

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

DECEMBER 31, 2022

A member of the



BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION

December 31, 2022

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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, 2022 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, 2022.

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, 2022 and the results of its operations and cash flows for the year ended December 31, 2022 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 31, 2023



Michael Ihekuna CPA
Chartered Professional Accountant

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

As at December 31, 2022

	2022	2021
	<hr/>	<hr/>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 105,983	\$ 95,888
Cash and cash equivalents, internally restricted (Note 10)	401,828	393,343
Accounts receivable, unrestricted	1,733	24,995
Prepaid expense and deposit, unrestricted (Note 9)	12,321	9,293
Goods and Services Tax	575	242
TOTAL CURRENT ASSETS	<hr/> 522,440	<hr/> 523,761
EXTERNALLY RESTRICTED ASSETS (Note 3)	44,173	81,520
PROPERTY AND EQUIPMENT (Note 4) (Note 12)	<hr/> 53,769	<hr/> 68,552
TOTAL ASSETS	<hr/> \$ 620,382 <hr/>	<hr/> \$ 673,833 <hr/>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,460	\$ 10,249
Refundable deposits	12,152	9,492
Deferred revenue	3,129	2,533
Deferred cash contributions (Note 3)	44,173	81,520
TOTAL CURRENT LIABILITIES	<hr/> 72,914	<hr/> 103,794
LONG TERM DEBT (Note 11)	60,000	60,000
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	<hr/> 6,646	<hr/> 9,193
TOTAL LONG TERM LIABILITIES	<hr/> 66,646	<hr/> 69,193
NET ASSETS		
Unrestricted	31,871	48,144
Internally restricted (Note 10)	401,828	393,343
Invested in property and equipment	47,123	59,359
TOTAL NET ASSETS	<hr/> 480,822	<hr/> 500,846
TOTAL LIABILITIES AND NET ASSETS	<hr/> \$ 620,382 <hr/>	<hr/> \$ 673,833 <hr/>

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, 2022

	Unrestricted	Internally restricted assets (Note 10)	Invested in Property and Equipment	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 48,144	393,343	\$ 59,359	\$ 500,846	\$ 510,746
Transfers (Note 10)	(8,485)	8,485	-	-	-
Decreases	(7,788)	-	(12,236)	(20,024)	(9,900)
Balances, end of the year	\$ 31,871	401,828	\$ 47,123	\$ 480,822	\$ 500,846

See Notes to Financial Statements

BRIDGELAND - RIVERSIDE COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2022

	2022	2021
	<u> </u>	<u> </u>
REVENUE		
Rental Income	77,264	\$ 29,288
Casino contributions (Note 7)	45,414	18,052
Programs	23,708	-
Farmers market	20,350	84,245
COVID-19 relief funding	17,707	48,959
Grants (Note 8)	13,841	93,691
Interest	10,874	2,100
Fundraising revenue	8,410	-
Donations	4,665	4,303
Membership	1,141	572
Events	590	-
Canada Emergency Wage Subsidy	-	41,369
	<u>223,964</u>	<u>322,579</u>
EXPENSES		
Wages & benefits	96,057	83,112
Repair and maintenance	48,828	31,906
Utilities	24,907	22,126
Programs	19,463	71,020
Events	14,213	6,180
Administration/office/telephone	13,392	10,854
Insurance	9,095	8,582
Impairment of capital assets (Note 12)	7,608	-
Professional fees	5,797	7,626
Donation	-	104
Community Project Expenses	-	83,154
	<u>239,360</u>	<u>324,664</u>
DEFICIENCY OF REVENUE OVER EXPENSES		
BEFORE AMORTIZATION	(15,396)	(2,085)
Amortization	(7,175)	(10,362)
Amortization of deferred capital contributions (Note 5)	<u>2,547</u>	<u>2,547</u>
DEFICIENCY OF REVENUE AFTER AMORTIZATION	<u>\$ (20,024)</u>	<u>\$ (9,900)</u>

