

FINANCIAL STATEMENTS

OF

BLACK CREEK COMMUNITY ASSOCIATION

(Unaudited)

Year Ended December 31, 2021

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Stuart R. Barry, CPA
2659 Huband Road
Courtenay, B.C.
V9J 1L4
Ph. (250) 338-4007
E-mail stubarry@telus.net

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Black Creek Community Association

I have reviewed the accompanying financial statements of the Black Creek Community Association that comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

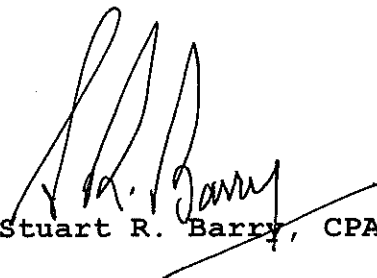
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, 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.

Conclusion

Based on my review and except as described in the proceeding paragraph nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Black Creek Community Association as at December 31, 2021, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.




Stuart R. Barry, CPA, CA

Courtenay, B.C.
March 9, 2022

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
Current:		
Cash - unrestricted	\$ 106,455	\$ 81,619
Cash - restricted (Note 4(c))	389,717	-
Accounts receivable	335	3,917
GST/HST rebate recoverable	1,622	722
Prepaid expenses	<u>14,055</u>	<u>9,959</u>
	512,184	96,217
Property and equipment (note 3, 4(d))	<u>431,889</u>	<u>424,235</u>
	<u>\$ 944,073</u>	<u>\$ 520,452</u>
 LIABILITIES		
Current:		
Accounts payable and accruals	\$ 7,744	\$ 15,968
Wages and benefits payable	3,060	2,010
Unearned income	15,830	8,976
Deferred contributions (note 1(c))	<u>19,000</u>	<u>19,000</u>
	45,634	45,954
 NET ASSETS		
Invested in property and equipment (note 4(d))	431,889	424,235
Internally restricted net assets (note 4(b))	-	-
Externally restricted net assets (note 4(c))	389,717	-
Unrestricted net assets (note 4(a))	<u>76,833</u>	<u>50,263</u>
	<u>898,439</u>	<u>474,498</u>
	<u>\$ 944,073</u>	<u>\$ 520,452</u>

Approved on behalf of the Directors:

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See accompanying notes to the financial statements

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

Year Ended December 31, 2021 with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
REVENUES:		
Gaming	\$ 19,198	\$ 20,310
Rentals	12,417	13,136
Grants & donations (note 2)	156,608	120,123
Programs & fitness room	86,989	65,900
Special events	12,691	4,643
Other	<u>5,315</u>	<u>6,885</u>
	293,218	230,997
EXPENSES:		
Administrative wages & benefits	107,319	81,663
Advertising	114	1,831
Bank charges	4,258	3,259
MCFD grant costs	2,660	3,187
Insurance	9,636	9,209
Janitorial	17,432	10,954
Licenses, memberships & services	6,710	6,823
Professional fees	3,931	3,918
Programs, fitness & events	51,160	39,403
Property & facility maintenance	24,020	23,538
Supplies & activity guide	12,158	10,538
Utilities	<u>9,684</u>	<u>7,417</u>
	<u>249,082</u>	<u>201,740</u>
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	44,136	29,257
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	50,263	21,006
TRANSFERRED TO RESTRICTED NET ASSETS	-	-
TRANSFERRED TO PROPERTY & EQUIPMENT	<u>(17,566)</u>	<u>-</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 76,833</u>	<u>\$ 50,263</u>

See accompanying notes to financial statements

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)
Year ended December 31, 2021

