

BRAGG CREEK COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS
Audited

June 30, 2012

BRAGG CREEK COMMUNITY ASSOCIATION

June 30, 2012

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Independent Auditor's Report

To the Members of the
Bragg Creek Community Association

I have audited the financial statements of the Bragg Creek Community Association as at June 30, 2012 which include the Statement of Financial Position and the Statements of Operations, Changes in Net Assets, Cash Flows, and a summary of significant accounting policies and other explanatory notes for the year then ended.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for not for profit entities 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.

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 generally accepted 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, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not for profit organizations, the Bragg Creek Community Association derives revenue from certain fund raising 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 Bragg Creek 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.

Qualified Opinion

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 Bragg Creek Community Association as at June 30, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
October 22, 2012



Nancy Murdoch
Chartered Accountant



BRAGG CREEK COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION

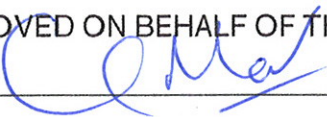
Audited

As at June 30, 2012

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash, unrestricted (Note 3)	\$ 145,081	\$ 146,236
Externally Restricted Assets (Note 4)	42,546	26,032
Internally Restricted - Capital Replacement	106,428	-
Accounts Receivable (Note 5)	183,127	180,356
Prepaid Expense and Deposits	2,229	3,861
Performing Arts Prepaid Expenses	-	7,850
Inventory	727	810
	<u>480,138</u>	<u>365,145</u>
Property and Equipment (Note 6)	<u>909,249</u>	<u>994,967</u>
	<u>\$ 1,389,387</u>	<u>\$ 1,360,112</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 40,555	\$ 38,942
Deferred Revenue	28,399	29,052
Deferred Cash Contributions (Note 4)	42,546	26,032
Current portion Capital Lease Obligation (Note 7)	2,389	3,138
	<u>113,889</u>	<u>97,164</u>
Capital Lease Obligation (Note 7)	-	2,389
Deferred Capital Contributions (Note 8)	<u>207,792</u>	<u>239,134</u>
	<u>321,681</u>	<u>338,687</u>
NET ASSETS		
Surplus - General	989,922	942,014
Surplus - Performing Arts	77,784	79,411
	<u>1,067,706</u>	<u>1,021,425</u>
	<u>\$ 1,389,387</u>	<u>\$ 1,360,112</u>

SUBSEQUENT EVENT (Note 9)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS


 _____ Director

 _____ Director

See Notes to the Financial Statements

BRAGG CREEK COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
Audited

For the Year Ended June 30, 2012

	Unrestricted	Invested in Property and Equipment	County Capital Replacement Fund	Community Capital Replacement Fund	Community Capital Improvement Fund	2012 Total General Net Assets	2011 Total General Net Assets
GENERAL							
Beginning of the Year	\$ 191,708	750,306	-	-	-	942,014	867,763
Purchase of Property and Equipment	(18,533)	22,105	(3,572)	-	-	-	-
Repayment of Capital Lease	(3,138)	3,138	-	-	-	-	-
Amortization of Deferred Capital Contributions	(38,920)	38,920	-	-	-	-	-
Allocations to Reserve Funds	(110,000)	-	110,000	-	-	-	-
	21,117	814,469	106,428	-	-	942,014	867,763
Surplus (Deficit)	170,383	(122,475)	-	-	-	47,908	74,251
End of the Year	191,500	691,994	106,428	-	-	989,922	942,014
Subsequent allocation (Note 9)	(125,000)	-	-	100,000	25,000	-	-
	\$ 66,500	691,994	106,428	100,000	25,000	989,922	942,014
PERFORMING ARTS							
Beginning of Year	\$ 79,411	-	-	-	-	79,411	75,232
Surplus (Deficit)	(1,627)	-	-	-	-	(1,627)	4,179
	77,784	-	-	-	-	77,784	79,411
TOTAL NET ASSETS AT JUNE 30, 2012 (PRIOR TO ALLOCATION)	\$ 269,284	691,994	106,428	-	-	1,067,706	1,021,425

See Notes to the Financial Statements

BRAGG CREEK COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS - GENERAL
Audited

