

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Financial Statements**

**Year Ended March 31, 2019**

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**  
**Index to Financial Statements**  
**Year Ended March 31, 2019**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Coaldale Community Wellness Association Ltd.

We have reviewed the accompanying financial statements of Coaldale Community Wellness Association Ltd. which comprise the statement of financial position as at March 31, 2019 and the statements of revenues and expenditures, changes in net assets 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 not-for-profit organizations, 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.

### *Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Coaldale Community Wellness Association Ltd. as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Coaldale, Alberta  
June 19, 2019

*ejd machacek llp*

Chartered Professional Accountants

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Financial Position**

**March 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,392	\$ 66,109
Accounts receivable (Note 2)	2,708	1,213
Prepaid expenses	981	988
	6,081	68,310
CAPITAL ASSETS (Note 3)	300	545
LONG TERM INVESTMENTS (Note 4)	2,264,140	2,173,017
	<b>\$ 2,270,521</b>	<b>\$ 2,241,872</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 146	\$ 1,358
 <b>NET ASSETS</b>		
Unrestricted	2,270,075	2,239,969
Invested in capital assets	300	545
	2,270,375	2,240,514
	<b>\$ 2,270,521</b>	<b>\$ 2,241,872</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2019**

	2019	2018
<b>REVENUES</b>		
Investment income <i>(Note 5)</i>	\$ 124,504	\$ 108,451
Donations	846	-
Rental revenue	-	7,350
	<u>125,350</u>	<u>115,801</u>
<b>EXPENSES</b>		
Advertising and promotion	9,026	6,372
Amortization	245	158
Directors insurance	1,026	1,006
GST unrecoverable	1,175	1,016
Interest and bank charges	91	175
Investment management	24,812	22,709
Management and administrative fees	11,145	20,387
Occupancy costs	7,877	10,818
Professional fees	6,245	6,025
Scholarships and awards	975	975
Utilities	-	1,258
	<u>62,617</u>	<u>70,899</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>62,733</u>	<u>44,902</u>
<b>OTHER INCOME (EXPENSES)</b>		
Change in unrealized gain (loss) on investments	3,878	(16,273)
Gain on disposal of capital assets	-	347,670
Grants and funding	<u>(36,750)</u>	<u>(64,650)</u>
	<u>(32,872)</u>	<u>266,747</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 29,861</u>	<u>\$ 311,649</u>

See notes to financial statements

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2019**

	Unrestricted	Invested in capital assets	2019	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 2,239,969	\$ 545	<b>\$ 2,240,514</b>	\$ 1,928,865
Excess of revenues over expenses	29,861	-	<b>29,861</b>	311,649
Amortization	245	(245)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,270,075</b>	<b>\$ 300</b>	<b>\$ 2,270,375</b>	<b>\$ 2,240,514</b>

See notes to financial statements

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Cash Flows  
Year Ended March 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 29,861	\$ 311,649
Items not affecting cash:		
Amortization of capital assets	245	158
Gain on disposal of capital assets	-	(347,670)
Change in unrealized gain (loss) on investments	(3,878)	16,273
Realized (gain) loss on investments	<u>(63,659)</u>	<u>(58,352)</u>
	<u>(37,431)</u>	<u>(77,942)</u>
Changes in non-cash working capital:		
Accounts receivable	(1,495)	121
Accounts payable	(1,211)	(899)
Prepaid expenses	7	546
	<u>(2,699)</u>	<u>(232)</u>
Cash flow used by operating activities	<u>(40,130)</u>	<u>(78,174)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(704)
Proceeds on disposal of capital assets	-	421,015
Purchase of long-term investments	(1,086,049)	(947,484)
Proceeds on sale of long-term investments	<u>1,062,462</u>	<u>653,834</u>
Cash flow from (used by) investing activities	<u>(23,587)</u>	126,661
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(63,717)</b>	48,487
Cash - beginning of year	<u>66,109</u>	<u>17,622</u>
<b>CASH - END OF YEAR</b>	<b>\$ 2,392</b>	<b>\$ 66,109</b>

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

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Coaldale Community Wellness Association Ltd. (the "association") was incorporated on January 22, 1954 under the Business Corporations Act of Alberta. The association provides grants and funding to not-for-profit community groups which build community capacity, health and wellness, leadership and innovation, children, youth, families and seniors.

The association is exempt from payment of income tax and is a registered charity under the Income Tax Act.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition. Cash and equivalents held inside the association's investment management account are presented as long term investments even though they are highly liquid.

Investments

The association holds investments which consist primarily of equities and funds that are easily liquidated and have an active market. In meeting its charitable purpose, the association holds these investments as long term assets and utilizes the corresponding revenue in operations, and as a result classifies its investments as long term in nature.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Office equipment	45%
Furniture	20%

The company regularly reviews its capital assets to eliminate obsolete items. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the association. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Notes to Financial Statements

Year Ended March 31, 2019

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Coaldale Community Wellness Association Ltd. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowments and restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

Investment income is unrestricted, and is recognized as revenue when earned. Investments are reported at fair value, where unrealized gains and losses are reported as a separate item on a net basis.

Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. Equity instruments, including fixed income funds, that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at amortized cost, unless management has elected to carry the instruments at fair value. The association has not elected to carry any other financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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2. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
GST receivable	\$ 771	\$ 482
Accrued interest receivable	1,937	731
	<u>\$ 2,708</u>	<u>\$ 1,213</u>

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**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

**3. CAPITAL ASSETS**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Office equipment	\$ 704	\$ 404	\$ 300	\$ 545
Furniture	1,788	1,788	-	-
	<b>\$ 2,492</b>	<b>\$ 2,192</b>	<b>\$ 300</b>	<b>\$ 545</b>

**4. LONG TERM INVESTMENTS**

	2019	2018
Scotia cash and cash equivalents	\$ 104,132	\$ 57,041
Scotia fixed income funds	938,285	817,005
Scotia Canadian equities fund	423,247	395,344
Scotia US equities fund	412,429	259,009
Scotia international equities fund	378,842	644,618
Scotia real estate investment trusts	7,205	-
	<b>\$ 2,264,140</b>	<b>\$ 2,173,017</b>

The fixed income fund investments and all equities are measured at fair value. The fixed income fund investments are all at fixed rates ranging from 0.39% to 9.90% (2018 - 0.32% to 5.84%). The historical cost of the long term investments is \$2,091,789 (2018 - \$2,004,906).

**5. INVESTMENT INCOME (LOSS)**

	2019	2018
Investment income	\$ 20,697	\$ 15,588
Dividend income	19,729	16,305
Gains on investment	63,659	58,352
Foreign income	22,259	19,934
Foreign taxes paid	(1,840)	(1,728)
Realized income (loss)	124,504	108,451
Unrealized gains (losses) on investments	3,878	(16,273)
	<b>\$ 128,382</b>	<b>\$ 92,178</b>

COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Notes to Financial Statements

Year Ended March 31, 2019

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6. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of March 31, 2019.

*(a) Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The association is mainly exposed to price risk as the value of its investments and income generated by those investments may fluctuate with security markets.

*(b) Currency risk*

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The company is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

The association believes it is not exposed to significant credit, interest rate, liquidity or other price risks arising from its financial instruments.

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COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Notes to Financial Statements

Year Ended March 31, 2019

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