

EDGEMONT COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

DECEMBER 31, 2020

EDGEMONT COMMUNITY ASSOCIATION

DECEMBER 31, 2020

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Independent Auditor's Report

To the Members of:
Edgemont Community Association

Report on the Audit of the Financial Statements

Opinion

I have audited the Statement of Financial Position of the Edgemont Community Association as at December 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 December 31, 2020.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Edgemont Community Association as at December 31, 2020 and the results of its operations and cash flows for the year ended December 31, 2020 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

I am independent of the Edgemont 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 audit opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole in forming my opinion thereon and I do not provide a separate opinion on these matters. During the course of our audit we did not identify key audit matters which need to be disclosed.

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 Edgemont 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 judgment, 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 would like to draw your attention to Note 16 -Uncertainty due to the COVID-19 pandemic.

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.



Heidi Brauer
Chartered Professional Accountant

Calgary, Alberta
April 19, 2021

EDGEMONT COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at DECEMBER 31, 2020

ASSETS

	2020			2019
	Unrestricted	Restricted	Totals	Totals
CURRENT ASSETS				
Cash and cash equivalents (Notes 3 & 4) \$	13,404	106,669	120,073	\$ 203,475
Short term investments (Note 5)	500,230	-	500,230	620,895
Accounts receivable	23,833	5,965	29,798	13,063
GST receivable	3,867	-	3,867	11,910
Prepaid expenses (Note 12)	11,440	-	11,440	9,398
	<u>552,774</u>	<u>112,634</u>	<u>665,408</u>	<u>858,741</u>
PROPERTY AND EQUIPMENT (Note 6)	706,900	-	706,900	792,490
	<u>\$ 1,259,674</u>	<u>112,634</u>	<u>1,372,308</u>	<u>\$ 1,651,231</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities \$	17,898	5,965	23,863	\$ 31,626
Payroll taxes payable	5,095	-	5,095	8,079
Damage deposits	750	-	750	14,135
Deferred Revenue	24,076	-	24,076	17,090
Deferred Cash Contributions (Note 4)	-	106,669	106,669	188,624
	<u>47,819</u>	<u>112,634</u>	<u>160,453</u>	<u>259,554</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	567,691	-	567,691	610,844
	<u>644,164</u>	<u>-</u>	<u>644,164</u>	<u>780,833</u>
NET ASSETS	<u>\$ 1,259,674</u>	<u>112,634</u>	<u>1,372,308</u>	<u>\$ 1,651,231</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director

 Director

See Notes to the Financial Statements

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

For the Year Ended DECEMBER 31, 2020

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
Balances, per 2019 audit	\$ 775,756	5,077	780,833	896,736
Transfer of Funds	5,077	(5,077)	-	-
Decrease	<u>(136,669)</u>	-	<u>(136,669)</u>	<u>(115,903)</u>
Fund Balances, End of the Year	<u>\$ 644,164</u>	-	<u>644,164</u>	<u>780,833</u>

See Notes to the Financial Statements

EDGEMONT COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended DECEMBER 31, 2020

	2020	2019
REVENUE		
ELM revenue (Note 15)	\$ 628,797	\$ 694,804
General rentals	90,315	244,816
Grants and donations (Note 13)	56,768	38,225
Insurance proceeds	16,538	-
General programs (Note 8)	7,369	40,146
Casino contributions (Note 9)	4,571	86,401
Interest earned	4,328	8,235
Memberships	3,919	3,869
Fundraising/user fees	3,000	7,440
Vending machine	448	2,181
Miscellaneous	-	14,400
	\$ 816,053	\$ 1,140,517
EXPENSES		
ELM expenses (Note 15)	628,797	694,804
Salaries, benefits and contract labor	108,867	212,255
Repairs and maintenance (Note 10)	64,847	120,740
Utilities	15,827	19,150
Office and administration	15,372	21,271
Audit, legal and other professional fees (Note 14)	13,969	22,018
Cleaning	11,678	22,210
General programs (Note 8)	10,867	48,402
Insurance	10,429	9,154
Write-off of bad debt	6,158	5,850
Bank and credit card charges	3,136	5,068
Advertising and community relations	1,505	6,023
Donations	500	550
Vending machine	42	661
Food security	-	5,925
Catering and rent	-	487
	891,994	1,194,568
Deficiency of revenue over expenses before amortization	(75,941)	(54,051)
Plus: Amortization of deferred capital contributions (Note 7)	48,126	45,648
Less: Amortization expense	(108,854)	(107,500)
Deficiency of revenue over expenses	\$ (136,669)	(115,903)

See Notes to the Financial Statements

EDGEMONT COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended DECEMBER 31, 2020

