

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Financial Statements**

**Year Ended March 31, 2018**

COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Index to Financial Statements

Year Ended March 31, 2018

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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. that comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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

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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Coaldale, Alberta  
June 25, 2018

*ejd machacek llp*

Chartered Professional Accountants

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Financial Position**

**March 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 66,109	\$ 17,622
Accounts receivable (Note 2)	1,213	1,334
Prepaid expenses	988	1,534
Assets held for sale	-	73,249
	<u>68,310</u>	<u>93,739</u>
CAPITAL ASSETS (Note 3)	545	96
LONG TERM INVESTMENTS (Note 4)	<u>2,173,017</u>	<u>1,837,291</u>
	<u><b>\$ 2,241,872</b></u>	<u><b>\$ 1,931,126</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 1,358	\$ 2,261
<b>NET ASSETS</b>		
Unrestricted	2,239,969	1,928,769
Invested in capital assets	545	96
	<u>2,240,514</u>	<u>1,928,865</u>
	<u><b>\$ 2,241,872</b></u>	<u><b>\$ 1,931,126</b></u>

**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, 2018**

	2018	2017
<b>REVENUES</b>		
Investment income (Note 5)	\$ 108,451	\$ 86,900
Rental revenue	7,350	44,650
	<u>115,801</u>	<u>131,550</u>
<b>EXPENSES</b>		
Advertising and promotion	6,372	3,503
Amortization	158	79
Directors insurance	1,006	986
GST unrecoverable	1,016	1,079
Grants and funding	64,650	49,750
Interest and bank charges	175	343
Investment management	22,709	20,824
Management and administrative fees	20,387	10,785
Occupancy costs	10,818	20,713
Professional fees	6,025	5,089
Scholarships and awards	975	975
Utilities	1,258	6,955
	<u>135,549</u>	<u>121,081</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(19,748)</u>	<u>10,469</u>
<b>OTHER INCOME</b>		
Change in unrealized gain (loss) on investments	(16,273)	78,550
Gain on disposal of capital assets	347,670	-
	<u>331,397</u>	<u>78,550</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 311,649</u>	<u>\$ 89,019</u>

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2018**

	Unrestricted	Invested in capital assets	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,928,769	\$ 96	\$ <b>1,928,865</b>	\$ 1,839,846
Excess of revenues over expenses	311,649	-	<b>311,649</b>	89,019
Amortization	158	(158)	-	-
Acquisition of capital assets funded internally	(704)	704	-	-
Disposition of capital assets	97	(97)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,239,969</b>	<b>\$ 545</b>	<b>\$ 2,240,514</b>	<b>\$ 1,928,865</b>

See notes to financial statements

**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Statement of Cash Flow  
Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 311,649	\$ 89,019
Items not affecting cash:		
Amortization of capital assets	158	79
Gain on disposal of capital assets	(347,670)	-
Unrealized gain (loss) on investments	16,273	(78,550)
Realized (gain) loss on investments	(58,352)	(34,740)
	<u>(77,942)</u>	<u>(24,192)</u>
Changes in non-cash working capital:		
Accounts receivable	121	557
Accounts payable	(899)	68
Prepaid expenses	546	(165)
	<u>(232)</u>	<u>460</u>
Cash flow used by operating activities	<u>(78,174)</u>	<u>(23,732)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(704)	-
Proceeds on disposal of capital assets	421,015	-
Purchase of long-term investments	(947,484)	(488,360)
Proceeds on sale of long-term investments	653,834	503,019
Cash flow from investing activities	<u>126,661</u>	<u>14,659</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>48,487</b>	<b>(9,073)</b>
Cash - beginning of year	<u>17,622</u>	<u>26,695</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 66,109</u></b>	<b><u>\$ 17,622</u></b>

COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Notes to Financial Statements

Year Ended March 31, 2018

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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 (ASNPO).

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 is stated at cost or deemed cost less accumulated amortization. Capital assets is amortized over its estimated useful life 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, 2018

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

Assets held for sale

The association recognizes assets held for sale separately from assets held for use. Assets held for sale are classified when management has approved the action to sell, it is available for sale, and active program has been initiated, the sale is probable, and the marketed sale is reasonable. The amount is presented as current where the association expects the sale to occur and the proceeds recovered in the next fiscal year.

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.

Rent revenue is recognized as it is earned under the terms of tenant lease agreements. Where rental payments are received in advance of the rental period, the amount is recognized as deferred income.

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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**COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.**

**Notes to Financial Statements**

**Year Ended March 31, 2018**

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

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and the carrying value of long-term investments. Actual results could differ from those estimates.

2. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
GST receivable	\$ 482	\$ 721
Accrued interest receivable	731	613
	<u>\$ 1,213</u>	<u>\$ 1,334</u>

3. CAPITAL ASSETS

	Cost	Accumulated amortization	<u>2018 Net book value</u>	<u>2017 Net book value</u>
Office equipment	\$ 704	\$ 159	\$ 545	\$ 96
Furniture	1,788	1,788	-	-
	<u>\$ 2,492</u>	<u>\$ 1,947</u>	<u>\$ 545</u>	<u>\$ 96</u>

4. LONG TERM INVESTMENTS

	<u>2018</u>	<u>2017</u>
Scotia cash and cash equivalents	\$ 57,041	\$ 45,820
Scotia fixed income funds	817,005	748,239
Scotia Canadian equities fund	395,344	321,716
Scotia US equities fund	259,009	345,107
Scotia international equities fund	644,618	376,409
	<u>\$ 2,173,017</u>	<u>\$ 1,837,291</u>

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 0.32% to 5.84% (2017 - 1.43% to 4.75%). The historical cost of the long term investments is \$2,004,906 (2017 - \$1,652,899).

COALDALE COMMUNITY WELLNESS ASSOCIATION LTD.

Notes to Financial Statements

Year Ended March 31, 2018

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5. INVESTMENT INCOME (LOSS)

	2018	2017
Investment income	\$ 15,588	\$ 23,351
Dividend income	16,305	16,164
Gains on investment	58,352	34,740
Foreign income	19,934	13,988
Foreign taxes paid	(1,728)	(1,343)
Realized income (loss)	108,451	86,900
Unrealized gains (losses) on investments	(16,273)	78,550

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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, 2018.

*(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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7. COMMITMENTS

As at March 31, 2018, the company's board of directors had approved grants of \$1,250 for community projects which are to be disbursed in future years.

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