

# **HIDDEN VALLEY COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** **(Audited)**

March 31, 2020

a member of



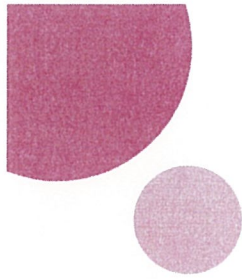
FEDERATION OF  
CALGARY COMMUNITIES

# HIDDEN VALLEY COMMUNITY ASSOCIATION

March 31, 2020

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# Nancy Murdoch

## Chartered Professional Accountant

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(403) 244-4111 ext. 206  
nancy.murdoch@calgarycommunities.com  
110, 720 - 28 Street NE Calgary, AB T2A 6R3

### **Independent Auditor's Report**

To the members of the  
Hidden Valley Community Association

#### **Qualified Opinion**

I have audited the Statement of Financial Position of the Hidden Valley Community Association as at March 31, 2020 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 March 31, 2020.

In my opinion, except for the effects of adjustments described in the Basis for Qualified Opinion paragraph below, 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 Hidden Valley Community Association as at March 31, 2020 and the results of its operations and cash flows for the year ended March 31, 2020 in accordance with Canadian accounting standards for not-for-profit associations.

#### **Basis for Qualified Opinion**

In common with many not-for-profit associations, the Hidden Valley 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 Hidden Valley 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 Hidden Valley 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 Hidden Valley 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.

Handwritten signature of Nancy Murdoch in black ink, written in a cursive style. The signature reads "Nancy Murdoch" followed by "Chartered Professional Accountant" on two lines below.

Calgary, Alberta  
July 31, 2020

Nancy Murdoch  
Chartered Professional Accountant

**HIDDEN VALLEY COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at March 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 28,587	\$ 44,117
Externally restricted assets (Note 3)	75,541	22,953
Accounts receivable	442	14,856
Goods and Services Tax receivable	333	2,962
Prepaid expenses	2,810	5,239
	107,713	90,127
<b>Capital assets (Note 4)</b>	<b>166,237</b>	<b>185,351</b>
	<b>\$ 273,950</b>	<b>\$ 275,478</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 5,171	\$ 8,542
Deferred revenue (Note 5)	2,183	15,288
Deferred cash contributions (Note 3)	75,541	22,953
	82,895	46,783
<b>Deferred capital contributions (Note 7)</b>	<b>156,627</b>	<b>174,351</b>
	<b>239,522</b>	<b>221,134</b>
<b>Net assets</b>		
Unrestricted	24,818	43,344
Invested in capital assets	9,610	11,000
	<b>34,428</b>	<b>54,344</b>
	<b>\$ 273,950</b>	<b>\$ 275,478</b>

APPROVED BY THE BOARD OF DIRECTORS

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See Notes to the Financial Statements

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

For the Year Ended March 31, 2020

	Unrestricted	Invested in Capital Assets	2020 Totals	2019 Totals
Net assets, beginning of the year	\$ 43,344	11,000	54,344	54,244
Transfers	-	-	-	-
Excess of revenue (expenses)	(18,526)	(1,390)	(19,916)	100
Net assets, end of the year	<u>\$ 24,818</u>	<u>9,610</u>	<u>34,428</u>	<u>54,344</u>

See Notes to the Financial Statements

# HIDDEN VALLEY COMMUNITY ASSOCIATION

## STATEMENT OF OPERATIONS

(Audited)

For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Revenue</b>		
Casino contributions	\$ 13,407	\$ 42,199
Fundraising	628	24
Grant contributions (Note 7)	10,773	91,150
Interest	653	698
Membership income	3,877	7,688
Sponsorships and donations	85	100
Sports programs	22,388	18,365
	<u>51,811</u>	<u>160,224</u>
<b>Expenses</b>		
Advertising and promotion	170	560
Donations - Parks Foundation	14,071	120,222
Events	8,824	3,807
Insurance	3,262	2,319
Internet registration fees	631	1,684
Membership dues	358	298
Office and administration	2,477	3,379
Professional fees	4,704	4,778
Repair and maintenance	18,447	4,463
Sports programs	13,019	15,231
Summer Program	2,435	-
Telephone and utilities	1,939	1,994
	<u>70,337</u>	<u>158,735</u>
<b>Excess of revenue (expenses) before amortization</b>	<b>(18,526)</b>	<b>1,489</b>
Amortization of deferred capital contributions	25,261	24,508
Amortization expense	<u>(26,651)</u>	<u>(25,897)</u>
<b>Excess of revenue (expenses)</b>	<b>\$ <u>(19,916)</u></b>	<b>\$ <u>100</u></b>

