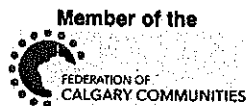


LAKE BONAVISTA COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2015



LAKE BONAVISTA COMMUNITY ASSOCIATION

June 30, 2015

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Independent Auditor's Report

To the Members of:
Lake Bonavista Community Association

I have audited the financial statements of the Lake Bonavista Community Association as at June 30, 2015 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 accounting standards for not-for profit organizations 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 auditing standards for not for profit organizations. 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 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. 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 Lake Bonavista 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 Lake Bonavista 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 Lake Bonavista Community Association as at June 30, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian auditing standards for not-for-profit organizations.

Calgary, Alberta
October 9, 2015




Heidi Brauer CPA, CMA

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

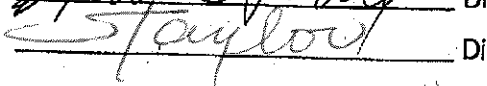
As at June 30, 2015

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 437,151	\$ 294,628
Cash and cash equivalents, externally restricted (Note 3)	2,551	68,727
Cash and cash equivalents, internally restricted (Note 5)	357,757	335,384
Accounts receivable, unrestricted	308,264	68,896
Accounts receivable, externally restricted (Note 3)	72,698	-
Inventory	15,197	13,001
Prepaid expense and deposits (Note 6)	19,662	23,420
	1,213,280	804,056
Property and Equipment (Notes 4 & 11)	2,693,205	2,112,387
	\$ 3,906,485	\$ 2,916,443
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, deposits and accrued liabilities (Note 7)	\$ 455,199	\$ 75,718
Deferred cash contributions (Note 3)	75,249	68,727
Deferred revenue	253,872	349,049
Payroll payable	3,354	-
Taxes (GST) payable	-	4,099
Reserve Funds (Note 8)	58,511	47,025
	846,185	544,618
Debentures payable (Note 12)	30,200	30,200
Deferred capital contributions (Notes 9 & 11)	1,449,752	869,250
NET ASSETS		
Internally restricted (Note 5)	357,757	335,384
Invested in property and equipment	1,243,453	1,243,137
Unrestricted	(20,862)	(106,146)
	\$ 1,580,348	\$ 1,472,375
	\$ 3,906,485	\$ 2,916,443

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



Director



Director

See Notes to the Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended June 30, 2015

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2015 Totals	2014 Totals
Balances, Beginning of the Year	\$ (37,419)	335,384	1,243,137	1,541,102	1,060,789
Restatements (Note 11)	(38,527)	(30,200)	-	(68,727)	(68,727)
	(75,946)	305,184	1,243,137	1,472,375	992,062
Bona Fund appropriation from current revenue	(3,440)	3,440	-	-	6,480
Interest income	(3,805)	3,805	-	-	(7,572)
Capital building levy (Note 15)	(45,328)	45,328	-	-	-
Increase	107,657	-	316	107,973	481,404
Balances, End of the Year	\$ (20,862)	357,757	1,243,453	1,580,348	1,472,375

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)

Year ended June 30, 2015

2014

Revenue and expenditures

	Revenue	Expenditures	Net	Net
Programs (Schedule 2)	\$ 673,816	368,399	305,417	317,734
Facility rentals (Schedule 1)	579,384	-	579,384	563,261
Concession	89,527	75,298	14,229	10,551
Casino contributions (Note 14)	66,175	-	66,175	68,360
Memberships	50,380	-	50,380	46,665
Capital building levy (Note 15)	45,328	-	45,328	-
Expenses recovered	19,381	-	19,381	21,624
Miscellaneous	17,350	-	17,350	16,422
Fundraising - user fees	12,865	-	12,865	11,610
Investment income (loss)	3,806	-	3,806	(7,572)
Advertising	3,673	-	3,673	7,908
Fundraising - Bona fund	3,440	-	3,440	6,480
Donations	313	-	313	343,256
	<u>1,565,438</u>	<u>443,697</u>	<u>1,121,741</u>	<u>1,406,299</u>