	Invested in In Capital Assets	Internally Restricted	Externally Restricted	Unrestricted	2021 Total	2020 Total
NET ASSETS	<u>\$ 431,889</u>	<u>-</u>	<u>\$ 389,717</u>	<u>\$ 76,833</u>	<u>\$ 898,439</u>	<u>\$ 474,498</u>
BALANCE, BEGINNING OF YEAR	\$ 424,235	\$ -	\$ -	\$ 50,263	\$ 474,498	\$ 465,801
CURRENT YEAR ADDITIONS (TRANSFERS)	26,819	-	(9,253)	(17,566)	-	-
AMORTIZATION FOR YEAR	(19,165)	-	-	-	(19,165)	(20,560)
RESTRICTED BY CONTRIBUTORS	-	-	398,970	-	398,970	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	44,136	44,136	29,257
BALANCE, END OF YEAR	<u>\$ 431,889</u>	<u>\$ -</u>	<u>\$ 389,717</u>	<u>\$ 76,833</u>	<u>\$ 898,439</u>	<u>\$ 474,498</u>

See accompanying notes to the financial statements

BLACK CREEK COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)
Year Ended December 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
Operating activities:		
Cash from operations:		
Excess (shortfall) of revenues	\$ 44,136	\$ 29,257
Revenue & expense items not involving cash:		
- Accounts receivable	2,682	(847)
- Prepaid expenses	(4,096)	649
- Trade accounts, wages & benefits	(7,174)	6,287
- Unearned income & deferred contributions	<u>6,854</u>	<u>(5,596)</u>
	<u>42,402</u>	<u>29,750</u>
 Investing activities:		
Grants received for property & equipment	398,970	-
Additions to property & equipment	<u>(26,819)</u>	<u>-</u>
	<u>372,151</u>	<u>-</u>
 Increase in cash during year	414,553	29,750
 Cash - beginning of year	<u>81,619</u>	<u>51,869</u>
 Cash - end of year	<u>\$ 496,172</u>	<u>\$ 81,619</u>

See accompanying notes to financial statements

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year Ended December 31, 2021

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 which are available for use, 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, 2021

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 fair value which are periodically tested for impairment and amortized 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:

	2021	2020
Comox Valley Regional District	\$ 115,799	\$ 65,500
Province of British Columbia	7,056	7,056
Government of Canada	31,092	39,211
Other	<u>2,661</u>	<u>8,356</u>
	<u>\$ 156,608</u>	<u>\$ 120,123</u>

3. PROPERTY AND EQUIPMENT:

	2021		2020	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land & Improvements	\$ 127,927	\$ -	\$ 127,927	\$ 127,927
Buildings & Improvements	442,198	256,079	186,119	178,033
Outdoor Pavilion (in construction)	9,253	-	9,253	-
Equipment	<u>178,976</u>	<u>70,386</u>	<u>108,590</u>	<u>118,275</u>
	<u>\$ 758,354</u>	<u>\$ 326,465</u>	<u>\$ 431,889</u>	<u>\$ 424,235</u>

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year ended December 31, 2021

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) Internally restricted net assets

Internally 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) Externally restricted net assets

Externally restricted net assets consist of amounts contributed or donated to the Association which are to be used for specific purposes or projects, less amounts which have been expended to date expressly for such purposes.

During the current fiscal year, the Association received \$ 398,970 from the Province of British Columbia as a grant under the "Community Economic Recovery Infrastructure Program" (CERIP). The project funded was for the construction of a covered outdoor space to be located on the Association's property. To the year end, \$ 9,253 had been spent on the project which is scheduled to be completed by March 31, 2023.

d) 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.

BLACK CREEK COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
Year ended December 31, 2021

4. d) Invested in property and equipment (continued)

	2021	2020
Balance, beginning of year	\$ 424,235	\$ 444,795
Additions, net of retirements	26,819	-
Amortization charge for year	<u>(19,165)</u>	<u>(20,560)</u>
Balance, end of year	<u>\$ 431,889</u>	<u>\$ 424,235</u>

Net additions were funded as follows:

	2021	2020
Amounts allocated from		
Externally restricted net assets	\$ 9,253	\$ -
Amounts allocated from		
Internally restricted net assets	-	-
Amounts transferred from		
Unrestricted net assets	<u>17,566</u>	<u>-</u>
	<u>\$ 26,819</u>	<u>\$ -</u>

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.