See Notes to the Financial Statements

# HIDDEN VALLEY COMMUNITY ASSOCIATION

## STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Operating activities</b>		
<b>Excess of revenue (expenses)</b>	\$ (19,916)	\$ 100
Charges not affecting cash:		
Amortization expense	26,651	25,897
Amortization of deferred capital contributions	<u>(25,261)</u>	<u>(24,508)</u>
	(18,526)	1,489
Changes in non-cash operating funds		
Accounts receivable	14,414	1,418
Goods and Services Tax receivable	2,629	(650)
Prepaid expenses	2,428	(3,334)
Accounts payable and accrued liabilities	(3,370)	964
Deferred revenue	<u>(13,105)</u>	<u>2,871</u>
<b>Cash from operations</b>	<u>(15,530)</u>	<u>2,758</u>
<b>Investing activities</b>		
Parking lot lights and cameras	-	(9,400)
Basketball hoops for rink	(7,537)	-
Construction of rink	-	(6,003)
	<u>(7,537)</u>	<u>(15,403)</u>
<b>Financing activities</b>		
Casino proceeds	67,261	-
Transfer to (use of) deferred cash contributions	(17,909)	(35,795)
Grant funds received	10,773	-
	<u>60,125</u>	<u>(35,795)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	37,058	(48,440)
<b>Cash and cash equivalents, beginning of the year</b>	67,070	115,510
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 104,128</u>	<u>\$ 67,070</u>
<b>Cash and cash equivalents consist of:</b>		
General bank account	\$ 34,487	\$ 44,117
Casino bank account	69,641	22,953
	<u>\$ 104,128</u>	<u>\$ 67,070</u>

See Notes to the Financial Statements



**HIDDEN VALLEY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Audited)**

**March 31, 2020**

**1. NATURE OF THE ORGANIZATION**

The Hidden Valley Community Association (the "Association") was incorporated under the Societies Act of Alberta on January 18, 1995 as a not-for-profit organization and is exempt from income tax under Section 149 of the Income Tax Act.

The Association's main function is to provide its members and the community as a whole with an organizational base which will allow members to express their varying needs and special interests in such a way that the members may collectively establish common goals for the ongoing operation of the Association.

**2. SUMMARY OF 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**

Contributions from externally restricted contributions are recorded according to the deferral method where revenue is recognized when the related expense occurs.

Operating revenue is recognized according to the accrual method where revenue is recorded when received or reasonable assurance is given that it is receivable.

**(c) 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.

**(d) Capital Assets**

Capital assets are recorded at cost and amortized on the straight line basis over their estimated useful lives as follows:

Furniture and equipment	10 years
Hockey rink and hut	10 years
Landscaping	10 years
Signage	10 years

# HIDDEN VALLEY COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

March 31, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued....

#### (e) Capital Contributions

Restricted revenue that has been used to fund purchases of a capital nature is deferred and recognized as revenue as the related capital asset is amortized.

### 3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Restricted assets are amounts received that are restricted in their use by the funder. Casino funds are restricted by Alberta Gaming and Liquor Commission and are to be spent on the approved use of proceeds.

	2020	2019
Casino bank account	\$ 69,641	\$ 22,953
Raffle funds held in general bank	5,900	-
	<u>\$ 75,541</u>	<u>\$ 22,953</u>

### 4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2020 Net	2019 Net
Furniture and equipment	\$ 45,593	45,593	-	-
Hockey rink and hut	384,165	231,073	153,092	170,448
Landscaping	28,219	15,689	12,530	14,185
Signage	6,877	6,262	615	718
	<u>\$ 464,854</u>	<u>298,617</u>	<u>166,237</u>	<u>185,351</u>

### 5. DEFERRED REVENUE

	2020	2019
Sports revenue - Spring programs	\$ -	\$ 13,220
Memberships	2,183	2,068
	<u>\$ 2,183</u>	<u>\$ 15,288</u>

# HIDDEN VALLEY COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

(Audited)

March 31, 2020

### 6. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>
Beginning of the year	\$ 174,351	\$ 183,733
Basketball hoops purchased with casino funds	7,537	-
Rink LED lights purchased with grant funds	-	5,726
Parking lot light & camera purchased with casino funds	-	9,400
Amortized capital contributions	<u>(25,261)</u>	<u>(24,508)</u>
	<u>\$ 156,627</u>	<u>\$ 174,351</u>

### 7. GRANT CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>
City of Calgary - Ward Community Event Programs	\$ 2,334	\$ -
City of Calgary - Community Cleanup	50	-
City of Calgary - Capital Conservation Grant	2,389	-
CFEP - Playground Project	-	89,758
The Parks Foundation	5,000	-
Husky Energy - Community Grant	1,000	1,000
City of Calgary - Activate YYC	-	392
	<u>\$ 10,773</u>	<u>\$ 91,150</u>

### 8. 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 of the portion of expenses that are prepaid, the useful life of capital assets, the amount of expenses to be accrued and the amount of revenue to be deferred are subject to measurement uncertainty and the effect on the financial statements could be significant.

**HIDDEN VALLEY COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Audited)**

**March 31, 2020**

**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, investments and accounts payable.

*Risk*

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

**10. 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 contributed services and goods were recorded in the financial records.

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.

**11. 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 maintain its assets, to generate revenue and to manage expenses.