

**BRIDGELAND RIVERSIDE COMMUNITY  
ASSOCIATION**

**FINANCIAL STATEMENTS**

**December 31, 2008**

# HEIDI BRAUER, *Certified Management Accountant*

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of the  
Bridgeland Riverside  
Community Association**

### **Report on the financial statements**

I have audited the accompanying financial statements of the Bridgeland Riverside Community Association, which comprise the Statement of Financial Position as at December 31, 2008 and the statements of Operations, Changes in Net Assets, Cash Flows and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **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 plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. I am also required to comply with applicable ethical requirements.

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 judgment, 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. Accordingly, the auditor expresses no such opinion.

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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.

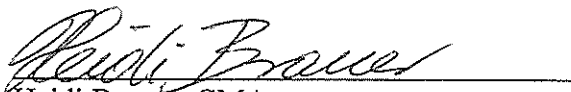
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In common with many not for profit organizations the organization derives revenue from certain fund raising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

**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 fund raising activities, these financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
April 9, 2009

  
Heidi Brauer, CMA  
Manager, Finance & Accounting

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31st, 2008

**ASSETS**

<b>CURRENT ASSETS</b>	<b>2008</b>	<b>2007</b>
Cash and Term Deposits, unrestricted	\$ 203,731	\$ 161,017
Accounts Receivable, unrestricted	3,700	2,978
Prepaid Expense, unrestricted	3,566	91
Externally Restricted Assets (Note 3)	147,798	186,176
	<b>358,795</b>	<b>350,262</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 4):</b>	<b>82,141</b>	<b>33,826</b>
	<b>\$ 440,936</b>	<b>\$ 384,088</b>

**LIABILITIES & NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 9,630	\$ 11,903
GH Memorial Fund	746	746
Deferred Rentals	0	2,620
Deferred Revenue (Note 11)	105,166	105,166
Deferred Cash Contributions (Note 3)	147,798	186,176
	<b>263,340</b>	<b>306,611</b>
<b>Deferred Capital Contributions (Note 5)</b>	<b>78,785</b>	<b>28,684</b>
<b>NET ASSETS</b>		
Unrestricted	95,455	43,651
Invested in Property, Plant and Equipment	3,356	5,142
	<b>98,811</b>	<b>48,793</b>
	<b>\$ 440,936</b>	<b>\$ 384,088</b>

APPROVED BY THE BOARD OF DIRECTORS:

.....Directors

.....Directors

See Notes to the Financial Statements

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
Year Ended December 31st, 2008

	<u>Unrestricted</u>	<u>Invested in Property, Plant and Equipment</u>	<u>Totals 2008</u>	<u>Totals 2007</u>
<b>Balances, Beginning of the Year</b>	\$ 43,651	5,142	48,793	34,831
<b>Increases/(Decreases)</b>	<u>51,804</u>	<u>(1,786)</u>	<u>50,018</u>	<u>13,962</u>
<b>Balances, End of the Year</b>	<u>\$ 95,455</u>	<u>3,356</u>	<u>98,811</u>	<u>48,793</u>

See Notes to the Financial Statements

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
Year Ended December 31st, 2008

<b>REVENUE</b>	<u>2008</u>	<u>2007</u>
Casino Contributions (Note 10)	\$ 55,423	\$ 14,917
Donations	1,429	3,918
Grants (Note 7)	3,412	6,131
Interest Income	3,635	1,452
Memberships	2,710	2,223
Miscellaneous Events	15	1,300
Program Fees	5,741	3,850
Rentals	81,403	78,311
	<u>153,767</u>	<u>112,101</u>
<b>EXPENSES</b>		
Accounting/Management	10,963	7,000
Administration/Office/Telephone	10,900	4,500
Advertising & Promotions	1,194	552
Community Projects	957	467
Donations	3,050	233
Fringe Festival	2,469	3,053
Insurance	4,007	3,601
Miscellaneous Events	347	4,572
Playground	0	1,123
Professional Fees	2,303	1,930
Programs	6,092	1,879
Repair & Maintenance	9,542	18,833
Security	0	2,574
Utilities	7,239	6,340
Wages & Salaries	42,899	39,696
	<u>101,964</u>	<u>96,353</u>
Excess of Expenditures before Amortization	51,804	15,748
Amortization	(15,667)	(11,442)
Amortization of Deferred Contributions (Note 5)	13,882	9,656
<b>Excess of Revenue/( Expenses) after Amortization</b>	<u>\$ 50,018</u>	<u>\$ 13,962</u>