For the Year Ended June 30, 2012

	2012	2011
REVENUE		
Casino Contributions	\$ 28,126	\$ 23,833
Donations	7,600	1,580
Fundraising Events (Note 10)	46,549	54,402
Grants (Note 11)	247,058	278,483
Hall and Equipment Rentals and Leases	143,744	119,314
Interest	547	63
Ladies Auxiliary Fundraising	628	6,914
Memberships	8,555	5,240
Programs (Schedule 1)	42,954	37,552
Raffles and Other	2,180	4,815
	527,941	532,196
 EXPENSES		
Administrative Expenses	24,415	19,626
Advertising and Promotion	4,472	5,617
Business and Property Taxes	1,806	1,773
Computer Expense	5,552	1,245
Consulting fees	11,789	-
Donations	-	1,300
Equipment Lease and Maintenance	-	7,515
Fundraising Events (Note 10)	26,383	34,718
Insurance	7,039	7,535
Interest on Capital Lease Obligation (Note 7)	666	1,130
Ladies Auxiliary Fundraising Expenses	1,571	2,528
Programs (Schedule 1)	33,135	12,160
Raffle Expenses	-	3,465
Rental Expenses	9,187	6,681
Repairs and Maintenance	41,153	34,350
Security	958	782
Uncollectable GST (Note 12)	5,619	3,407
Utilities	47,492	39,318
Wages and Benefits	176,083	168,970
	397,320	352,120
 OPERATING SURPLUS BEFORE AMORTIZATION	130,621	180,076
 Amortized Deferred Capital Contributions (Note 8)	39,762	42,637
Amortization	(122,475)	(148,462)
 SURPLUS (DEFICIT)	\$ 47,908	\$ 74,251

See Notes to the Financial Statements

BRAGG CREEK COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS - PERFORMING ARTS
Audited

For the Year Ended June 30, 2012

	2012	2011
REVENUE		
Bar and Concessions	\$ 9,845	\$ 12,796
Donations	1,500	2,814
Grants (Note 11)	13,739	16,222
Interest	168	281
Other	-	100
Performances	54,165	48,609
Raffle	1,465	2,212
	80,882	83,034
EXPENSES		
Bank and Credit Card Charges	1,707	1,248
Bar and Concession	7,467	5,800
Fundraising	5,203	2,000
Other and Administrative	7,857	10,398
Performances	60,275	59,409
	82,509	78,855
	\$ (1,627)	\$ 4,179
SUMMARY OF INCREASES AND DECREASES		
General	\$ 47,908	\$ 74,251
Performing Arts	(1,627)	4,179
	\$ 46,281	\$ 78,430

See Notes to the Financial Statements

BRAGG CREEK COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
Audited

For the Year Ended June 30, 2012

	2012	2011
Cash provided by (used in):		
Operations:		
Operating Deficit	\$ 47,908	\$ 74,251
Performing Arts Surplus	(1,627)	4,179
Non-cash items:		
Amortization of Deferred Capital Contributions	(39,762)	(42,637)
Amortization	122,475	148,462
Non-cash operating working capital:		
Accounts Receivable	(2,771)	(167,155)
Prepaid Expenses	1,632	(1,073)
Inventory	83	124
Performing Arts Deposits	7,850	549
Accounts Payable	1,613	6,351
Deferred Revenue	(653)	7,969
	136,748	31,020
Financing		
Principal paid on Capital Lease	(2,674)	(2,674)
Deferred Cash Contributions	10,301	27,232
	7,627	24,558
Investing		
Building Improvements	(28,337)	-
Improvements to Ice Rink and Skate Shack	(2,035)	-
Purchase of Furniture and Equipment	(6,385)	(3,945)
	(36,757)	(3,945)
Increase/(Decrease) in Cash	107,618	51,633
Cash, Beginning of Year	172,268	120,635
Cash, End of Year	\$ 279,886	\$ 172,268
Cash consists of:		
Unrestricted cash	\$ 145,081	\$ 146,236
Internally restricted cash (Note 3)	106,428	-
Restricted cash (Note 4)	28,377	26,032
	\$ 279,886	\$ 172,268

See Notes to Financial Statements

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

1. GENERAL

The Bragg Creek Community Association (Association) was incorporated under the Societies Act of Alberta on June 9, 1958 as a not for profit organization. It is exempt from income tax under Section 149 (1) (l) of the Income Tax Act.

