

HAMPTONS HOME OWNERS ASSOCIATION

FINANCIAL STATEMENTS (Audited)

December 31, 2014



HAMPTONS HOME OWNERS ASSOCIATION

December 31, 2014

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Independent Auditor's Report

To the Members of:
Hamptons Home Owners Association

I have audited the financial statements of the Hamptons Home Owners Association as at December 31, 2014 and December 31, 2013 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 years ended December 31, 2014 and December 31, 2013.

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 Hamptons Home Owners Association derives revenue from certain fund raising 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 Hamptons Home Owners 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 Hamptons Home Owners Association as at December 31, 2014 and December 31, 2013 and the results of its operations and cash flows for the year ended December 31, 2014 and December 31, 2013 in accordance with Canadian accounting standards for not- for- profit organizations.

Calgary, Alberta
October 30, 2015



Brian Callbog
Chartered Accountant

HAMPTONS HOME OWNERS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2014

	Operating	Internally Restricted	2014 Net	2013 Net
ASSETS				
Current Assets				
Cash and Cash Equivalents \$	756,654	489,137	1,245,791	1,309,338
Short Term Investments	-	16	16	16
Accounts Receivable	42,222	-	42,222	31,822
Prepaid Expense	3,657	-	3,657	2,931
	<u>802,533</u>	<u>489,153</u>	<u>1,291,686</u>	<u>1,344,107</u>
Property and Equipment (Note 3)	202,669	-	202,669	228,349
	<u>\$ 1,005,202</u>	<u>489,153</u>	<u>1,494,355</u>	<u>1,572,456</u>
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 12,430	-	12,430	17,062
FUND BALANCES				
Operating	992,772	-	992,772	1,083,519
Internally Restricted	-	489,153	489,153	471,875
	<u>992,772</u>	<u>489,153</u>	<u>1,481,925</u>	<u>1,555,394</u>
	<u>\$ 1,005,202</u>	<u>489,153</u>	<u>1,494,355</u>	<u>1,572,456</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____ Director
_____ Director

See Notes to Financial Statements

HAMPTONS HOME OWNERS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2014

	<u>Operating</u>	<u>Internally Restricted</u>	<u>2014 Net</u>	<u>2013 Net</u>
Balance, Beginning	\$1,083,519	471,875	1,555,394	1,432,411
Surplus	(90,747)	-	(73,469)	122,983
Balances, End of the Year	<u>\$ 992,772</u>	<u>489,153</u>	<u>1,481,925</u>	<u>1,555,394</u>

See Notes to Financial Statements

HAMPTONS HOME OWNERS ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2014

	<u>Operating</u>	<u>Internally Restricted</u>	<u>2014</u>	<u>2013</u>
REVENUE				
Interest Income	9,648	-	9,648	10,463
Grants (Note 7)	37,040	-	37,040	41,551
Insurance Proceeds	2,600	-	2,600	-
Membership Fees	485,339	-	485,339	485,730
Overdue Fees Interest	2,520	-	2,520	3,262
Rentals	200	-	200	788
Social	2,000	-	2,000	2,177
	<u>539,347</u>	-	<u>539,347</u>	<u>543,971</u>
EXPENSES				
Annual General Meeting	740	-	740	405
Donation Expense	-	-	-	1,362
Bank Charges and Interest	1,584	-	1,584	708
Community House	4,914	-	4,914	3,694
Contract Labor	13,261	-	13,261	14,877
Graffiti Control	2,136	-	2,136	2,136
Insurance	3,215	-	3,215	3,099
Internet	687	-	687	664
Landscaping, Maintenance	464,928	-	464,928	295,997
Office Administration	8,898	-	8,898	5,634
Membership Dues	-	-	-	375
Professional Fees	9,066	-	9,066	9,118
Salaries and Benefits	22,070	-	22,070	21,888
Security	14,743	-	14,743	18,250
Social Events	21,627	-	21,627	13,890
Sports and Rink	17,798	-	17,798	1,875
Telephone	1,468	-	1,468	1,335
	<u>587,135</u>	-	<u>587,135</u>	<u>395,307</u>
Excess of Revenue (Expenses) before Amortization	(47,788)	-	(47,788)	148,664
Amortization Expense	(25,681)	-	(25,681)	(25,681)
SURPLUS (DEFICIT)	<u>\$ (73,469)</u>	<u>\$ -</u>	<u>\$ (73,469)</u>	<u>\$ 122,983</u>