General and administrative expenditures

Building and equipment - repair & maintenance	77,720	67,598
General office & miscellaneous	69,336	64,073
Insurance	23,471	22,234
Professional fees	9,724	15,325
Salaries and benefits	576,082	471,886
Utilities	167,224	173,689
Loss on sale of capital assets	11,908	39,032
	<u>935,465</u>	<u>853,837</u>

Excess of revenue over expenses before amortization	186,276	552,462
Amortization of deferred capital contributions (Note 9)	51,777	-
Amortization expense	<u>(130,080)</u>	<u>(71,057)</u>

Excess of revenue over expenses after amortization	<u>\$ 107,973</u>	<u>\$ 481,405</u>
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See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2015

	2015	2014
Funds Provided By (Used In) Operations:		
Excess of revenue over expenses	\$ 107,973	\$ 481,405
Charges not affecting cash:		
Amortization	130,080	71,057
Loss on sale of capital asset	11,908	39,032
Amortization of deferred capital contributions	(51,777)	-
Loss on sale of shares	-	10,494
	198,184	601,988
Changes in non-cash operating working capital:		
Account receivable	(312,066)	(8,291)
Inventories	(2,196)	(5,134)
Prepaid expenses	3,758	5,136
Accounts payable and accrued charges	378,736	(14,344)
Deferred revenue	(95,177)	76,577
Reserve Funds	11,486	6,563
Net Increase in Working Capital	182,725	662,495
Cash flows from Financing Activities:		
Deferred Cash contributions	6,522	19,347
Donation of shares	-	(308,800)
Proceeds on sale of shares	-	298,306
Deferred capital contributions (Note 9)	632,279	201,405
	638,801	210,258
Cash flows from Investing Activities:		
Acquisition of capital assets	(722,986)	(570,445)
Disposal of capital assets	180	298,306
	(722,806)	(272,139)
Increase In Cash	98,720	600,614
Cash, Beginning Of The Year	698,739	98,125
Cash, End Of The Year	\$ 797,459	\$ 698,739
Consisting of:		
Unrestricted Cash and cash equivalents	\$ 437,151	\$ 294,628
Internally restricted cash and cash equivalents	357,757	335,384
Externally Restricted Cash	2,551	68,727
	\$ 797,459	\$ 698,739

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2015

1. NATURE OF THE ORGANIZATION

The Lake Bonavista Community Association (the "Association") was incorporated under the Societies Act of Alberta on February 6, 1970, to acquire lands and provide a building for social and community activities, to encourage and promote amateur games and exercises and to provide a meeting place for the consideration and discussion of questions affecting the interests of the community.

The Association was registered as a charity and is exempt from income taxes as long as it maintains its charitable purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations. The significant accounting policies are as follows:

(a) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

(b) Revenue recognition

Donations are recorded as revenue when received.

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 were 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.

Operating revenue and expenses are recorded on the accrual basis.

(c) Inventories

Inventory consists of concession and clothing and is valued at the lower of cost and net realizable value with the cost being determined on a first-in first-out basis.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2015

(d) Property and Equipment

Property and Equipment are recorded at cost and amortization is provided in the accounts at rates designed to amortize the cost of the capital assets over its estimated useful life. Amortization is provided at the following annual rates on a straight-line basis:

Recreation centre and ice plant	-	2.5%
Mechanical equipment	-	5%
Office equipment	-	20%
Other equipment and tools	-	10%, 20%
Field house	-	4%
Used vehicle	-	20%

(e) Deferred Capital Contributions

Deferred capital contributions represent funding or donations received to assist in the purchase of property and equipment. This funding is being amortized to income on the same basis as the related capital asset is amortized and expensed (Note 9).

(f) Contributed Services

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

(g) Financial Instruments

Measurement of Financial Instruments:

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Risk:

It is management's opinion that the Organization is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

(h) Donated Goods

The Association receives goods donated by individuals and businesses who assist the organization in achieving its mission. Donated goods are recorded at cost if a value could readily be established and the goods would have otherwise been purchased.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2015

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Assets generated from casino activities are restricted to spending according to Alberta Gaming regulations. Unspent grant funding is restricted to be spent on approved expenditures only.

