

FINANCIAL STATEMENTS

OF

BLACK CREEK COMMUNITY ASSOCIATION

(Unaudited)

Year Ended December 31, 2020

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REVIEW ENGAGEMENT REPORT

To the Directors of
Black Creek Community Association

I have reviewed the statement of financial position of Black Creek Community Association as at December 31, 2020 and the statements of operations and unrestricted net assets, and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the association.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

In common with many charitable organizations, the Association derives a portion of its revenue from donations and fund raising activities, the completeness of which, is not susceptible to satisfactory review. Accordingly, my review of these revenues was limited to the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to revenues, net operating excess (or shortfall) for the year, assets, and net asset balances.

Except as described in the preceding paragraph, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Stuart R. Barry - CPA, CA

Courtenay, B.C.
March 15, 2021

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current:		
Cash	\$ 81,619	\$ 51,869
Accounts receivable	3,917	2,667
GST/HST rebate recoverable	722	1,125
Prepaid expenses	<u>9,959</u>	<u>10,608</u>
	96,217	66,269
 Property and equipment (note 3, 4(c))	 <u>424,235</u>	 <u>444,795</u>
	<u>\$ 520,452</u>	<u>\$ 511,064</u>
 LIABILITIES		
Current:		
Accounts payable and accruals	\$ 17,978	\$ 11,691
Unearned income	8,976	14,572
Deferred contributions (note 1(c))	<u>19,000</u>	<u>19,000</u>
	45,954	45,263
 NET ASSETS		
Invested in property and equipment (note 4(c))	424,235	444,795
Restricted net assets (note 4(b))	-	-
Unrestricted net assets (note 4(a))	<u>50,263</u>	<u>21,006</u>
	474,498	465,801
	<u>\$ 520,452</u>	<u>\$ 511,064</u>

Approved on behalf of the Directors:

See accompanying notes to the financial statements

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS AND UNRESTRICTED NET ASSETS
(Unaudited)

Year Ended December 31, 2020 with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
REVENUES:		
Gaming	\$ 20,310	\$ 21,949
Rentals	13,136	15,959
Grants & donations (note 2)	120,123	93,881
Programs & fitness room	65,900	111,516
Special events	4,643	18,704
Other	<u>6,885</u>	<u>7,536</u>
	230,997	269,545
EXPENSES:		
Administrative wages & benefits	81,663	100,670
Advertising	1,831	1,096
Bank charges	3,259	3,907
MCFD grant costs	3,187	5,773
Insurance	9,209	9,371
Janitorial	10,954	16,769
Licenses, memberships & services	6,823	7,460
Professional fees	3,918	15,288
Programs, fitness & events	39,403	64,224
Property & facility maintenance	23,538	13,232
Supplies & activity guide	10,538	13,711
Utilities	<u>7,417</u>	<u>9,828</u>
	<u>201,740</u>	<u>261,329</u>
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	29,257	8,216
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	21,006	19,316
TRANSFERRED TO RESTRICTED NET ASSETS	-	-
TRANSFERRED TO PROPERTY & EQUIPMENT	<u>-</u>	<u>(6,526)</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 50,263</u>	<u>\$ 21,006</u>

See accompanying notes to financial statements

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)
Year Ended December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Operating activities:		
Cash from operations:		
Excess (shortfall) of revenues	\$ 29,257	\$ 8,216
Revenue & expense items not involving cash:		
- Accounts receivable	(847)	(2,586)
- Prepaid expenses	649	(654)
- Accounts payable & accruals	6,287	1,856
- Unearned income & deferred contributions	<u>(5,596)</u>	<u>3,312</u>
	<u>29,750</u>	<u>10,144</u>
Investing activities:		
Grants received for property & equipment	-	-
Additions to property & equipment	<u>-</u>	<u>(6,526)</u>
	<u>-</u>	<u>(6,526)</u>
Increase(decrease) in cash during year	29,750	3,618
Cash - beginning of year	<u>51,869</u>	<u>48,251</u>
Cash - end of year	<u>\$ 81,619</u>	<u>\$ 51,869</u>

See accompanying notes to financial statements

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year Ended December 31, 2020

The Black Creek Community Association was constituted to provide recreational and leisure services and programs to the residents of Black Creek, B.C. and surrounding area. The Association is organized under and governed by the laws of the Province of British Columbia, and is a registered charity under the Income Tax Act of Canada.

