

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

DECEMBER 31, 2018

A member of the



BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

December 31, 2018

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MICHAEL IHEKUNA CPA

Chartered Professional Accountant

Independent Auditor's Report

To the Members of:
Bridgeland - Riverside Community Association

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the Statement of Financial Position of the Bridgeland - Riverside Community Association as at December 31, 2018 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2018.

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 Bridgeland - Riverside Community Association as at December 31, 2018 and the results of its operations and cash flows for the year ended December 31, 2018 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Qualified Opinion

In common with many not-for-profit associations, the Bridgeland - Riverside Community Association derives revenue from certain fundraising 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 Bridgeland - Riverside Community 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. I conducted my audit in accordance with Canadian auditing standards. I am independent of the Bridgeland - Riverside Community Association in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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 associations 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.

In preparing the financial statements, management is responsible for assessing the Bridgeland - Riverside Community Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Other Matter

The prior year financials were audited by another Chartered Professional Accountant who expressed a qualified opinion on May 14, 2018.

Calgary, Alberta
May 20, 2019



Michael Ihekuna CPA
Chartered Professional Accountant

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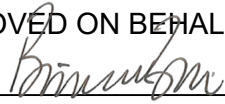


BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)


As at December 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 81,961	\$ 93,145
Investment (Note 10)	1,014	-
Accounts receivable, unrestricted	45,110	5,810
Prepaid expense and deposit, unrestricted (Note 9)	6,884	5,395
GST	2,308	-
	137,277	104,350
EXTERNALLY RESTRICTED ASSETS (Note 3)	403,500	460,917
PROPERTY AND EQUIPMENT (Note 4)	76,729	84,563
	\$ 617,506	\$ 649,830
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 11,775	\$ 9,545
Refundable deposits	7,171	8,421
GST	-	576
Deferred revenue	3,157	5,481
Deferred cash contributions (Note 3)	403,500	460,917
	425,603	484,940
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	4,741	2,866
NET ASSETS		
Unrestricted	115,174	80,327
Invested in property and equipment	71,988	81,697
	187,162	162,024
	\$ 617,506	\$ 649,830

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:



Director



Director

See Notes to the Financial Statements

BRIDGELAND- RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2018

	Unrestricted	Invested in Property and Equipment	2018 Totals	2017 Totals
Balances, beginning of the year	\$ 80,327	\$ 81,697	\$ 162,024	\$ 129,724
Increases (decreases)	34,847	(9,709)	25,138	32,300
Balances, end of the year	<u>\$ 115,174</u>	<u>\$ 71,988</u>	<u>\$ 187,162</u>	<u>\$ 162,024</u>

See Notes to Financial Statements

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2018

	2018	2017
REVENUE		
Rental	\$ 114,733	\$ 108,276
Grants (Note 8)	84,712	10,599
Casino contributions (Note 7)	76,331	62,812
Programs	56,844	55,568
Membership	5,683	5,932
Donations	4,160	7,950
Miscellaneous/fundraising/rebates	2,747	4,945
Events		4,370
Interest	197	32
	345,407	260,484
EXPENSES		
Wages & benefits	133,150	133,446
Repair and maintenance	104,940	21,112
Programs	25,236	24,319
Utilities	16,909	12,813
Administration/office/telephone	11,004	9,499
Professional fees	7,906	6,955
Insurance	4,899	4,956
Events	4,584	5,340
	308,628	218,440
EXCESS OF REVENUE OVER EXPENSES BEFORE AMORTIZATION		
	36,779	42,044
Amortization	(13,292)	(10,690)
Amortization of deferred capital contributions (Note 5)	1,651	946
	\$ 25,138	\$ 32,300

See Notes to Financial Statements

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
Cash generated from (used in):		
OPERATIONS:		
Excess of revenue	\$ 25,138	\$ 32,300
Charges not affecting cash:		
Amortization	13,292	10,690
Amortization of deferred capital contributions (Note 5)	(1,651)	(946)
Changes in non-cash operating Working Capital:		
Accounts receivable	(39,300)	(977)
Accounts receivable - restricted	(9,566)	2,145
Prepaid expense	(1,489)	(838)
Accounts payable, accrued liabilities and refundable deposits	980	(3,274)
GST	(2,885)	2,018
Deferred revenue	(2,324)	(2,287)
Cash from operations	<u>(17,805)</u>	<u>38,831</u>
INVESTING:		
Purchase of property and equipment	(5,457)	(10,762)
Investments	(1,014)	262,239
Disposal of assets	-	3,775
	<u>(6,471)</u>	<u>255,252</u>
FINANCING:		
Changes in deferred cash contributions	(57,417)	(123,681)
Changes in deferred capital contributions	3,526	-
	<u>(53,891)</u>	<u>(123,681)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(78,167)	170,402
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>554,062</u>	<u>383,660</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 475,895</u>	<u>\$ 554,062</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 81,961	\$ 93,145
Externally restricted cash and cash equivalents (Note 3)	393,934	460,917
	<u>\$ 475,895</u>	<u>\$ 554,062</u>

See Notes to Financial Statements

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2018

1. GENERAL

The Bridgeland-Riverside Community Association ("BRCA") was registered on August 12, 1950 under the Societies Act of Alberta as a not-for-profit organization and as such is exempt from income tax according to Section 149 (g) of the Income Tax Act.