	2020	2019
Cash generated by (used in):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (136,669)	\$ (115,903)
Charges not affecting cash outlay:		
Amortization	108,854	107,500
Amortization of deferred capital contributions (Note 7)	(48,126)	(45,648)
Changes in non-cash operating working capital:		
Accounts receivable	(39,967)	112,152
GST receivable	8,043	(10,961)
Prepaid expenses	(2,043)	(1,097)
Accounts payable	(10,745)	16,105
Damage deposits	(13,385)	13,164
Deferred revenue	6,986	8,900
	(127,052)	84,212
INVESTING ACTIVITIES		
Building	(12,674)	(122,675)
Website	(8,000)	-
Ice Rink	-	(39,523)
Signage	-	(46,566)
Equipment	(2,589)	(8,531)
Computers	-	(6,800)
Planters and beds	-	(11,635)
Investments	120,665	(418,245)
	97,402	(653,975)
FINANCING ACTIVITIES		
Deferred capital contributions (Note 7)	4,973	142,168
Deferred cash contributions	(58,725)	(222,357)
	(53,752)	(80,189)
Increase (decrease) in cash and cash equivalents	(83,402)	(649,952)
Cash and cash equivalents, beginning of the year	203,475	853,427
Cash and cash equivalents, end of the year	\$ 120,073	\$ 203,475
Consisting of:		
Cash and cash equivalents, unrestricted (Note 3)	\$ 13,404	\$ 17,476
Externally restricted cash and cash equivalents (Note 4)	106,669	185,999
	\$ 120,073	\$ 203,475

See Notes to the Financial Statements

EDGEMONT COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

1. DESCRIPTION OF OPERATIONS

The Edgemont Community Association ("the Association") was registered with the Province of Alberta under the Societies Act as a not for profit organization on March 13, 1980 and is exempt from income taxes under section 149 (i) (l) of the Canadian Income Tax Act.

The Association provides recreation, other facilities and advocates on behalf of the community.

2. SUMMARY OF 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:

(a) Accounting

The Association's financial statements are prepared according to the deferral method of accounting for externally restricted funds. The statements consist of:

Unrestricted Funds
Restricted Funds

The unrestricted funds represent funds, which the Association receives from general business operations and includes assets and liabilities and revenues and expenses associated with these funds.

The restricted funds include both internally and externally restricted funds. Internally restricted funds are cash resources, which the Association's board of directors restricts for building maintenance and expansion. Externally restricted funds are unspent casino and grant funding.

(b) 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.

(c) Revenue Recognition

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

Externally restricted cash is recorded according to the deferral method, where revenue is recognized, when the related expense occurred.

(d) Property and Equipment

Property and equipment over \$500 are recorded at cost and amortized on a straight line basis at the following rates:

Community facility	25 years
Ice rink facilities	25 years
Furniture and equipment	10 years
Planters and beds	10 years
Website	8 years

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Contributed Services

A number of volunteers spent a significant number of hours to deliver the Association's programs. Due to the difficulty of quantifying these hours, a financial value has not been set up in these financial statements.

(f) 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, accounts receivable and accounts payable.

Financial 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.

(g) 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 collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

(h) Donations in-Kind

Donations in-kind are recorded at fair market value, if fair market value is reasonably determinable and if the goods and services would have been otherwise purchased in the normal way of operations.

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

3. CASH AND CASH EQUIVALENTS, UNRESTRICTED

	<u>2020</u>	<u>2019</u>
Unrestricted Cash and cash equivalents:		
Chequing account - BSN	\$ 3,080	\$ (1,396)
Chequing account - National Bank	10,224	-
Savings account	-	4,242
Petty cash	100	230
	<u>\$ 13,404</u>	<u>\$ 3,076</u>

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Deferred contributions from casinos represent unspent resources earned from casinos, which are externally restricted for specific expenditures as approved by the Alberta Gaming and Liquor Commission (AGLC). Unspent contributions for specific objectives are restricted according to objectives specified by the contribution provider.

	<u>2020</u>	<u>2019</u>
Casino Chequing accounts	\$ 101,420	\$ 3,069
Casino Savings	-	107,570
ELM bank account	5,249	75,360
Total cash	106,669	185,999
Accounts receivable - ELM	5,965	2,625
Accounts payable - ELM	(5,965)	-
	<u>\$ 106,669</u>	<u>\$ 188,624</u>

5. INVESTMENTS

Investment is held by National Bank.

