

BRAGG CREEK COMMUNITY ASSOCIATION

Financial Statements

Year ended June 30th, 2013

Audited

BRAGG CREEK COMMUNITY ASSOCIATION
June 30th, 2013

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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 30th, 2013 which includes the Statement of Financial Position, Statements of Operations, Changes in Net Assets, Statement of Cash Flows and a summary of significant accounting policies and notes to the financial statements 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, in 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 30th, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



BRAGG CREEK COMMUNITY ASSOCIATION
Statement of Financial Position
Audited
As at June 30th, 2013

ASSETS	2013	2012
CURRENT ASSETS		
Cash, unrestricted (Note 3)	244,936	\$ 145,081
Externally Restricted Assets (Note 4)	21,951	42,546
Internally Restricted - Capital Replacement	206,476	106,428
Accounts Receivable (Note 5)	6,672	183,127
Prepaid Expense and Deposits	1,983	2,229
Inventory	727	727
	482,745	480,138
Property and Equipment (Note 6)	768,877	909,249
	\$ 1,251,622	\$ 1,389,387
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 25,588	\$ 40,555
Deferred Revenue	18,005	28,399
Deferred Cash Contributions (Note 4)	21,951	42,546
Current portion Capital Lease Obligation (Note 7)	-	2,389
	65,544	113,889
Deferred Capital Contributions (Note 8)	195,622	207,792
	261,166	321,681
NET ASSETS		
Surplus - General	933,252	989,922
Surplus - Performing Arts	57,204	77,784
	990,456	1,067,706
	\$ 1,251,622	\$ 1,389,387

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

BRAGG CREEK COMMUNITY ASSOCIATION
Statement of Changes in Net Assets
Audited
For the Year Ended June 30th, 2013

	Unrestricted	Invested in Property and Equipment	County Capital Replacement Fund	Community Capital Replacement Fund	2013 Total General Net Assets	2012 Total General Net Assets
GENERAL						
Beginning of the Year	\$ 191,500	691,994	106,428	-	989,922	\$ 942,014
Purchase of Property and Equipment	(13,469)	13,469	-	-	-	-
Repayment of Capital Lease	(2,389)	2,389	-	-	-	-
Amortization of Deferred Capital Contributions	(34,521)	34,521	-	-	-	-
Allocations to Reserve Funds	(100,048)	-	48	100,000	-	-
	41,073	742,373	106,476	100,000	989,922	942,014
Surplus (Deficit)	89,371	(146,041)			(56,670)	47,908
End of the Year	130,444	596,332	106,476	100,000	933,252	989,922
PERFORMING ARTS						
Beginning of Year	77,784	-	-	-	77,784	79,411
Surplus (Deficit)	(20,580)	-	-	-	(20,580)	(1,627)
	57,204	-	-	-	57,204	77,784
TOTAL NET ASSETS	\$ 187,647	596,332	106,476	100,000	990,456	\$ 1,067,706

BRAGG CREEK COMMUNITY ASSOCIATION
Statement of Operations - General
Audited
For the Year Ended June 30th, 2013

	<u>2013</u>	<u>2012</u>
RECEIPTS		
Casino Contributions	\$ 16,671	\$ 28,126
Donations	2,045	7,600
Fundraising Events (Note 9)	28,956	46,549
Grants (Note 10)	255,803	247,058
Hall and Equipment Rentals and Leases	119,609	143,744
Interest	273	547
Ladies Auxiliary Fundraising	12,130	628
Memberships	4,078	8,555
Programs (Schedule 1)	50,564	42,954
Raffles and Other	1,767	2,180
	<u>491,896</u>	<u>527,941</u>
DISBURSEMENTS		
Administrative	41,984	24,415
Advertising and Promotion	2,663	4,472
Business and Property tax	1,362	1,806
Computers	5,024	5,552
Consulting	41,434	11,789
Donations	-	-
Equipment Lease and Maintenance	-	-
Fundraising Events (Note 9)	22,225	26,383
Insurance	6,752	7,039
Interest on Capital Lease Obligations (Note 7)	626	666
Ladies Auxiliary Fundraising Expenses	11,505	1,571
Programs (Schedule 1)	21,844	33,135
Raffle Expenses	9	-
Rental Expenses	4,448	9,187
Repairs and Maintenance	28,718	41,153
Security	686	958
Uncollectible GST	4,537	5,619
Utilities	52,650	47,492
Wages and Benefits	182,779	176,083
	<u>429,246</u>	<u>397,320</u>
OPERATING SURPLUS BEFORE AMORTIZATION & OTHER EXPENSE	62,650	130,621
Loss on Impairment of Capital Assets	7,800	-
Amortized Deferred Capital Contributions (Note 8)	(34,521)	(39,762)
Amortization	146,041	122,475
SURPLUS (DEFICIT)	\$ (56,670)	\$ 47,908