	<u>2015</u>	<u>2014</u>
Casino Bank	\$ 2,551	\$ 68,727
Casino pool receivable	<u>72,698</u>	<u>-</u>
	<u>\$ 75,249</u>	<u>\$ 68,727</u>

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net</u>	<u>2014 Net</u>
Recreation Centre	3,278,438	1,519,755	1,758,683	1,129,262
Ice Plant	412,504	102,536	309,968	320,281
Mechanical Equipment	918,861	444,695	474,166	492,200
Office Equipment	81,281	71,180	10,101	11,554
Other Equipment and Tools	246,688	109,483	137,205	155,498
Field House	91,525	90,053	1,472	1,522
Vehicles	2,300	690	1,610	2,070
	<u>5,031,597</u>	<u>2,338,392</u>	<u>2,693,205</u>	<u>2,112,387</u>

5. INTERNALLY RESTRICTED ASSETS

The board of directors internally restricted cash for a capital replacement reserve:

	<u>2015</u>	<u>2014</u>
Balance forward	\$ 305,184	\$ 306,276
Investment income (loss)	3,805	(7,572)
Appropriation of bona funds	3,440	6,480
Capital building levy	<u>45,328</u>	<u>-</u>
	<u>\$ 357,757</u>	<u>\$ 305,184</u>

Internally restricted cash consists of:

	<u>2015</u>	<u>2014</u>
Cash equivalent GIC - maturing 29/7/2015 at 1%	\$ 200,834	\$ -
Cash in TD Bank account	<u>156,923</u>	<u>305,184</u>
	<u>\$ 357,757</u>	<u>\$ 305,184</u>

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2015

6. PREPAID EXPENSE AND DEPOSITS

Prepaid expense and deposits consist of deposits for signage and windows, prepaid insurance, warranties and various other prepaid expenses.

7. ACCOUNTS PAYABLE, DEPOSITS AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include on estimate for roofing expenses incurred of \$395,000 and various other trade payables.

8. RESERVE FUNDS

The reserve fund consists of:

	2015	2014
Uniform Reserve Fund	\$ 56,254	\$ 47,025
Contract Ice Reserve	1,517	-
Playground Fund	740	-
	\$ 58,511	\$ 47,025

9. DEFERRED CAPITAL CONTRIBUTIONS

	2015	2014
Balance from previous year	\$ 869,250	\$ 711,501
Contributions received	632,279	201,405
Amortization	(51,777)	(43,656)
	\$ 1,449,752	\$ 869,250

10. COMPARATIVE DATA

The 2014 financial statements had been prepared by a different auditor. Certain of the 2014 data has been reallocated to comply with this year's presentation.

11. RESTATEMENTS

It has come to our attention, that in the 2014 audited financial statement, no externally restricted assets and deferred cash contributions as well as deferred capital contributions were allocated. This resulted in an increase in externally restricted assets of \$68,727 and a decrease in unrestricted net assets of \$68,727, an increase in capital assets of \$869,250 and an increase in deferred capital contributions of \$869,250.

Debentures payable were recorded as a liability and also allocated in internally restricted net assets. The restatement resulted in an increase in unrestricted net assets of \$30,200 and a decrease of internally restricted net assets of \$30,200.

Overall, there was a net decrease in net assets of \$68,727.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2015

12. DEBENTURES PAYABLE

The debentures payable are unsecured, bear simple interest of 5% per annum and are repayable as to both principal and interest at any time upon the request of the debenture holder, but matured on January 1, 1998 and are non-interest bearing from that date forward.

	<u>2015</u>	<u>2014</u>
Principal	\$ 15,100	\$ 15,100
Accrued interest	15,100	15,100
	<u>\$ 30,200</u>	<u>\$ 30,200</u>

13. LICENCE OF OCCUPATION

The Association's building complex, adjacent sports field and field house, is situated on land under a licence of occupation from the City of Calgary. The licence of occupation expired on December 31, 2013. Negotiations are complete and approval of a new licence of occupation is pending.

