

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

DECEMBER 31, 2021

A member of the



BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

December 31, 2021

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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, 2021 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, 2021.

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, 2021 and the results of its operations and cash flows for the year ended December 31, 2021 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 controls 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 controls 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 controls. 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 controls that I identify during my audit.

Calgary, Alberta
May 16, 2022



Michael Ihekuna CPA
Chartered Professional Accountant

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

As at December 31, 2021

	2021	2020 (Restated)
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ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 95,888	\$ 462,017
Investments	-	1,024
Cash and cash equivalents, internally restricted (Note 10)	393,343	-
Accounts receivable, unrestricted	24,995	-
Prepaid expense and deposit, unrestricted (Note 9)	9,293	8,828
Goods and Services Tax	242	1,083
TOTAL CURRENT ASSETS	523,761	472,952
EXTERNALLY RESTRICTED ASSETS (Note 3)	81,520	81,874
PROPERTY AND EQUIPMENT (Note 4)	68,552	73,625
TOTAL ASSETS	\$ 673,833	\$ 628,451
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LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,249	\$ 9,943
Refundable deposits	9,492	9,042
Deferred revenue	2,533	5,106
Deferred cash contributions (Note 3)	81,520	81,874
TOTAL CURRENT LIABILITIES	103,794	105,965
LONG TERM DEBT (Note 13)	60,000	-
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	9,193	11,740
TOTAL LONG TERM LIABILITIES	69,193	11,740
NET ASSETS		
Unrestricted	48,144	448,861
Internally restricted (Note 10)	393,343	-
Invested in property and equipment	59,359	61,885
TOTAL NET ASSETS	500,846	510,746
TOTAL LIABILITIES AND NET ASSETS	\$ 673,833	\$ 628,451
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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, 2021

	Unrestricted	Internally restricted assets (Note 10)	Invested in Property and Equipment	2021 Totals	2020 Totals (Restated)
Balances, beginning of the year	\$ 447,711	-	\$ 61,885	\$ 509,596	\$ 555,895
Prior period adjustment (Note 12)	1,150	-	-	1,150	1,150
Balances as restated	448,861	-	61,885	510,746	557,045
Transfers (Note 10)	(393,343)	393,343	-	-	-
Decreases	(7,374)	-	(2,526)	(9,900)	(46,299)
Balances, end of the year	\$ 48,144	393,343	\$ 59,359	\$ 500,846	\$ 510,746

See Notes to Financial Statements

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2021

	2021	2020
	<u> </u>	<u>(Restated)</u>
REVENUE		
Grants (Note 8)	\$ 93,691	16,391
Farmers market	84,245	57,297
COVID-19 relief funding	48,959	11,088
Canada Emergency Wage Subsidy	41,369	20,820
Rental Income	29,288	29,925
Casino contributions (Note 7)	18,052	24,831
Donations	4,303	2,423
Interest	2,101	2,882
Membership	572	4,238
Miscellaneous	-	54
	<u>322,580</u>	<u>169,949</u>
EXPENSES		
Community Project Expenses	83,154	-
Wages & benefits	83,112	82,696
Programs	71,020	60,196
Repair and maintenance	31,906	12,465
Utilities	22,126	15,799
Administration/office/telephone	10,855	11,880
Insurance	8,582	7,157
Professional fees	7,626	8,034
Events	6,180	11,712
Donation	104	70
	<u>324,665</u>	<u>210,009</u>
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE AMORTIZATION	(2,085)	(40,060)
Amortization	(10,362)	(8,786)
Amortization of deferred capital contributions (Note 5)	<u>2,547</u>	<u>2,547</u>
DEFICIENCY OF REVENUE AFTER AMORTIZATION	\$ (9,900)	\$ (46,299)

See Notes to Financial Statements

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

For the Year Ended December 31, 2021

	2021	2020
	<u> </u>	<u>(Restated)</u>
Cash generated from (used in):		
OPERATIONS:		
Deficiency of revenue over expenses	\$ (9,900)	\$ (46,299)
Charges not affecting cash:		
Amortization	10,362	8,786
Amortization of deferred capital contributions (Note 5)	(2,547)	(2,547)
Changes in non-cash operating working Capital:		
Accounts receivable	(23,970)	(3)
Prepaid expense	(465)	(1,501)
Accounts payable, accrued liabilities and refundable deposits	756	(6,635)
GST	840	(2,739)
Deferred revenue	(2,574)	(6,768)
Cash from operations	<u>(27,498)</u>	<u>(57,706)</u>
INVESTING:		
Purchase of property and equipment	(5,288)	(2,955)
	<u>(5,288)</u>	<u>(2,955)</u>
FINANCING:		
Changes in deferred cash contributions	(354)	47,787
Changes in deferred capital contributions	-	4,897
Long term debt (Note 13)	60,000	-
	<u>59,646</u>	<u>52,684</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,860	(7,977)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>543,891</u>	<u>551,868</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 570,751</u>	<u>\$ 543,891</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 95,888	\$ 462,017
Internally restricted cash and cash equivalents	393,343	-
Externally restricted cash and cash equivalents (Note 3)	81,520	81,874
	<u>\$ 570,751</u>	<u>\$ 543,891</u>

