	959
Prepaid expenses	884	920
	439,714	377,549
<b>Capital assets (Note 4)</b>	<b>6,239</b>	<b>7,290</b>
	<b>\$ 445,953</b>	<b>\$ 384,839</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,132	\$ 4,123
Deferred revenue	1,750	2,487
Deferred cash contributions (Note 3)	407,392	341,041
	413,274	347,651
<b>Deferred capital contributions (Note 5)</b>	<b>1,100</b>	<b>1,222</b>
	<b>414,374</b>	<b>348,873</b>
<b>Net assets</b>		
Unrestricted assets	26,440	29,898
Invested in capital assets	5,139	6,068
	31,579	35,966
	<b>\$ 445,953</b>	<b>\$ 384,839</b>

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, 2015**

	<b>Unrestricted</b>	<b>Invested in Capital Assets</b>	<b>2015 Total</b>	<b>2014 Total</b>
Balances, Beginning of the Year	\$ 29,898	6,068	35,966	41,508
Increases (Decreases)	<u>(3,458)</u>	<u>(929)</u>	<u>(4,387)</u>	<u>(5,542)</u>
Balances, End of the Year	<u>\$ 26,440</u>	<u>5,139</u>	<u>31,579</u>	<u>35,966</u>

See Notes to the Financial Statements

**HAWKWOOD COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended July 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>		
Amortized contributions (Note 5)	\$ 122	\$ 136
Donations	2,800	5,084
Grants (Note 6)	3,975	800
Interest	17	19
Membership fees	6,067	5,629
Miscellaneous, rebates	216	60
School rental	-	774
Sponsorships	-	209
Sports and recreation	7,505	7,915
	<u>20,702</u>	<u>20,626</u>
<b>Expenditures</b>		
Amortization	1,051	1,257
Community engagement project	525	2,799
Community events	1,529	3,345
Community garden	4,055	-
Equipment rental	64	423
Insurance	2,470	2,434
Office and administration	1,865	2,032
Professional fees	3,450	3,268
School rental	-	737
Sports and recreation	8,695	8,366
Unrecoverable GST	720	930
Utilities	665	577
	<u>25,089</u>	<u>26,168</u>
<b>Excess of revenue (expenditures)</b>	<u>\$ (4,387)</u>	<u>\$ (5,542)</u>

See Notes to the Financial Statements

**HAWKWOOD COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

**For the Year Ended July 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>Net inflows (outflows) of cash related to the following activities:</b>		
<b>Operating</b>		
Excess of revenue (expenditures)	\$ (4,387)	\$ (5,542)
Items not affecting cash:		
Amortization	1,051	1,257
Amortized contributions	(122)	(136)
Changes in non-cash operating working capital:		
Accounts receivable	(1,341)	(959)
Prepaid expenses	35	525
Accounts payable and accrued liabilities	10	594
Deferred revenue	(737)	(1,009)
	<b>(5,491)</b>	<b>(5,270)</b>
<b>Financing</b>		
Use of (transfer to) deferred cash contributions	<b>66,353</b>	<b>(177,056)</b>
<b>Net cash inflow (outflow)</b>	<b>60,862</b>	<b>(182,326)</b>
Cash and cash equivalents, beginning of the year	<b>375,670</b>	<b>557,998</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 436,530</b>	<b>\$ 375,670</b>
<b>Cash and cash equivalents consists of:</b>		
Unrestricted	\$ 29,138	\$ 34,629
Externally restricted	407,392	341,041
	<b>\$ 436,530</b>	<b>\$ 375,670</b>

See Notes to the Financial Statements



**HAWKWOOD COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**July 31, 2015**

**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.

**Capital assets**

Capital assets 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.

	2015	2014
Casino chequing	\$ 401	\$ 962
Casino savings	406,989	340,077
Grant chequing	2	2
	\$ 407,392	\$ 341,041

**HAWKWOOD COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

July 31, 2015

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net 2015	Net 2014
Office and sports equipment	\$ 2,090	1,541	549	687
Rink maintenance equipment	7,183	5,155	2,028	2,534
Shed	8,504	4,842	3,662	4,069
	<u>\$ 17,777</u>	<u>11,538</u>	<u>6,239</u>	<u>7,290</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.

	2015	2014
Balance from prior year	\$ 1,222	\$ 1,358
Current year amortization	(122)	(136)
Carried forward	<u>\$ 1,100</u>	<u>\$ 1,222</u>

**6. GRANTS**

	2015	2014
<b>The Parks Foundation</b>		
Received for community garden project	\$ 3,675	\$ -
Contributed to operations	<u>(3,675)</u>	<u>-</u>
<b>City of Calgary</b>		
Receivable / received for community events	300	800
Contributed to operations	<u>(300)</u>	<u>(800)</u>
<b>Total contributed to operations</b>	<u>\$ 3,975</u>	<u>\$ 800</u>

**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.

**HAWKWOOD COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

. July 31, 2015

**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 (2014 - \$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.

**9. 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 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.