

# **RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**MARCH 31, 2010**



# RICHMOND/KNOB HILL COMMUNITY ASSOCIATION

March 31, 2010

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## Auditor's Report

To the Members of:  
Richmond/Knob Hill Community Association

I have audited the financial statements of Richmond/Knob Hill Community Association as at March 31, 2010 which comprise 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. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not for profit organizations, the organization derives revenue from certain fund raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

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 Association as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
June 15, 2010



Heidi Brauer  
Certified Management Accountant

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at March 31, 2010

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, unrestricted	\$ 48,709	\$ 30,292
Accounts Receivables	1,211	1,766
Prepaid Expenses	2,415	2,533
Externally Restricted Assets (Note 4)	177,621	136,642
	<b>229,956</b>	<b>171,233</b>
 <b>Property and Equipment (Note 5)</b>	 <b>486,845</b>	 <b>545,586</b>
	<b>\$ 716,801</b>	<b>\$ 716,819</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,443	\$ 6,007
Deferred Cash Contributions (Note 4)	177,621	136,642
	<b>183,064</b>	<b>142,649</b>
 <b>Deferred Capital Contributions (Note 6)</b>	 <b>231,735</b>	 <b>265,386</b>
<b>NET ASSETS</b>		
Unrestricted	46,892	28,584
Invested in Property and Equipment	255,110	280,200
	<b>302,002</b>	<b>308,784</b>
	<b>\$ 716,801</b>	<b>\$ 716,819</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

\_\_\_\_\_ Director  
\_\_\_\_\_  
\_\_\_\_\_ Director

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

**For the Year Ended March 31, 2010**

	<b>Unrestricted</b>	<b>Invested in Property and Equipment</b>	<b>2010 Totals</b>	<b>2009 Totals</b>
Balances, Beginning of the Year	\$ 28,584	280,200	308,784	320,543
Increase (Decrease)	18,308	(25,090)	(6,782)	(11,759)
Balances, End of the Year	\$ 46,892	255,110	302,002	308,784

See Notes to Financial Statements

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended March 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>REVENUE</b>		
Casino Contributions (Schedule 3)	\$ 26,304	\$ 31,559
Contributions from Building Fund	6,306	12,574
Hall Rentals	20,619	20,065
Memberships	1,456	369
Newsletter Revenue	4,675	14,415
Program	1,630	31,559
Other revenue	45	893
	<u>61,035</u>	<u>79,875</u>
<b>EXPENSES</b>		
Administration	6,457	18,811
Advertising	330	307
Bank Charges	209	111
Building and Equipment Maintenance	3,462	4,395
Donations (Schedule 2)	100	200
Insurance	3,190	3,191
Bookkeeping Expenses	1,470	-
Janitorial Expense	7,670	7,407
Newsletter	7,144	17,110
Professional Fees	2,000	1,905
Program	1,917	880
Public Relations/Goodwill	777	156
Socials	-	2,553
Telephone	838	882
Utilities	7,162	8,859
	<u>42,726</u>	<u>66,767</u>
Excess of Revenue before amortization	18,309	13,108
Amortization of Deferred Capital Contributions (Note 6)	33,651	33,652
Less: Amortization	<u>(58,741)</u>	<u>(58,519)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE AFTER AMORTIZATION</b>	<u>\$ (6,782)</u>	<u>\$ (11,759)</u>

See Notes to Financial Statements

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

For the Year Ended March 31, 2010

	2010	2009
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenue	\$ (6,782)	\$ (11,759)
Charges not affecting cash:		
Amortization	58,741	58,519
Changes in non-cash operating working capital:		
Accounts Receivable	2,151	74,402
Prepaid Expenses	119	(160)
Accounts Payable	4,564	3,763
Cash provided by/(used in) Operating Activities:	58,793	124,764
<b>INVESTING ACTIVITIES</b>		
Rink	-	(2,809)
Furniture and Equipment	-	(2,904)
	-	(5,713)
<b>FINANCING ACTIVITIES</b>		
Deferred Cash Contributions	40,978	(32,852)
Deferred Capital Contributions	(33,651)	(30,748)
	7,327	(63,600)
<b>INCREASE IN CASH</b>	<b>66,120</b>	<b>55,451</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>160,158</b>	<b>104,707</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 226,278</b>	<b>\$ 160,158</b>
<b>Consisting of:</b>		
Unrestricted	\$ 48,709	\$ 30,292
Externally Restricted	177,569	129,866
	<b>\$ 226,278</b>	<b>\$ 160,158</b>