BRAGG CREEK COMMUNITY ASSOCIATION
Statement of Operations - Performing Arts
Audited
For the Year Ended June 30th, 2013

	2013	2012
RECEIPTS		
Bar and Concessions	\$ 2,721	\$ 9,845
Donations	-	1,500
Grants (Note 10)	-	13,739
Interest	-	168
Performances	43,204	54,165
Raffle	-	1,465
	45,925	80,882
DISBURSEMENTS		
Bank and Credit Card Fees	190	1,707
Bar and Concession	-	7,467
Fundraising	-	5,203
Administrative and Other	13,601	7,857
Performances	52,715	60,275
	66,506	82,509
SURPLUS (DEFICIT)	\$ (20,580)	\$ (1,627)
SUMMARY OF INCREASES AND DECREASES		
General	\$ (56,670)	\$ 47,908
Performing Arts	(20,580)	(1,627)
	\$ (77,250)	\$ 46,281

BRAGG CREEK COMMUNITY ASSOCIATION
Statement of Cash Flows
Audited
For the Year Ended June 30th, 2013

	2013	2012
Cash Provided By (Used In):		
Operating Activities		
Operating Surplus	\$ (56,670)	\$ 47,908
Performing Arts Deficit	(20,580)	(1,627)
Non-cash items affecting financial statements:		
Loss on Impairment of Capital Assets	7,800	-
Amortization of Deferred Capital Contributions (Note 8)	(34,521)	(39,762)
Amortization	146,041	122,475
Non-cash operating working capital:		
Accounts Receivable	176,455	(2,771)
Prepaid Expenses	246	1,632
Inventory	-	83
Performing Arts Deposits	-	7,850
Accounts Payable	(14,967)	1,613
Deferred Revenue	(10,394)	(653)
	193,410	136,748
Financing Activities		
Principal Paid on Capital Lease (Note 7)	(2,389)	(2,674)
Allocation to Deferred Contribution (Note 8)	22,351	-
Deferred Cash Contributions	(6,426)	10,301
	13,536	7,627
Investing Activities		
Building Improvements	(10,765)	(28,337)
Improvements to Ice Rink and Skate Shack	850	(2,035)
Purchase of Furniture and Equipment	(3,554)	(6,385)
	(13,469)	(36,757)
Increase/(Decrease) in Cash	\$ 193,477	\$ 107,618
Cash, Beginning of Year	279,886	172,268
Cash, End of Year	\$ 473,363	\$ 279,886
Cash consists of:		
Unrestricted Cash (Note 3)	\$ 244,936	\$ 145,081
Internally Restricted Cash (Note 3)	206,476	106,428
Restricted Cash (Note 4)	21,951	28,377
	\$ 473,363	\$ 279,886

BRAGG CREEK COMMUNITY ASSOCIATION
Notes to the Financial Statements
Audited
June 30th, 2013

1. GENERAL

The Bragg Creek Community Association (Association) was incorporated under the Societies 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 innovation 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 realizable 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%
Ice Rink and Skate House	10%
Playground Equipment	10%
Tennis Court and Shed	10%
Assets under Capital Lease	10%

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from these estimates could be significant.

BRAGG CREEK COMMUNITY ASSOCIATION
Notes to the Financial Statements
Audited
June 30th, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Government Grants

Government grants are recorded when there is a reasonable assurance that the association had complied with all the necessary conditions to obtain the grants.

3. CASH, UNRESTRICTED

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

	2013	2012
Community Association - Petty Cash	\$ 1,462	\$ 1,300
ATB - Chequing	214,253	94,561
ATB Capital Replacement	106,476	106,428
ATB - Treasury Bill Savings	100,031	-
ATB - Performing Arts Savings	19,943	22,813
ATB - Performing Arts Chequing	5,832	25,058
ATB - Ladies Auxiliary	3,414	3,214
	<u>451,412</u>	<u>253,374</u>
Less: Internally restricted - County Capital Replacement	(206,476)	(106,428)
Less: Restricted funds held in unrestricted accounts	-	(1,865)
	<u>\$ 244,936</u>	<u>\$ 145,081</u>

4. EXTERNALLY RESTRICTED ASSETS & DEFERRED CASH CONTRIBUTIONS

	2013	2012
Casino	\$ 2,629	\$ 19,300
Bragg Creek Days Donations	-	1,865
Bragg Creek Flood Relief	19,322	-
Community Initiative Account	-	7,212
Total Restricted Cash	<u>21,951</u>	<u>28,377</u>
MD Rocky View - Capital Grants Receivable	-	14,169
	<u>\$ 21,951</u>	<u>\$ 42,546</u>