General short term guaranteed investment certificate, 0.60%, maturing January 4, 2021 \$ 500,230

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2020	Net 2019
Building	\$1,633,064	1,188,979	444,085	497,963
Ice rink	363,211	182,045	181,166	202,745
Furniture and equipment	120,580	85,862	34,718	43,766
Signage	37,669	9,313	28,356	33,012
Planters and beds	11,635	2,327	9,308	10,471
Website	8,000	1,000	7,000	-
Computers	6,800	4,533	2,267	4,533
	<u>\$2,180,959</u>	<u>1,474,059</u>	<u>706,900</u>	<u>792,490</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted contributions for the purchase of property and equipment have been recorded as deferred capital contributions and will be amortized and brought into income on the same basis as the related capital asset is amortized and expensed.

	2020	2019
Balance from previous year	\$ 610,844	\$ 514,324
Contributions from casino (Note 9)	4,973	38,135
Contributions from grants (Note 13)	-	104,033
Amortization to income	(48,126)	(45,648)
Balance to next year	<u>\$ 567,691</u>	<u>\$ 610,844</u>

8. GENERAL PROGRAMS

	Revenue	Expense	Net 2020	Net 2019
Miscellaneous programs	\$ 5,078	8,084	(3,006)	(6,834)
Craft fair	2,291	2,330	(39)	(1,422)
Membership services	-	453	(453)	-
	<u>\$ 7,369</u>	<u>10,867</u>	<u>(3,498)</u>	<u>(8,256)</u>

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

9. CASINO CONTRIBUTIONS

	<u>2020</u>	<u>Restated 2019</u>
Casino Funds, Beginning of the Year (Note 4)	\$ 110,639	\$ 166,435
Casino Revenue	-	67,704
Investment Interest	453	1,163
Payments for Property and Equipment from casino (Note 7)	(4,973)	(38,135)
Bank Charges	(128)	(127)
Casino Funds, End of the Year (Note 4)	<u>(101,420)</u>	<u>(110,639)</u>
Contributed to Operations	<u>\$ 4,571</u>	<u>\$ 86,401</u>

10. REPAIR AND MAINTENANCE

	<u>2020</u>	<u>2019</u>
Landscaping and snow removal	\$ 18,159	\$ 26,051
Repairs - HVAC	26,687	28,326
Repairs - building and equipment	20,001	65,683
Other maintenance - sign replacement project	-	89
Inspection - fire and safety	-	591
	<u>\$ 64,847</u>	<u>\$ 120,740</u>

11. LEASE COMMITMENT

The Association has a licence of occupation agreement with the City of Calgary that expires on March 31, 2033. The licence of occupation requires the Association to pay all expenses incurred on the lands and facility including any insurance or maintenance charges, and all taxes which may from time to time be levied.

12. PREPAID EXPENSE

Prepaid expenses consist of insurance.

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

13. GRANTS AND DONATIONS

	2020	2019
Canada Emergency Wage Subsidy:	\$ 40,615	\$ -
Spent on operations	(40,615)	-
City of Calgary - Relaunch Grant	16,153	-
Spent on operations	(16,153)	-
Capital Conservation Grant (CCG)	-	139,958
Contributed to operations	-	(35,925)
Contributed to the purchase of property & equipment	-	(104,033)
Breakfast Club donations	662	-
Deferred from prior year	-	1,395
Deferred to next year	662	-
Contributed to operations - fundraising	-	1,395
Deferre to next year in deferred revenue	662	-
City of Calgary - Clean-up grant - recorded as fundraising	-	300
Spent	-	(300)
City of Calgary - Ward grant	2,000	2,000
Spent on operations - recorded as fund raising	(2,000)	(2,000)
Total deferred to next year as deferred revenue	\$ 662	\$ -
Total contributed to the purchase of property and equipment (Note 7)	\$ -	\$ 104,033
Total spent and recorded as grants and donations revenue	\$ 56,768	\$ 38,225

EDGEMONT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

DECEMBER 31, 2020

14. AUDIT, LEGAL, PROFESSIONAL FEES

	2020	2019
Audit	\$ 8,153	\$ 7,764
Additional audit for prior year	3,581	4,647
Legal	2,235	6,300
Other professional fees	-	3,307
	\$ 13,969	\$ 22,018

15. ENHANCED LANDSCAPING MAINTENANCE

	2020	2019
Reimbursements - City of Calgary	\$ 628,797	\$ 694,804
Expenses:		
Clean-up	172,621	-
Planters and beds	132,837	186,755
Irrigation	107,468	134,179
Seasonal displays	78,000	91,126
Turf, mowing, fertilizing	72,192	206,640
Projects	58,940	53,458
Administration and bookkeeping	6,739	22,646
	\$ 628,797	\$ 694,804

16. UNCERTAINTY DUE TO THE COVID-19 PANDEMIC

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus was expected to be temporary, after a year of business disruptions, we still are uncertain, how much longer it will last until activities are back to pre-COVID-19 operations. The Association's ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.