See Notes to the Financial Statements

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31st, 2008

**Cash generated from (used in):**

<b>Operation:</b>	<u>2008</u>	<u>2007</u>
<b>Excess of Revenue/(Expenses)</b>	\$ 50,018	\$ 13,962
<b>Non Cash Items:</b>		
Amortization	15,667	11,442
<b>Changes in non-cash operating Working Capital:</b>		
Accounts Receivable	(78,910)	(1,887)
Prepaid Expense	208	2,541
Accounts Payable	(2,273)	(21,541)
Deferred Rentals	(2,620)	0
Deferred Revenue	0	101,242
<b>Cash from Operations</b>	<u>(17,909)</u>	<u>105,759</u>
<b>Investing:</b>		
Furniture and Equipment	<u>(63,983)</u>	<u>(4,741)</u>
<b>Financing:</b>		
Deferred Cash Contributions	(38,378)	(21,803)
Deferred Capital Contributions	50,101	(9,656)
	<u>11,723</u>	<u>(31,459)</u>
<b>Increase/(Decrease) in Cash</b>	<b>(70,169)</b>	<b>69,559</b>
Cash, Beginning of the Year	<u>342,802</u>	273,243
<b>Cash, End of the Year</b>	<u>\$ 272,633</u>	<u>\$ 342,802</u>

**Cash consisting of:**

Unrestricted Cash	\$ 203,731	\$ 161,017
Externally Restricted Cash	68,902	181,785
	<u>\$ 272,633</u>	<u>\$ 342,802</u>

See Notes to the Financial Statements

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2008

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**1. GENERAL**

The Bridgeland Riverside Community Association (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 to facilitate the social and recreational needs of the community.

**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:

**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.

**b) Property, Plant and Equipment**

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

Leasehold Improvements	<b>10 years</b>
Furniture & Equipment	<b>5 years</b>

No residual value or first year rule apply.

**3. Externally Restricted Assets/Deferred Cash Contributions**

	<u>2008</u>	<u>2007</u>
Cash - Casino	\$ 27,315	\$ 30,718
Investments - T.D. - Casino	41,587	79,067
- Casino	0	72,000
	<u>68,902</u>	<u>181,785</u>
Plus: Prepaid Expense	0	3,683
Plus: Casino Receivable	78,631	0
Plus: Accrued Interest	265	708
	<u>\$ 147,798</u>	<u>\$ 186,176</u>

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2008

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**4. Property, Plant and Equipment**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2008</b>	<b>Net 2007</b>
Equipment & Furniture	\$ 121,194	39,053	82,141	33,826

**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.

As the Association's hall was demolished in 2004 to build a new hall, most capital assets and all deferred capital contributions at the time were written off during 2003.

	<b>2008</b>	<b>2007</b>
Balance from previous year	\$ 28,684	\$ 38,340
Spent from Casino Cash (Note 10)	63,983	0
Taken into income during the year	(13,882)	(9,656)
Balance to next year	\$ <u>78,785</u>	\$ <u>28,684</u>

**6. Contributed Services**

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

**7. Grants**

	<b>Received</b>	<b>Spent on Operations</b>	<b>Spent on Capital</b>
City of Calgary	\$ 1,412	1,412	0
Playground Fund	2,000	2,000	0
	\$ <u>3,412</u>	<u>3,412</u>	<u>0</u>

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2008

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**8. Measurement Uncertainty**

The preparation of the financial statements in conformity with 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.