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting standards

The Association prepares its' financial statements in accordance with Canadian generally-accepted accounting standards for not-for-profit organizations.

b) Property and equipment

Purchased assets in excess of \$ 250, are recorded at cost. Contributed assets are recorded at their estimated fair value at the date of contribution. Amortization is provided on a declining balance basis at 4% per annum for buildings and building improvements, and 10% for equipment. Land and land improvements are not being amortized.

c) Contributions

The Black Creek Community Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are 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.

d) Contributed services

In common with most not-for-profit organizations, the Association relies significantly on volunteers to assist in carrying out its service delivery activities. Because of the difficulty in determining their fair value, volunteer services are not recognized in the financial statements.

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year ended December 31, 2020

1. e) Financial instruments

The Association's financial instruments consist of accounts receivable, trade accounts, and other amounts payable currently. The Association initially measures its financial assets and financial liabilities at cost which are periodically tested for impairment as circumstances warrant. The amount of any indicated write-downs are recognized in current net income.

f) Revenue recognition:

Revenue from memberships and unspecified donations are recognized on a cash basis. No accruals are made for amounts pledged but not yet received. Government grants which provide core funding for annual operating costs are amortized over the term of the core funding provided. Government grants pertaining to specific projects are recognized as revenues as the related project expenditures are incurred.

Fundraising revenues are recognized as received; and fundraising costs are recognized as the costs are incurred.

2. GRANTS AND DONATIONS:

	2020	2019
Comox Valley Regional District	\$ 65,500	\$ 65,500
Province of British Columbia	7,056	17,056
Government of Canada	39,211	300
Other	<u>8,356</u>	<u>11,025</u>
	<u>\$ 120,123</u>	<u>\$ 93,881</u>

3. PROPERTY AND EQUIPMENT:

	2020		2019	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land & Improvements	\$ 127,927	\$ -	\$ 127,927	\$ 127,927
Buildings & Improvements	426,838	248,805	178,033	185,451
Equipment	<u>176,770</u>	<u>58,495</u>	<u>118,275</u>	<u>131,417</u>
	<u>\$ 731,535</u>	<u>\$ 307,300</u>	<u>\$ 424,235</u>	<u>\$ 444,795</u>

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year ended December 31, 2020

4. NET ASSETS

a) Unrestricted net assets

Unrestricted net assets consist of the accumulated excess of revenues over expenses since inception of the Association, less amounts previously designated by the Directors' for specific purposes or uses and less amounts invested in capital assets.

b) Restricted net assets

Restricted net assets consist of the aggregate of amounts designated by the Directors for specific purposes or uses, less amounts expended for such purposes or uses to date. At the end of the current fiscal year, no unspent funds remained for such purposes or uses.

c) Invested in property and equipment

Net assets invested in property and equipment consist of the accumulated amounts expended or donated for land, building and equipment less accumulated amortization costs. During the 2019 fiscal year, the Association was one of three winners under B.C. Automobile Association's "Play Here" program. This program provides for awards of up to \$ 100,000 for play space revitalization. The award enabled the Association to significantly upgrade and safeguard the Community Centre playground with assistance from Playworks, Inc. and numerous volunteers.

	2020	2019
Balance, beginning of year	\$ 444,795	\$ 348,539
Additions, net of retirements	-	107,614
Amortization charge for year	<u>(20,560)</u>	<u>(11,358)</u>
Balance, end of year	<u>\$ 424,235</u>	<u>\$ 444,795</u>

Net additions were funded as follows:

	2020	2019
BCAA (Play Here) Award	\$ -	\$ 101,088
Amounts allocated from Restricted net assets	-	-
Amounts transferred from Unrestricted net assets	<u>-</u>	<u>6,526</u>
	<u>\$ -</u>	<u>\$ 107,614</u>

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year ended December 31, 2020

5. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles ordinarily 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 for the year. By their nature, estimates are subject to measurement uncertainty and actual results will differ, and the differences may be significant.

6. FINANCIAL INSTRUMENTS - RISKS:

The Association is exposed to various risks through its financial instruments without being exposed to concentrations of risk. However, it is management's opinion that the Association is not exposed to significant interest, liquidity, currency, or credit risk arising from these instruments.