

# **DOUGLASQUARRY COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2018**

DRAFT

a member of



# DOUGLASQUARRY COMMUNITY ASSOCIATION

December 31, 2018

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## Independent Auditor's Report

To the Members of the  
DouglasQuarry Community Association

### Qualified opinion

I have audited the financial statements of DouglasQuarry Community Association as at December 31, 2018 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 then ended.

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 DouglasQuarry Community Association as at December 31, 2018 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.

### Basis for qualified opinion

In common with many not-for-profit organizations, DouglasQuarry 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 DouglasQuarry Community Association and I was not able to determine whether any adjustments might be necessary to revenue, deficiency of revenue over expenses, assets and net assets.

I am independent of the DouglasQuarry Community Association in accordance with 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.

### Other Matter

The financial statements of DouglasQuarry Community Association for the year ended December 31, 2017 were audited by another Chartered Professional Accountant who expressed a Qualified Opinion on May 4, 2018.

**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.

In preparing the financial statements of DouglasQuarry Community Association, management is responsible for assessing the Association's ability to continue on 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, 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 findings including any significant deficiencies in internal controls that I identify during my audit.

Calgary, Alberta  
date of board approval

Neve Iskander  
Chartered Professional Accountant

Suite 110, 720 - 28 Street NE  
Calgary, AB T2A 6R3  
(403) 244-4111 ext. 215  
neve.iskander@calgarycommunities.com



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

**As at December 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents, unrestricted	\$ 103,266	\$ 109,691
Cash and cash equivalents, restricted (Note 3)	81,088	104,648
Prepaid expenses	1,633	2,870
	<b>185,987</b>	<b>217,209</b>
 <b>Capital assets (Note 4)</b>	<b>144,307</b>	166,022
	<b>\$ 330,294</b>	<b>\$ 383,231</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,137	\$ 18,606
Deferred cash contributions (Note 3)	81,088	104,648
Deferred revenue	205	616
	<b>88,430</b>	<b>123,870</b>
 <b>Deferred capital contributions (Note 5)</b>	<b>145,176</b>	164,120
	<b>233,606</b>	<b>287,990</b>
 <b>Net assets</b>		
Unrestricted	97,557	93,339
Invested in capital assets	(869)	1,902
	<b>96,688</b>	<b>95,241</b>
	<b>\$ 330,294</b>	<b>\$ 383,231</b>

Approved on behalf of the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See Notes to the Financial Statements

**DOUGLASQUARRY COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

**For the Year Ended December 31, 2018**

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>2018 Totals</u>	<u>2017 Totals</u>
Balance, beginning of the year	\$ 93,339	\$ 1,902	\$ 95,241	\$ 101,062
Excess (deficit) of revenue over expenses	4,218	(2,771)	1,447	(5,821)
Balance, end of the year	<u>\$ 97,557</u>	<u>\$ (869)</u>	<u>\$ 96,688</u>	<u>\$ 95,241</u>

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See Notes to the Financial Statements

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

**For the Year Ended December 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Casino contributions (Note 6)	\$ 7,501	\$ 9,991
Donations and fundraising	5,300	3,750
Events and programs	-	655
Garden (Note 7)	780	840
Grant contributions (Note 8)	1,500	-
Landscaping agreement	105,755	93,315
Membership	12,666	9,851
Newsletter	52	350
Soccer	21,193	15,210
	<b>154,747</b>	<b>133,962</b>
<b>Expenses</b>		
Advertising and promotion	-	1,197
Administration	3,627	1,115
Community events	5,150	8,170
Garden (Note 9)	525	733
Insurance	1,886	1,898
Landscaping agreement	105,755	93,315
Memberships	586	1,971
Professional fees	5,700	4,098
Rink	2,691	3,759
Soccer	16,007	14,454
Storage	2,300	2,360
Utilities	4,857	3,638
Website	1,447	1,582
	<b>150,531</b>	<b>138,290</b>
<b>Excess (deficit) of revenue over expenses before amortization</b>	<b>4,216</b>	<b>(4,328)</b>
Amortized capital contributions	35,004	44,373
Amortization expense	<b>(37,773)</b>	<b>(45,866)</b>
<b>Excess (deficit) of revenue over expenses</b>	<b>\$ 1,447</b>	<b>\$ (5,821)</b>

See Notes to the Financial Statements

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

**For the Year Ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operations</b>		
Deficit	\$ 1,447	\$ (5,821)
Non-cash transactions:		
Amortization expense	37,773	45,866
Amortized capital contributions	<u>(35,004)</u>	<u>(44,373)</u>
	4,216	(4,328)
Changes in non-cash operating working capital:		
Prepaid expenses	1,237	-
Accounts payable and accrued liabilities	(11,469)	12,869
Deferred revenue	<u>(411)</u>	<u>616</u>
<b>Total cash flows from operations</b>	<u><b>(6,427)</b></u>	<u><b>9,157</b></u>
<b>Cash flows from financing activities</b>		
Transfer to (use of) deferred cash contributions	<u>(7,499)</u>	<u>31,892</u>
<b>Cash flows from investing activities</b>		
Additions to rinks	(16,059)	(7,963)
Purchase of utility tractor	-	(22,838)
	<u>(16,059)</u>	<u>(30,801)</u>
<b>Decrease in cash and cash equivalents</b>	<b>(29,985)</b>	<b>33,086</b>
<b>Cash and cash equivalents, beginning of the year</b>	<u><b>214,339</b></u>	<u><b>181,253</b></u>
<b>Cash and cash equivalents, end of the year</b>	<u><u><b>\$ 184,354</b></u></u>	<u><u><b>\$ 214,339</b></u></u>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash	\$ 103,266	\$ 109,691
Externally restricted cash (Note 3)	<u>81,088</u>	<u>104,648</u>
	<u><u><b>\$ 184,354</b></u></u>	<u><u><b>\$ 214,339</b></u></u>