The Association is a registered charity.

The Association was organized to unite groups and individuals through a sustainable path with innovative programs and services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared according to Canadian generally accepted accounting principles, of which the most significant policies are:

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses 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.

Inventory

Inventory is recorded at the lower of cost and net realizeable value. Cost is determined using the first-in first-out method (FIFO).

Property and Equipment

Property and equipment are recorded at cost and are amortized using the straight line method according to the following rates:

Land Improvements	5%
Buildings and Improvements	5%
Furniture and Equipment	10%
Ice Rink and Skate House	10%
Playground Equipment	10%
Tennis Court and Shed	10%
Asset under Capital Lease	10%

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

3. CASH, UNRESTRICTED

The following amounts make up the unrestricted cash funds on deposit:

	<u>2012</u>	<u>2011</u>
Community Association - Petty Cash	\$ 1,300	\$ 5,135
ATB - Chequing	94,561	95,472
ATB - Capital Replacement	106,428	97
ATB - Performing Arts Petty Cash	-	1,500
ATB - Performing Arts Savings	22,813	22,669
ATB - Performing Arts Chequing	25,058	23,288
ATB - Ladies Auxiliary	3,214	1,300
	<u>253,374</u>	<u>149,461</u>
Less: Internally restricted - County Capital Replacement	(106,428)	-
Less: Restricted funds held in unrestricted accounts	(1,865)	(3,225)
	<u>\$ 145,081</u>	<u>\$ 146,236</u>

4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

	<u>2012</u>	<u>2011</u>
Casino	\$ 19,300	\$ 24
Bragg Creek Days donations	1,865	3,225
Community Initiative Account	7,212	22,783
Total Restricted Cash	<u>28,377</u>	<u>26,032</u>
MD Rocky View - Capital Grants	14,169	-
	<u>\$ 42,546</u>	<u>\$ 26,032</u>

5. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
GST	\$ 2,213	\$ 3,681
Performing Arts - Beanstream Reserve	1,000	1,000
Miscellaneous Receivables	10,038	5,799
MD Rocky View	189,169	175,000
	<u>202,420</u>	<u>185,480</u>
Restricted Capital Grants Receivable	(14,169)	-
Allowance for doubtful accounts	(5,124)	(5,124)
	<u>\$ 183,127</u>	<u>\$ 180,356</u>

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2012	2011
Land Improvements	\$ 95,016	55,168	39,848	44,599
Building and Improvements	1,924,764	1,115,458	809,306	874,207
Furniture and Equipment	309,004	287,605	21,399	14,668
Ice Rink and Skate House	167,677	145,500	22,177	36,910
Playground Equipment	67,641	61,117	6,524	13,288
Artwork	2,195	-	2,195	2,195
	<u>2,566,297</u>	<u>1,664,848</u>	<u>901,449</u>	<u>985,867</u>
Assets under Capital Lease	13,000	5,200	7,800	9,100
	<u>\$ 2,579,297</u>	<u>1,670,048</u>	<u>909,249</u>	<u>994,967</u>

7. CAPITAL LEASE OBLIGATION

	2012	2011
Total minimum payments required under capital lease	\$ 2,536	\$ 6,340
Total interest payable	147	813
Total principal of lease	<u>2,389</u>	5,527
Less: Current portion of capital lease obligation	<u>2,389</u>	3,138
Long term portion of capital lease obligation	<u>\$ -</u>	<u>\$ 2,389</u>

8. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted grants and donations for specific capital expenditures are recorded as deferred contributions and amortized on the same basis as the related capital assets.

	2012	2011
Balance from previous year	\$ 239,134	\$ 280,376
Contributions from donations	8,420	1,395
Taken into income as amortization	<u>(39,762)</u>	<u>(42,637)</u>
Balance to next year	<u>\$ 207,792</u>	<u>\$ 239,134</u>

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

9. SUBSEQUENT EVENT

Subsequent to June 30, 2012, the Board of Directors internally restricted \$100,000 for the Community Capital Replacement Fund and \$25,000 for the Community Capital Improvement Fund.