**9. Financial Instruments**

The Association's financial instruments consist of cash, term deposits, accounts receivable, and various liabilities. Unless otherwise noted, it is management's opinion, that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

TD Canada Trust was holding the following guaranteed investment certificates for the organization:

Unrestricted	\$	<b>106,889</b>	maturing July 17/09 at 1.5%
Unrestricted		<b>9,990</b>	maturing March 24/09 at 1.5%
Unrestricted		<b>50,000</b>	maturing March 4/09 at 3.6%
Restricted		<b>41,587</b>	maturing September 19/09 at 1.5%
	\$	<u><b>208,466</b></u>	

**10. Casino Contributions**

Beginning Casino Funds	\$	<b>186,176</b>
Interest Income		<b>4,391</b>
Transferred (to) from deferred cash contributions		<b>(71,161)</b>
Spent on Capital Expenses (Note 5)		<b>(63,983)</b>
Casino funds spent on operations	\$	<u><b>55,423</b></u>

**11. Deferred Revenue**

The Association is holding a investment for future hall expenses.

**12. Comparative Data**

Certain of the 2007 data has been changed to agree with this year's presentation.

**BRIDGELAND RIVERSIDE COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2008

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**13. Commitment**

The Association is committed to building a playground. A down payment of \$ 42,857 has been made. This was set up under property, plant and equipment but not amortized. The total budget for the project is \$ 272,976.

**14. Related Party Transaction**

A company belonging to a board member was contracted to perform maintenance on the heating and air conditioning equipment. This had been approved by the board. The total paid during the year amounted to app. \$ 1,225.

# HEIDI BRAUER, *Certified Management Accountant*

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April 9, 2009

Board of Directors of the  
Bridgeland-Riverside  
Community Association

## Management Letter

After auditing the financial data of the Bridgeland Riverside Community Association for the fiscal year ended December 31, 2008, I would like to give the following comments and recommendations:

### Statement of Financial Position:

On December 31 you had unrestricted cash of \$ 203,731. Your payables were \$ 115,542. If at this point in time you would have had to make payment, you would not have had a problem doing so.

You also had externally restricted cash of \$ 68,902, which has to be spent on approved objectives by the Alberta Gaming & Liquor Commission.

### Statement of Operations:

Compared to 2007, your total revenue increased by \$ 41,666. This is mainly due to increased contributions from casino, interest income, membership, and program and rental revenues.

Your total expenses increased by \$ 5,611 before amortization. This is mainly due to cost increases and increased activity.

The excess of revenue before amortization was \$ 51,804 (2007 \$ 15,748) and after amortization \$ 50,018 (2007 \$ 13,962). We showed the excess of revenue before and after amortization, as amortization is a book expense, but it should make you aware, that your capital assets are losing value and funding should be set aside for major repairs or replacements.

Review the various line items and discuss ways of increasing revenues and or decreasing expenses. This should also assist you with your budgeting for the next fiscal year.

You should also evaluate the benefits the operations had for the community.

### General:

I was glad to hear, that some of my recommendations were taken into consideration during the last fiscal year, but there is always room for more internal controls. Controls also have to be monitored and enforced.

Keep control of your cash transactions by receipting all cash coming into the hall.

One person should be made responsible for each float or petty cash fund. This should be kept in a place, where nobody else has access to.

To preserve continuity, it is important to have written policies for procedures. You may want to compile written policies for procedures for all staff and board positions and make all board and staff members aware of them. I understand that you are working on this.

Review your insurance policy and by-laws yearly to make sure, they are up to date.

Use an Internal Receipt book for the transfer of funds from the person, who has collected the funds to the person, who deposits the funds.

Should you have questions or would like to discuss internal controls further, please feel free to contact me.