BRAGG CREEK COMMUNITY ASSOCIATION
Notes to the Financial Statements
Audited
June 30th, 2013

5. ACCOUNTS RECEIVABLE

	2013	2012
GST	\$ 4,721	\$ 2,213
Performing Arts - Beanstream Reserve	1,000	1,000
Miscellaneous Receivables	951	10,038
MD Rocky View	-	189,169
	<u>6,672</u>	<u>202,420</u>
Restricted Capital Grants Receivable	-	(14,169)
Allowance for doubtful accounts	-	(5,124)
	<u>\$ 6,672</u>	<u>\$ 183,127</u>

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2013	2012
Land Improvements	\$ 95,016	59,919	35,097	\$ 39,848
Building and Improvements	1,935,529	1,211,965	723,564	809,306
Furniture and Equipment	312,557	309,181	3,376	21,399
Ice Rink and Skate House	166,827	162,182	4,645	22,177
Playground Equipment	67,641	67,641	-	6,524
Artwork	2,195	-	2,195	2,195
Assets Under Capital Lease	-	-	-	7,800
	<u>\$ 2,579,765</u>	<u>1,810,889</u>	<u>768,877</u>	<u>\$ 909,249</u>

7. CAPITAL LEASE OBLIGATION

	2013	2012
Total Minimum Payments Required Under Capital Lease	\$ -	\$ 2,536
Total Interest Payable	-	147
Total Principal of Lease	-	2,389
Current Portion of Capital Lease Obligation	-	2,389
	<u>\$ -</u>	<u>\$ -</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.

	2013	2012
Balance at Beginning of Year	\$ 207,792	\$ 239,134
Contributions From Donations	22,351	8,420
Recognized As Income During The Year	(34,521)	(39,762)
Balance At End of The Year	<u>\$ 195,622</u>	<u>\$ 207,792</u>

BRAGG CREEK COMMUNITY ASSOCIATION
Notes to the Financial Statements
Audited
June 30th, 2013

9. FUNDRAISING EVENTS

	Revenue	Expenses	Net 2013	Net 2012
Bragg Creek Days & Events	\$ 23,815	12,519	11,296	\$ 13,501
Concerts	3,813	8,797	(4,984)	6,198
Other	1,328	910	419	467
	<u>\$ 28,956</u>	<u>22,225</u>	<u>6,731</u>	<u>\$ 20,166</u>

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

10. GRANTS

	2013	2012
Municipal - Rocky View - FCSS	\$ 38,500	\$ 42,500
Municipal - Rocky View - Operating Grant	198,000	175,000
Municipal - Rocky View - Other Grants	22,351	22,589
Provincial - Community Initiatives	7,212	22,783
Provincial - Summer Student Employment Program	3,191	2,450
Provincial - Alberta Foundation for the Arts	3,213	6,176
Federal - Canada Summer Jobs	5,687	5,361
	<u>278,154</u>	<u>276,859</u>
Carried Forward	(8,882)	(7,212)
Spent on Capital Additions	(13,469)	(22,589)
Total Spent on Operations	<u>\$ 255,803</u>	<u>\$ 247,058</u>
Alberta Foundation for the Arts	-	13,739
Total Performing Arts	<u>\$ -</u>	<u>\$ 13,739</u>

11. 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:

BRAGG CREEK COMMUNITY ASSOCIATION
Notes to the Financial Statements
Audited
June 30th, 2013

11. FINANCIAL INSTRUMENTS (continued)

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 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.

12. MANAGEMENT OF CAPITAL

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.

13. RELATED PARTIES

During the year, The Association engaged an Executive Director for professional services. These service fees totaled \$41,434 and was paid to a related Corporation of the Executive Director.

14. CONTRIBUTED SERVICES

A number of volunteers contribute their services to the Association each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the notes to the financial statements. Contributed materials are recorded, when received, at fair value.

BRAGG CREEK COMMUNITY ASSOCIATION
Schedule 1 - Programs
June 30th, 2013

	2013			2012
	Revenue	Expenses	Net	Net
Camps	\$ 31,169	10,935	20,234	\$ 19,066
FCSS	514	544	(30)	(4,558)
Adult programming	6,266	370	5,896	2,982
Other programming	12,615	9,995	2,620	(7,671)
	<u>\$ 50,564</u>	<u>21,844</u>	<u>28,720</u>	<u>\$ 9,819</u>