10. FUNDRAISING EVENTS

	Revenue	Expenses	Net 2012	Net 2011
Bragg Creek Days and Events	\$ 18,830	5,329	13,501	4,466
Concerts	23,359	17,161	6,198	9,068
Docs in the Creek Silent Auction	2,910	2,803	107	-
Senior Housing Dinner and Auction	-	-	-	6,150
Movie Nights	1,450	1,090	360	-
	<u>\$ 46,549</u>	<u>26,383</u>	<u>20,166</u>	<u>19,684</u>

This revenue does not include donations. Donations are recorded separately on the Statement of Operations - General.

11. GRANTS

	2012	2011
Municipal - Rocky View - FCSS	\$ 42,500	\$ 43,000
Municipal - Rocky View - Operating Grant	175,000	175,000
Municipal - Rocky View - Other Grants	22,589	41,221
Provincial - Community Initiatives	22,783	822
Provincial - Summer Student Employment Program (STEP)	2,450	18,440
Provincial - Alberta Foundation for the Arts	6,176	-
Federal - Canada Summer Jobs	5,361	-
	<u>276,859</u>	<u>278,483</u>
Carried forward to next year	(7,212)	-
Spent on capital additions	(22,589)	-
Total Spent on Operations	<u>\$ 247,058</u>	<u>\$ 278,483</u>
Alberta Foundation for the Arts	\$ 13,739	\$ 16,222
Total Performing Arts	<u>\$ 13,739</u>	<u>\$ 16,222</u>

As at June 30, 2012, the Rural Municipality of Rocky View has approved an additional \$45,602 in capital grant funding. This funding is accessible by the Association by contributing 50% of the cost of the capital.

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

12. UNCOLLECTABLE GST

The Association is a registered charity and thus is eligible to claim back 50% of GST paid. Uncollectible GST represents GST that will not be refunded.

13. MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 statements of changes in such estimates in future periods could be significant.

14. FINANCIAL INSTRUMENTS

Under the standards for recognizing and measuring financial instruments, all financial assets are classified into one of the following four categories: held for trading, held to maturity, loans and receivables or available for sale. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities.

The Association's financial assets and financial liabilities are classified and measured as follows:

Held for trading

Cash is designated as held for trading at fair value with any subsequent changes in fair value as a charge to the statement of operations.

Loans and receivables

Accounts receivable are recorded at amortized cost less any impairment losses recognized and approximate their fair values due to the relatively short periods to maturity.

Other financial liabilities

Accounts payable and accrued liabilities and capital lease obligation are recorded at amortized cost and approximate their fair values due to the relatively short periods to maturity.

Other amounts noted on the Statement of Financial Position are not financial instruments.

The Association has not entered into any derivative transactions. In addition, the Association's contractual arrangements do not have any embedded features.

BRAGG CREEK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

Audited

June 30, 2012

15. RECENT ACCOUNTING PRONOUNCEMENT

Financial Statement Presentation by Not-for-Profit Organizations

In December 2010, the Accounting Standards Board issued Part III of the CICA Handbook - Accounting - Accounting Standards for Not-for-Profit Organizations. First time adoption of the Part of the Handbook is mandatory for annual financial statements relating to years beginning on or after January 1, 2012.

The adoption of this Part should not have a material impact on the Association's financial statements.

16. MANAGEMENT OF CAPITAL

The Association defines its capital as the amounts included in its net assets and deferred cash contributions, which include both restricted and unrestricted amounts. Restricted amounts include contributions whose use has been specified by an outside party. Management believes it is in compliance with the restrictions on these funds.

The Association's objective when managing its capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of service to its members and community.

17. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$Nil (2011 - \$Nil)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2011 - \$Nil)

BRAGG CREEK COMMUNITY ASSOCIATION
SCHEDULE 1 - PROGRAMS
For the Year Ended June 30, 2012

	2012			2011		
	Revenue	Expenses	Net	Revenue	Expenses	Net
Camps*	\$ 30,989	\$ 11,923	\$ 19,066	\$ 29,025	\$ 6,626	\$ 22,399
FCSS*	389	4,947	(4,558)	1,498	1,466	32
Other programs	-	-	-	545	2,002	(1,457)
Tots n Tow	-	-	-	-	267	(267)
Adult programming	5,560	2,578	2,982	1,804	-	1,804
Other programming	6,016	13,687	(7,671)	4,680	1,799	2,881
	\$ 42,954	33,135	9,819	37,552	12,160	25,392

* This does not include grant revenue and staffing expenses.