

COUGAR RIDGE RESIDENTS' ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017

COUGAR RIDGE RESIDENTS' ASSOCIATION  
DECEMBER 31, 2017

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# ***H. Donald Hyde***

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**Chartered Accountant**

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## **INDEPENDENT AUDITOR'S REPORT**

**To The Members:**

**COUGAR RIDGE HOMEOWNERS' ASSOCIATION**

We have audited the accompanying financial statements of **Cougar Ridge Residents' Association**, which comprise the statement of financial position as at **December 31, 2017** and the statements of operations and operating fund surplus, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for a Not-For-Profit Organization, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

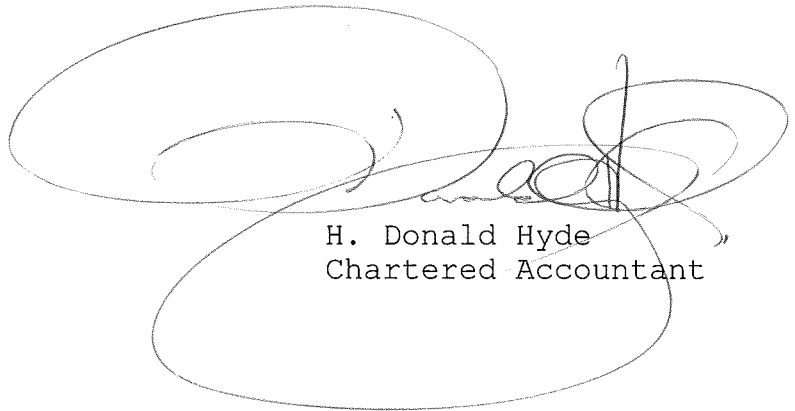
**Opinion:**

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Cougar Ridge Residents's Association** as at **December 31, 2017** and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for a Not-For-Profit Organization.

**Other Matters:**

The financial statements for the year ending December 31, 2016 were audited by other auditors, who expressed their opinion without reservation, dated February 14, 2017.

Calgary, Alberta  
June 22, 2018

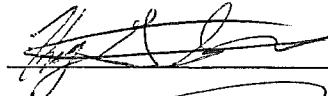



H. Donald Hyde  
Chartered Accountant

COUGAR RIDGE RESIDENTS' ASSOCIATION  
 STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017

	<u>Total</u>	
	<u>2017</u>	<u>2016</u>
	\$	\$
<b><u>ASSETS</u></b>		
<b>Current</b>		
Cash	230,678	227,389
Accounts Receivable	39,761	50,138
GST Receivable	532	-
Prepaid Expenses	690	978
	<u>271,661</u>	<u>278,505</u>
 <b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts Payable And Accrued Liabilities	2,235	2,185
GST Payable	-	667
	<u>2,235</u>	<u>2,852</u>
 <b>OPERATING FUND SURPLUS</b>	 <u>269,426</u>	 <u>275,653</u>

APPROVED BY THE BOARD:

 May 23, 2018

 June 13, 2018

**COUGAR RIDGE RESIDENTS' ASSOCIATION  
STATEMENT OF OPERATIONS AND OPERATING FUND SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u> <u>Budget</u> \$	<u>2017</u> <u>Actual</u> \$	<u>2016</u> <u>Actual</u> \$
<b>REVENUE</b>			
Association Fees	156,045	156,045	156,089
Interest Income	<u>          -</u>	<u>      6,367</u>	<u>      7,284</u>
	<u>156,045</u>	<u>162,412</u>	<u>163,373</u>
<b>EXPENSES</b>			
<b>Administrative</b>			
Audit And Legal	2,571	1,600	1,811
Bank Charges	300	267	162
Insurance	965	1,321	937
Management Fees	25,452	25,487	23,634
Office And Other	<u>4,762</u>	<u>8,873</u>	<u>6,759</u>
	<u>34,050</u>	<u>37,548</u>	<u>33,303</u>
<b>Operating And Maintenance</b>			
Contingency	5,714	-	-
Landscaping And Snow Removal	<u>142,857</u>	<u>131,091</u>	<u>97,349</u>
	<u>148,571</u>	<u>131,091</u>	<u>97,349</u>
	<u>182,621</u>	<u>168,639</u>	<u>130,652</u>
<b>EXCESS OF EXPENSES OVER REVENUE</b>	<u>(26,576)</u>	(6,227)	32,721
<b>OPERATING FUND SURPLUS, beginning of year</b>		<u>275,653</u>	<u>242,932</u>
<b>OPERATING FUND SURPLUS, end of year</b>		<u>269,426</u>	<u>275,653</u>