The objects of the Association are

- a) To provide for all ages: sports and recreational programs; educational and self-improvement programs; indoor and outdoor activities; and social events.
- b) To acquire land, buildings, and equipment; and to maintain, supervise, lease, mortgage and dispose of and otherwise deal with the property of the BRCA.
- c) To provide a meeting place for residents and various community groups.
- d) To help community residents by providing various services and by encouraging the efforts of other not-for-profit or social service agencies.
- e) To interact with and liaise with agencies, businesses, hospitals and other organizations in the neighbourhood and to interact and liaise with residents and organizations from other communities.
- f) To publicize and provide information about the activities of the BRCA and community concerns to members of the BRCA, neighbourhood residents, and the community at large.
- g) To help preserve the history of the neighbourhood by collecting and publishing local historical information and encouraging the same from other local community groups.
- h) To encourage and help with the beautification and clean-up of the neighbourhood.
- i) To deal with urban development concerns (such as proposed new buildings, zoning issues, traffic problems, preservation of community open space, area redevelopment plans, revitalization of commercial districts) by reviewing and commenting on proposed changes, formulating plans of action, informing community residents, liaising with different levels of government, and publicly representing the community's interests.
- j) To recruit, train, support and award volunteers who will help carry out the objectives of the BRCA.
- k) To fundraise on a regular basis to support our objectives, to maintain our community hall and any other BRCA's property, and to pay staff wages.

2. SUMMARY OF 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:

(a) Revenue Recognition

Revenue from externally restricted assets has been recorded according to the deferral method where revenue is recognized when the related expense occurred.

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

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2018

(b) Property and Equipment

Property and equipment are recorded at cost. Amortization is calculated on the straight-line method over the expected life of the asset:

Leasehold Improvements	10 years
Playground	5 years
Furniture & Equipment	5 years

No residual value or first year rule apply.

(c) 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 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 statement of changes in such estimates in future periods may be significant.

(d) Financial Instruments

Measurement of Financial Instruments:

The BRCA initially measures its financial assets and financial liabilities at fair value. The BRCA subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that the BRCA is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

(e) Use of Estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

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

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2018

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Cash - casino	\$ 11,900	\$ 68,161
Restricted cash held in (to) general bank account	(2,080)	12,522
CFEP	-	10
BNS-Life cycle saving*	<u>384,114</u>	<u>380,224</u>
Total cash	<u>393,934</u>	460,917
Accrued interest receivable	<u>9,566</u>	-
	<u><u>\$ 403,500</u></u>	<u><u>\$ 460,917</u></u>

* This is an amount held according to the City of Calgary licence of occupation dated November 14, 2006 as a capital maintenance reserve fund.

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Playground	\$ 239,540	(239,540)	-	-
Equipment and Furniture	151,826	(107,524)	44,302	44,737
Tools	8,433	(7,553)	880	3,399
Leasehold Improvements	<u>48,802</u>	<u>(17,255)</u>	<u>31,547</u>	<u>36,427</u>
	<u><u>\$ 448,601</u></u>	<u><u>(371,872)</u></u>	<u><u>76,729</u></u>	<u><u>84,563</u></u>

5. DEFERRED CAPITAL CONTRIBUTIONS

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

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 2,866	\$ 3,812
Additions (Note 7)	3,526	-
Taken into income during the year	<u>(1,651)</u>	<u>(946)</u>
Balance carried forward	<u><u>\$ 4,741</u></u>	<u><u>\$ 2,866</u></u>

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2018

6. CONTRIBUTED GOODS AND 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 BRCA's operations and when they otherwise would have been purchased. During the year \$Nil (2017 - \$Nil) donated goods and services were recorded in the financial statements.

A substantial number of volunteers have made significant contributions of their time to develop the BRCA's programs. The value of this contributed time is not reflected in these financial statements.

7. CASINO CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Beginning casino funds (Note 3)	\$ 68,161	\$ 36,234
Casino proceeds	-	68,461
Capital conservation grant received	6,274	-
Funds transferred from General	17,482	28,677
Purchase of property and equipment (Note 5)	(3,526)	-
Casino advisor fees paid	-	(2,185)
Bank charges	(160)	(2,414)
Ending balance - Deferred casino cash contribution (Note 3)	<u>(11,900)</u>	<u>(68,161)</u>
Casino funds contributed to operations	<u>\$ 76,331</u>	<u>\$ 60,612</u>

8. GRANTS

	<u>2018</u>	<u>2017</u>
Grant funding spent on operation	<u>\$ 84,712</u>	<u>\$ 10,599</u>

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2018

9. PREPAID EXPENSE AND DEPOSIT

Prepaid expenses include insurance of \$5,556, sage accounting of \$328 and a deposit of \$1,000 to open an account for the fly over project. This will be refunded upon completion of the project.

10. INVESTMENT

During the fiscal year, the BRCA invested \$1,000 in a guaranteed investment certificate (GIC) with the Bank of Nova Scotia for one year maturing on April 19,2019 at 2%. The GIC is recorded at cost plus accrued interest receivable at \$1,014.