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2010**

**1. GENERAL**

The Richmond/Knob Hill Community Association (Association) was registered as a not-for-profit association on June 10, 1954 and is exempt from income tax under Section 149(G) of the Income Tax Act.

The Association was organized to provide a meeting place and act as a liaison between the community and the City of Calgary.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared according to Canadian Generally Accepted Accounting Principles, of which the most significant policies are:

**Revenue Recognition:**

Contributions from externally restricted assets, like casino, bingo and grant funding, have been recorded according to the deferral method, where revenue is recorded when the related expense occurred. Contributions from externally restricted assets to purchase property and equipment are recorded as deferred capital contributions and amortized on the same basis as the related capital asset.

Operating revenue is recognized when received or reasonable assurance is given, that it is receivable.

**Property and Equipment:**

Property and Equipment are recorded at cost and are being amortized over the estimated useful life of the asset. The amortization rates are as follows:

Building Development	5% Straight Line
Furniture & Equipment	10% Straight Line
Permanent Rink	10% Straight Line

**Financial Instruments:**

Richmond/Knob Hill Community Association applies Sections 3855 "Financial Instruments – Recognition and Measurement", and 3861 "Financial Instruments – Disclosure and Presentation" of the Canadian Institute of Chartered Accountants (CICA) Handbook. As permitted by the CICA, Richmond/Knob Hill Community Association has elected not to adopt the new standards 3862 and 3863, and continues to apply Section 3861 on disclosure and presentation of the financial statements (Note 3).

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2010**

**3. FINANCIAL INSTRUMENTS**

Under the standards for recognizing and measuring financial instruments, all financial assets are classified into one of the following four categories: held for trading, held to maturity, loans and receivables or available for sale. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities.

The organization's financial assets and financial liabilities are classified and measured as follows:

**Held for trading**

Cash and short-term investments are designated as held for trading at fair value with any subsequent changes in fair value as a charge to the statement of operations.

The Bank of Nova Scotia is holding the following guaranteed investment certificates:

\$      **61,092** maturing November 27, 2010 at 0.25%

**Loans and receivables**

Accounts receivable are recorded at amortized cost less any impairment losses recognized and approximate their fair values due to the relatively short periods to maturity.

**Other financial liabilities**

Accounts payable and accrued liabilities are recorded at amortized cost and approximate their fair values due to the relatively short periods to maturity.

Other amounts noted on the Balance Sheet are not financial instruments.

The organization has not entered into any derivative transactions. In addition, the organization's contractual arrangements do not have any embedded features.

It is management's opinion, that the Richmond/Knob Hill Community Association is not exposed to significant interest, currency, price or credit risks arising from these financial instruments.

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

March 31, 2010

**4. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS**

Net revenue generated from casinos and bingos is restricted by Provincial regulatory authorities and has to be spent on approved expenditures.

	<u>2010</u>	<u>2009</u>
Bank - Building Fund	\$ 4,557	\$ 688
- Bingo	14,040	7,744
- Casino	97,880	61,434
Term Deposit (Note 3)	<u>61,092</u>	<u>60,000</u>
Total Cash	177,569	129,866
Accounts Receivable:		
Accrued Interest	51	356
Bingo Equity	-	6,420
	<u>\$ 177,621</u>	<u>\$ 136,642</u>

**5. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2010 Net</u>	<u>2009 Net</u>
Building Development	\$ 565,174	249,000	316,174	344,433
Furniture and Equipment	35,923	26,801	9,122	12,773
Permanent Rink	268,311	106,763	161,548	188,380
	<u>\$ 869,408</u>	<u>382,564</u>	<u>486,845</u>	<u>545,586</u>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

Externally restricted assets spent on capital expenditures have been set up as deferred capital contributions and are being amortized on the same basis as the related capital asset.