**COUGAR RIDGE RESIDENTS' ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operating Activities:</b>		
<b>Operating Fund</b>		
Excess Of Expenses Over Revenue	(6,227)	32,721
<b>Changes In Non-Cash Working Capital Items:</b>		
Accounts Receivable	10,377	(11,594)
Accounts Payable And Accrued Liabilities	50	(1,304)
GST Payable	(667)	(480)
GST Receivable	(532)	-
Prepaid Expenses	<u>288</u>	<u>(14)</u>
<b>NET CASH INCREASE DURING THE YEAR</b>	<b>3,289</b>	<b>19,329</b>
<b>CASH, beginning of year</b>	<u>227,389</u>	<u>208,060</u>
<b>CASH, end of year</b>	<u>230,678</u>	<u>227,389</u>

**COUGAR RIDGE RESIDENTS' ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**1. INCORPORATION**

Cougar Ridge RESIDENTS' Association (the "Association") is incorporated under Business Corporation Act as a not-for-profit organization mandated to oversee the care and maintenance of specific common areas within the community. The Association is exempt from income tax under section 149(1)(I) of the Income Tax Act.

These financial statements include only the assets, liabilities, revenues and expenses related to the operations of the Association.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Association has elected to apply the Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Accounting Handbook for Not-For-Profit Organizations.

a) **REVENUE RECOGNITION**

Association fees, as set by the Board of Directors, are recognized as revenue when they become due.

b) **DONATED SERVICES**

The work of the officers and members of the Board of Directors is provided on a voluntary basis. The value of donated services is not recognized in these financial statements.

c) **FUND ACCOUNTING**

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

**Operating Fund:**

The operating fund reports contributions from the members, and the expenses related to operations and administration of the association.



COUGAR RIDGE RESIDENTS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

2. CONTINUED

d) FINANCIAL INSTRUMENTS

Measurement Of The Financials Instruments

The Association initially values its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except when the Association has investments in equity instruments that are quoted in an active market, in which case these investments are measured at fair value. Changes in fair value are recognized in net income.

Financial assets valued at amortized cost include cash and accounts receivable.

Financial liabilities valued at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets valued at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be revised to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

e) CASH AND CASH EQUIVALENTS

The Association's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

**COUGAR RIDGE RESIDENTS' ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**2. CONTINUED**

f) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian Accounting Standards for a Not-For-Profit Organization requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The valuation of accounts receivable and accrued liabilities constitutes the most significant items subject to estimates in these financial statements. Actual results could differ from these estimates.

**3. FINANCIAL INSTRUMENTS**

The Association's financial instruments are cash, accounts receivable, accounts payable and accrued liabilities.

- a) Credit risk - Accounts receivable are due from the members and various individuals and are subject to low credit risk.
- b) Interest rate risk - Cash bears interest at variable market rates. A change in interest would not have a significant effect on cash flow.
- c) Liquidity risk is the risk that the Association will not be able to meet its cash requirements as they come due or be able to liquidate its assets in a timely manner at a reasonable prices.

Liquidity risk is managed by the preparation of annual budgets, raising fees sufficient to pay its annual expenses on a timely basis, through the use of daily interest bank accounts, earning a return while maintaining liquidity.

**COUGAR RIDGE RESIDENTS' ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**4. CAPITAL DISCLOSURES**

The Association's objective when managing capital is to safeguard its ability to continue as a going concern with sufficient capital to pay monthly operating costs as they come due as well as to fund major repairs from time to time.

The Association prepares an annual budget of operating costs and repairs with expected funding sources. This budget is approved by the Board of Directors.

In order to maintain or adjust the capital structure, the Association may increase monthly assessments or may assess the members special levies.

**5. COMMITMENTS**

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**Management**

The Corporation has engaged the services of an independent contractor to provide management and accounting services at a monthly fee of \$2,272.50 for a term ending December 31, 2018.

**6. BUDGET**

Budget figures are provided for comparison purposes only and are unaudited.

**7. COMPARATIVE FIGURES**

Certain prior year's figures have been reclassified to conform with the current year presentation.