See Notes to the Financial Statements



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

**December 31, 2018**

**1. Nature of the organization**

Douglasdaleglen Community Association (the "Association") was incorporated under the Societies Act of Alberta on June 2, 1988 as Douglasdale Estates Community Association (subsequently changed to Douglasdaleglen Community Association) to provide and promote the recreational, cultural and social activities of its members. On August 22, 2016, the Association changed its name to DouglasQuarry Community Association to better reflect the communities they serve. As a not-for-profit organization, the Association is exempt from income tax under Section 149 of the Income Tax Act.

**2. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

**(a) Basis of accounting**

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

**(b) Revenue recognition**

The Association follows the deferral method of recording externally restricted contributions where revenue is recognized as the related expenses occur.

Newsletter revenue is recorded when the service has been provided and payment has been received or collection is reasonably assured. Soccer and membership is deferred when payment is received and recognized as revenue as the services are provided. Unrestricted donations are recorded as revenue when received.

**(c) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and short term deposits with an original maturity of three months or less.

**(d) Capital assets**

Capital assets are recorded at cost and amortized over their estimated useful lives. No residual value is taken into consideration. Amortization is calculated using the following rates:

Rinks	Declining balance	20%
Garden beds	Straight line	10 years
Rink shack	Declining balance	10%
Chainlink fence	Straight line	10 years
Snowblower and tractor	Declining balance	30%
Basketball system	Straight line	10 years
Generator	Declining balance	30%

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

**December 31, 2018**

**2. Significant accounting policies, continued**

**(e) Contributed goods and services**

Contributed goods and services are recognized in the financial statements when their fair value can be reasonably determined, when the goods or services are used in the normal course of business of the Association and when they would otherwise have been purchased.

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

**(f) Measurement uncertainty**

In accordance with Canadian accounting standards for not-for-profit organizations, estimates and assumptions are made by management in the preparation of these financial statements. Significant areas requiring use of management estimates include the useful life of property and equipment for the purpose of amortization. These estimates impact the amounts included in the financial statements and accompanying notes. Actual results could differ from these estimates.

**(g) Financial instruments**

*Measurement of financial instruments*

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in net income. Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any required write-down is recognized in the statement of operations. If events or circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Financial instruments measured at amortized cost include cash and cash equivalents and accounts payable.

*Risk*

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risk arising from these financial instruments.

**3. Externally restricted assets /deferred cash contributions**

	<b>2018</b>	<b>2017</b>
Casino bank account	<b>\$ 81,088</b>	<b>\$ 104,648</b>

Funds received from casino activities are restricted to spending according to Alberta Gaming regulations.

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

**December 31, 2018**

**4. Capital assets**

	Cost	Accumulated Amortization	Net 2018	Net 2017
Rinks	\$ 406,951	280,421	126,530	140,142
Garden beds	12,110	9,237	2,873	4,084
Rink shack	3,985	2,665	1,320	1,467
Chainlink fence	2,956	2,365	591	887
Snowblower and tractor	31,415	19,144	12,271	18,129
Basketball system	4,937	4,443	494	987
Generator	2,766	2,538	228	326
	<u>\$ 465,120</u>	<u>320,813</u>	<u>144,307</u>	<u>166,022</u>

**5. Deferred capital contributions**

Externally restricted contributions for the purchase of capital assets have been deferred and will be recognized on the same basis as the related capital asset is amortized.

	2018	2017
Balance, beginning of year	\$ 164,121	\$ 177,692
Casino funds spent on capital assets	16,059	30,801
Recognized as amortized contributions	(35,004)	(44,373)
Balance, end of year	<u>\$ 145,177</u>	<u>\$ 164,121</u>

**6. Casino contributions**

	2018	2017
Opening balance	\$ 104,648	\$ 80,720
Casino proceeds received	-	64,720
Purchase of capital assets	(16,059)	(30,801)
Carried forward	(81,088)	(104,648)
Spent on operations	<u>\$ 7,501</u>	<u>\$ 9,991</u>

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

**December 31, 2018**

**7. Garden**

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 864	\$ 835
Membership fees received	780	840
Purchase of capital assets	-	-
Bank charges	(62)	(78)
Ending bank balance	<u>(1,057)</u>	<u>(864)</u>
Spent on garden operations	<u>\$ 525</u>	<u>\$ 733</u>

**8. Grants**

	<u>2018</u>	<u>2017</u>
City of Calgary grants received	1,500	-
Carried forward	-	-
Spent on operations	<u>\$ 1,500</u>	<u>\$ -</u>

**9. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year presentation.

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