This letter is a derivative communication, a by product of the audit and will not necessarily identify all matters of interest to management. It is prepared solely for the information of management and should not be used for any other purpose.

  
Heidi Brauer CMA

**Bridgeland Riverside Comm. Assoc.**  
**Year End: December 31, 2008**  
**Adjusting Journal Entries**  
**Date: 1/1/2008 To 12/31/2008**

4/9/09

5D

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
002	12/31/2008	Investments - Restricted	1100			100,000.00		
002	12/31/2008	Investment - Unrestricted	1150				100,000.00	
		Corr made in Investment						
003	12/31/2008	Investments - Restricted	1100			7,615.23		
003	12/31/2008	Investment - Unrestricted	1150			354.68		
003	12/31/2008	Interest Revenue	4440				7,969.91	
		Corr made in investment						
004	12/31/2008	Accrued Receivables	1250				2,757.53	
004	12/31/2008	Interest Revenue	4440			2,757.53		
		Cleared last year accrued receivable						
005	12/31/2008	Accrued Receivables	1250			1,425.59		
005	12/31/2008	Accrued Receivables	1250			1,384.56		
005	12/31/2008	Interest Revenue	4440				2,810.15	
		Setup Accrued Receivable Interest on investment						
006	12/31/2008	Prepayments	1300			656.76		
006	12/31/2008	Utilities	5783				656.76	
		Corr made in Prepayments of Enmax July, Aug & Oct						
007	12/31/2008	Prepayments	1300			600.00		
007	12/31/2008	Insurance - Liability & Property	5670				600.00	
		Corr made of Insurance taken out too much						
008	12/31/2008	CFEP Grant - Restricted Funds	2250					
008	12/31/2008	Deferred Cash Contributions	2460					
		Corr made in Deferred Capital cont.						
009	12/31/2008	Deprec - Office Furn & Equip	1975				15,667.47	
009	12/31/2008	Amortization Expense	5800			15,667.47		
		Amortization 2008						
010	12/31/2008	Miscellaneous Revenue	4460			74.52		
010	12/31/2008	Worker's Compensation	5784				74.52	
		Move WCB rebate from misc. rev to expense						
012	12/31/2008	Deferred Capital Contributions	2500	GG		13,882.45		
012	12/31/2008	Amortized deferred capital contribution	4000	GG			13,882.45	
		To amortize the deferred capital contribution for 2008						
013	12/31/2008	Investments - Restricted	1100				106,888.92	
013	12/31/2008	Investment - Unrestricted	1150			106,888.92		
		Take investment out of restricted						
016	12/31/2008	Retained Earnings - Previous Year	3560				25.33	
016	12/31/2008	Office Supplies	5700			25.33		

4/9/09

**Bridgeland Riverside Comm. Assoc.**  
Year End: December 31, 2008  
Adjusting Journal Entries  
Date: 1/1/2008 To 12/31/2008

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence
Adjust equity to 2007 balance							
017	12/31/2008	Deferred Cash Contributions	2460		117,009.45		
017	12/31/2008	Deferred Capital Contributions	2500			63,983.13	
017	12/31/2008	Casino Revenue	4300			55,423.39	
017	12/31/2008	Interest Revenue	4440		4,387.78		
017	12/31/2008	Casino Expenses	5010			1,990.71	
Adjust deferred cash and capital contributions to actual							
018	12/31/2008	Accounts Receivable	1200		76,540.85		
018	12/31/2008	Deferred Cash Contributions	2460			76,540.85	
Casino Receivable							
019	12/31/2008	Accounts Receivable	1200		2,090.25		
019	12/31/2008	Deferred Cash Contributions	2460			2,090.25	
Re-imbusement received in January for casino							
020	12/31/2008	Accounts Payable	2100			2,300.00	
020	12/31/2008	Audit Fees/Legal	5750		2,300.00		
audit							
					453,661.37	453,661.37	

Net Income (Loss) 50,019.91  
*N*