See Notes to Financial Statements

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

For the Year Ended December 31, 2022

	2022	2021
	<hr/>	<hr/>
Cash generated from (used in):		
OPERATIONS:		
Deficiency of revenue over expenses	\$ (20,024)	\$ (9,900)
Charges not affecting cash:		
Amortization	7,175	10,362
Impairment of assets (Note 12)	7,608	-
Amortization of deferred capital contributions (Note 5)	(2,547)	(2,547)
Changes in non-cash operating working Capital:		
Accounts receivable	23,262	(23,970)
Prepaid expense	(3,028)	(465)
Accounts payable, accrued liabilities and refundable deposits	5,870	756
GST	(333)	840
Deferred revenue	597	(2,574)
Cash from operations	<hr/> 18,580	<hr/> (27,498)
INVESTING:		
Purchase of property and equipment	-	(5,288)
	<hr/> -	<hr/> (5,288)
FINANCING:		
Changes in deferred cash contributions	(37,347)	(354)
Long term debt (Note 11)	-	60,000
	<hr/> (37,347)	<hr/> 59,646
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,767)	26,860
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	570,751	543,891
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 551,984	\$ 570,751
	<hr/> <hr/>	<hr/> <hr/>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 105,983	\$ 95,888
Internally restricted cash and cash equivalents	401,828	393,343
Externally restricted cash and cash equivalents (Note 3)	44,173	81,520
	<hr/> \$ 551,984	<hr/> \$ 570,751
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements

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

December 31, 2022

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
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December 31, 2022

(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, 2022

(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

Externally restricted assets include cash received from casino events. They are restricted according to Alberta Gaming approved objectives. Unspent grant funding is restricted to approved objectives of the grant provider.

	2022	2021
Cash - casino	\$ 34,293	\$ 78,640
Restricted cash held in general bank account	9,880	2,880
Total restricted assets	\$ 44,173	\$ 81,520

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2022	Net 2021
Playground	\$ 239,540	(239,540)	-	-
Equipment and Furniture	151,534	(112,315)	39,219	43,681
Tools	9,406	(9,406)	-	-
Website	3,740	(2,493)	1,247	2,493
Leasehold Improvements	39,550	(26,247)	13,303	22,378
	\$ 443,770	(390,001)	53,769	68,552

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.

	2022	2021
Opening balance	\$ 9,193	\$ 11,740
Amortization of deferred capital contribution	(2,547)	(2,547)
Balance carried forward	\$ 6,646	\$ 9,193

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

December 31, 2022

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 (2021: \$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

	2022	2021
Beginning casino funds	\$ 78,640	\$ 3,994
Casino proceeds	-	76,187
Casino advisor fees reimbursement	-	2,238
Casino advisor fees paid	-	(2,238)
COVID-19 relief funding	-	16,745
Interest income	1,067	52
Bank charges	-	(286)
Ending balance - Deferred casino cash contribution (Note 3)	(34,293)	(78,640)
Casino funds contributed to operations	<u><u>\$ 45,414</u></u>	<u><u>\$ 18,052</u></u>

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

December 31, 2022

8. GRANTS

	2022	2021
Government of Canada - Summer student grant	\$ 4,041	\$ -
Spent on operations	(4,041)	-
Deferred to next year	-	-
WCEF	1,000	-
Spent on operations	(1,000)	-
Deferred to next year	-	-
Government of Canada - New horizon grant	7,500	-
Spent on operations	(7,500)	-
Deferred to next year	-	-
City of Calgary - Capital conservation grant	-	4,891
Spent on operations	-	(4,891)
Deferred to next year	-	-
City of Calgary - Inspiring Neighbourhoods grant	7,000	-
Spent on operations	-	-
Deferred to next year	7,000	-
Enmax energizing spaces grant	2,880	2,880
Spent on capital asset from casino funds	-	-
Deferred to next year	2,880	2,880
City of Calgary - General hospital legacy fund	-	75,000
Spent on operations	-	(75,000)
Deferred to next year	-	-
City of Calgary - Community clean up	300	300
Spent on operations	(300)	(300)
Deferred to next year	-	-
City of Calgary - Field day grant	1,000	1,000
Spent on operations	(1,000)	(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	\$ 13,841	\$ 93,691
Grant funds deferred to next year	\$ 9,880	\$ 2,880

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

December 31, 2022

9. PREPAID EXPENSE AND DEPOSIT

Prepaid expenses include insurance of \$8,821 and a deposit of \$3,500 held with Parks Foundation.

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. 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, 2023, 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, 2023, \$20,000 of the principal will be forgiven.

12. IMPAIRMENT OF ASSETS

On November 28, 2022 at 4:30 in the morning, the Calgary Fire Department responded to a call from a person who noticed smoke and fire coming from the Bridgeland-Riverside Community Centre. The fire was extinguished but not before it had heavily damaged a portion of the building.

Bridgeland is under a license of occupation with the City of Calgary and only capitalizes leasehold improvement cost, of which most were fully amortized. The impairment loss resulting to the fire is estimated at \$7,608, not including the potential loss of hall rentals due to the closure of the community centre.