14. CASINO CONTRIBUTIONS

	<u>2015</u>	<u>2014</u>
Casino bank balance, beginning of the year	\$ 68,727	\$ -
Casino proceeds	72,697	-
Contribution to operations	(66,175)	-
Casino balance, end of the year	<u>\$ 75,249</u>	<u>\$ 68,727</u>

15. CAPITAL LEVY

During the fiscal year, a motion was passed to collect a levy of 5% on facility rentals as a capital levy. This will be allocated to the internally restricted capital replacement reserve. Total collected in 2015 \$45,328.

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 1 - FACILITIES RENTAL

For the Year ended June 30, 2015

	<u>2015</u>	<u>2014</u>
Large arena	293,970	292,385
Gym	80,818	78,580
Multi-purpose, lobby and dressing room	42,104	26,534
Social area	39,773	44,338
Fitness centre	38,688	32,199
Scout hall and green space	12,794	12,317
Small arena	71,237	76,908
	<u>\$ 579,384</u>	<u>\$ 563,261</u>

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 2 - PROGRAM REVENUE AND EXPENSES

For the Year ended June 30, 2015

	Hockey	Basketball	Soccer	Children	Adult	Social	Total
Revenue							
Registration	444,483	25,537	27,501	135,183	26,966	1,717	661,387
Advertising	600	-	-	-	-	-	600
Sponsorships/ Grants Donations	4,295	-	375	143	286	1,553	6,652
Miscellaneous	427	-	4,750	-	-	-	5,177
	<u>449,805</u>	<u>25,537</u>	<u>32,626</u>	<u>135,326</u>	<u>27,252</u>	<u>3,270</u>	<u>673,816</u>
Expenditures:							
City Registration	60,229	-	-	109,080	-	-	169,309
Referees/ Instructors	\$ 56,985	4,308	-	10,448	11,534	-	83,275
Salaries	-	-	1,336	4,493	-	-	5,829
Bonafund discount	32,000	-	-	-	-	-	32,000
Awards/Trophies	5,115	456	5,561	-	-	-	11,132
Donations	-	-	-	-	-	-	-
Coaches clinics/training	5,361	-	-	-	-	-	5,361
Facilities - external	8,294	4,740	477	-	-	289	13,800
Uniforms/ equipment	8,154	961	5,225	-	214	208	14,762
Miscellaneous	15,561	125	4,454	405	993	11,393	32,931
	<u>191,699</u>	<u>10,590</u>	<u>17,053</u>	<u>124,426</u>	<u>12,741</u>	<u>11,890</u>	<u>368,399</u>
Excess of revenue (deficit) over expenses	\$ 258,106	14,947	15,573	10,900	14,511	(8,620)	305,417

For the Year ended June 30, 2014

	Hockey	Basketball	Soccer	Children	Adult	Social	Total
Revenue							
Registration	426,120	24,045	28,527	123,045	25,934	1,835	629,506
Advertising	800	-	-	-	-	-	800
Sponsorships/ Grants Donations	1,750	-	-	-	272	2,194	4,216
Miscellaneous	100	-	2,600	-	40	1,667	4,407
	<u>428,770</u>	<u>24,045</u>	<u>31,127</u>	<u>123,045</u>	<u>26,246</u>	<u>5,696</u>	<u>638,929</u>
Expenditures:							
City Registration	61,116	-	-	98,425	-	-	159,541
Referees/ Instructors	53,546	2,700	101	11,509	11,800	-	79,656
Salaries	-	-	1,566	4,416	-	-	5,982
Awards/Trophies	6,362	252	4,973	-	-	45	11,632
Donations	200	-	-	-	-	-	200
Coaches clinics/training	4,398	-	-	-	-	-	4,398
Facilities	12,123	1,285	468	-	-	451	14,327
Uniforms/ equipment	5,175	1,042	5,228	3,220	-	234	14,899
Miscellaneous	11,555	302	4,609	162	963	12,969	30,560
	<u>154,475</u>	<u>5,581</u>	<u>16,945</u>	<u>117,732</u>	<u>12,763</u>	<u>13,699</u>	<u>321,195</u>
Excess of revenue (deficit) over expenses	274,295	18,464	14,182	5,313	13,483	(8,003)	317,734