See Notes to Financial Statements

HAMPTONS HOME OWNERS ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
FUNDS PROVIDED BY (USED IN) OPERATIONS:		
Surplus (Deficit)	\$ (73,469)	\$ 122,983
Charges not requiring cash outlay:		
Amortization	25,681	25,681
Changes in non-cash operating working capital:		
Account receivable	(10,400)	(3,393)
Prepaid Expenses, unrestricted	(726)	(98)
Accounts payable and accrued charges	(4,633)	9,428
CASH FROM OPERATIONS	<u>(63,547)</u>	<u>154,601</u>
INCREASE (DECREASE) IN CASH	(63,547)	154,601
CASH, BEGINNING OF THE YEAR	<u>1,309,354</u>	<u>1,154,753</u>
CASH, END OF THE YEAR	<u><u>\$ 1,245,807</u></u>	<u><u>\$ 1,309,354</u></u>
 Consisting of:		
Unrestricted Cash	\$ 756,654	\$ 837,479
Restricted Cash	<u>489,153</u>	<u>471,875</u>
	<u><u>\$ 1,245,807</u></u>	<u><u>\$ 1,309,354</u></u>

See Notes to Financial Statements

HAMPTONS HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2014

1. NATURE OF THE ORGANIZATION

The Hamptons Home Owners Association was incorporated under the Societies Act of the Province of Alberta on November 23, 1989. It is a not for profit organization providing services for the Hamptons Home Owners Community. The Association is exempt from income taxes under Section 149 of the Income Tax Act.

A membership fee shall be determined by the members at a general meeting, but in no event shall the annual assessment be less than \$100. All members are required to contribute to the Association. The amounts collected by the Association are expected to be used first for the maintenance of community features constructed by the developer and then construction of approved community facilities.

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:

Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The Operating Fund reports the assets, revenues and expenses related to administrative activities.

The Externally Restricted Fund reports the unspent funds related to funds contributed by the Alberta Government for community facilities. Internally Restricted Funds report the Association's matching portion for the Government Funds, lifecycle and reserve funding used for the development of facilities.

These internally restricted funds are not available for unrestricted purposes without the approval of the board of directors. On December 31, 2014, \$489,153 (2013: \$471,875) had been internally restricted. These funds are invested in a Savings Account with the Bank of Nova Scotia.

Property and Equipment

Property and Equipment are recorded at cost and amortized at the following rates:

Custodian Residence	30 years straight line
Building Improvements	20 years straight line
Paving	10 years straight line
Rink and Tennis Court	10 years straight line
Equipment	5 years straight line

HAMPTONS HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions for Community Facilities

There are no amounts recorded on the statement of financial position for contributions for community facilities, as the facilities are city owned properties and ownership of the facilities follows the title to the properties. The facilities are constructed for public use and must be approved by the City prior to construction. Community facilities consist of playground equipment, pathway connection, sports courts, play area and sports park.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2014 Net	2013 Net
Custodian Residence	\$ 156,592	74,643	81,949	87,168
Equipment	2,694	1,616	1,078	1,617
Rink	96,293	64,585	31,708	41,337
Tennis Court	25,777	12,889	12,888	15,466
Building Improvements	50,816	8,702	42,114	44,655
Paving	51,746	18,814	32,932	38,106
	\$ 383,918	181,249	202,669	228,349

4. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian accounting standards for not-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 may be significant.

It is management's opinion, that the Association is not exposed to significant interest, currency, price or credit risks.

5. CONTRIBUTED SERVICES

Contributed services and donated items are recognized in the financial statements when the fair value can reasonably be estimated, when the services are used in the normal course of the Association's operations and when they otherwise would have been purchased. During the year \$Nil (2013 - \$Nil) donated goods and services were recorded in the financial statements.

A number of volunteers have made significant contributions of their time. This contributed time is not recorded in these financial statements.

HAMPTONS HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2014

6. RELATED PARTY TRANSACTIONS

The Association is related to the Hamptons Community Association as the board of directors are the same.

	<u>2014</u>	<u>2013</u>
Assets	\$ 153	\$ 314
Liabilities	8,948	7,147
Fund Balances	<u>\$ (8,795)</u>	<u>\$ (6,833)</u>
Revenues	\$ -	\$ -
Expenses	1,962	1,350
Deficit	<u>\$ (1,962)</u>	<u>\$ (1,350)</u>

There are \$7,665 recorded in accounts receivable in the Hamptons Homeowners Association from the Hamptons Community Association and \$7,665 payable to the Hamptons Homeowners Association in the Community Association financial statements.

7. GRANTS

The Association spent the following grant during the year:

	<u>2014</u>	<u>2013</u>
City of Calgary - Operating Grant	\$ 37,040	\$ 38,151
City of Calgary - Life Cycle Grant	-	3,400
	<u>\$ 37,040</u>	<u>\$ 41,551</u>