	<u>2010</u>	<u>2009</u>
Balance carried forward	\$ 265,386	\$ 296,134
Contributed from Building Fund	-	2,316
Contributed from Casino Fund	-	588
Taken into income during the year	<u>(33,651)</u>	<u>(33,652)</u>
Balance carried forward	<u>\$ 231,735</u>	<u>\$ 265,386</u>

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2010**

**6. CONTRIBUTED SERVICES**

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.

**7. MEASUREMENT UNCERTAINTY**

The preparation of the financial statements in conformity with generally accepted accounting principles 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 could be significant.

**8. MISCELLANEOUS REVENUE**

	<u>2010</u>	<u>2009</u>
Social Event	\$ -	\$ 391
Gas Rebate	-	502
	<u>\$ -</u>	<u>\$ 893</u>

**9. COMMITMENT**

The Association is committed to spent \$ 89,571.25 of casino generated funds by December 31, 2010

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**SCHEDULE 1 - BINGO REVENUE, EXPENSE AND CONTRIBUTIONS**

For the Year Ended March 31, 2010

	2010	2009
<b>Revenue:</b>	\$ -	\$ 1,314
Equity Return	-	12,840
<b>Expenses:</b>	124	119
<b>Excess of Revenue</b>	(124)	14,035
Bingo Cash, Beginning of the Year	14,164	129
Bingo Funds, End of the Year (Note 4)	\$ 14,040	\$ 14,164
 <b>Consisting of:</b>		
Bingo Bank	\$ 14,040	\$ 7,744
Accounts Receivable - Pooling	-	6,420
	\$ 14,040	\$ 14,164

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**SCHEDULE 2 - DONATIONS GIVEN**

**For the Year Ended March 31, 2010**

	<u>2010</u>	<u>2009</u>
MS Society of Canada	\$ 100	\$ 100
Alberta Cancer Foundation	-	100
	<u>\$ 100</u>	<u>\$ 200</u>

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**SCHEDULE 3 - CASINO**

**For the Year Ended March 31, 2010**

	<u>2010</u>	<u>2009</u>
Casino Cash, Beginning of the Year	\$ 121,434	\$ 87,039
Casino Revenue	72,743	77,276
Interest Income	1,282	1,104
Less: Bank Charges	(131)	(74)
Less: Transfer to Building Fund	(10,000)	(11,997)
Less: Casino Receivable, End of the Year	(51)	(356)
Less: Casino Cash, End of the Year	<u>(158,972)</u>	<u>(121,434)</u>
Spent on Operations	<u>\$ 26,304</u>	<u>\$ 31,559</u>

**RICHMOND/KNOB HILL COMMUNITY ASSOCIATION**  
**SCHEDULE OF COMBINED AND NET AMOUNTS**

March 31, 2010

	2010	2009
<b>CASH</b>		
Petty Cash	\$ 82	\$ 75
General - Cash	48,627	30,217
	\$ 48,709	\$ 30,292
 <b>ACCOUNTS RECEIVABLE</b>		
Carol Poirier	200	
Jerome Brenner	46	
Accrued Interest - Casino GIC	51	
Hall rental revenue from Casino bank	965	
	1,262	
Less: Restricted Casino Interest	(51)	
	\$ 1,211	
 <b>PREPAID EXPENSES</b>		
Insurance	\$ 2,133	
Laptop Service Plan	66	
Postal Box Rental	48	
FCC Membership	98	
C.o.C. - Lease	70	
	\$ 2,415	
 <b>ACCOUNTS PAYABLE</b>		
Direct Energy	\$ 540	
Enmax	347	
Carol Porier	25	
David Ferguson	26	
Telus	68	
FCC Bookkeeping	1,470	
CINTAS	3	
Rental Revenue deposited to Casino Bank	965	
Audit Estimate	2,000	
	\$ 5,443	