See Notes to Financial Statements

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

December 31, 2021

1. GENERAL

The Bridgeland-Riverside Community Association ("BRCA" or the "Association") 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, 2021

(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
Website	3 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, 2021

(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

	2021	2020
Cash - casino	\$ 78,640	\$ 3,994
Restricted cash held in general bank account	2,880	77,880
Total restricted assets	\$ 81,520	\$ 81,874

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2021	Net 2020
Playground	\$ 239,540	(239,540)	-	-
Equipment and Furniture	163,647	(119,966)	43,681	43,716
Tools	9,406	(9,406)	-	-
Website	3,740	(1,247)	2,493	1,870
Leasehold Improvements	56,618	(34,240)	22,378	28,039
	\$ 472,951	(404,399)	68,552	73,625

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.

	2021	2020
Opening balance	\$ 11,740	\$ 9,390
Additions (Note 8)	-	4,897
Amortization of deferred capital contribution	(2,547)	(2,547)
Balance carried forward	\$ 9,193	\$ 11,740

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2021

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 (2020: \$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

	2020	2019
Beginning casino funds	\$ 3,994	\$ 28,889
Casino proceeds	76,187	-
Casino advisor fees reimbursement	2,238	-
Casino advisor fees paid	(2,238)	-
COVID-19 relief funding	16,745	-
Interest income	52	-
Bank charges	(286)	(64)
Ending balance - Deferred casino cash contribution (Note 3)	(78,640)	(3,994)
Casino funds contributed to operations	<u>\$ 18,052</u>	<u>\$ 24,831</u>

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

December 31, 2021

8. GRANTS

	2021	2020
City of Calgary - Community public art fund	\$ -	\$ 4,500
Spent on operations	-	(4,500)
Deferred to next year	-	-
City of Calgary - Parking revenue reinvestment program	-	8,439
Spent on operations	-	(8,439)
Deferred to next year	-	-
City of Calgary - Capital conservation grant	4,891	6,031
Spent on operations	(4,891)	(1,134)
Spent on capital assets	-	(4,897)
Deferred to next year	-	-
Government of Alberta - Alberta traffic safety fund	-	2,318
Spent on operations	-	(2,318)
Deferred to next year	-	-
Enmax energizing spaces grant	2,880	2,880
Spent on operations	-	-
Deferred to next year	2,880	2,880
City of Calgary - General hospital legacy fund	75,000	75,000
Spent on operations	(75,000)	-
Deferred to next year	-	75,000
City of Calgary - Community clean up	300	-
Spent on operations	(300)	-
Deferred to next year	-	-
City of Calgary - Field day grant	1,000	-
Spent on operations	(1,000)	-
Deferred to next year	-	-
Federation of Calgary Communities - ActiveYYC	1,000	-
Spent on operations	(1,000)	-
Deferred to next year	-	-
Parks Foundation Calgary	9,500	-
Spent on operations	(9,500)	-
Deferred to next year	-	-
Government of Canada - Restrictions Exemption Program	2,000	-
Spent on operations	(2,000)	-
Deferred to next year	-	-
Summary:		
Grant funds spent on operations	\$ 93,691	\$ 16,391
Grant funds spent on capital assets (Note 5)	-	4,897
Grant funds deferred to next year	\$ 2,880	\$ 77,880

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

December 31, 2021

9. PREPAID EXPENSE AND DEPOSIT

Prepaid expenses include insurance of \$8,293 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. INTERNALLY RESTRICTED ASSETS

During the year, the board of directors established an internal restriction of the Lifecycle fund. The purpose of the fund is to provide for the maintenance, repair and replacement of the Association's depreciating capital assets including, in particular, in order to secure the Association's obligations in respect of "repairs and maintenance" under the License of Occupation between the City of Calgary and the Association. No transfer out of the Lifecycle fund may occur except for the purpose and except if first documented by an authorizing resolution of the board of directors.

11. SUBSEQUENT EVENT

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association's ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.

12. COMPARATIVE FIGURES AND PRIOR PERIOD ADJUSTMENT

Some of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

During the year it was noted that prior year website development expenses were not capitalized in error.

It was also noted that prior year landscaping and snow removal expenses were not recorded in error.

Therefore a prior period adjustment has been made to reflect the correction with the following effects to the comparative figures:

Increase in property and equipment	\$1,870
Decrease in administration expenses	\$1,870
Increase in opening net assets	\$1,870
Increase in accounts payable	\$720
Increase in program expenses	\$720
Decrease in opening net assets	\$720

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

December 31, 2021

13. LONG TERM DEBT

Due to the uncertainty caused by the COVID-19 pandemic and the relief programs offered by the Canadian Government in response, the Association applied for and received the Canada Emergency Business Account ("CEBA") of \$60,000.

The funds are being used to cover expenses that cannot be avoided. The CEBA currently is interest free until December 31, 2022, at which time the remaining balance will convert to a 3-year term loan at an interest rate of 5% per annum. If the balance is repaid before December 31, 2022, \$20,000 of the principal will be forgiven.