

LAKE BONAVISTA COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2017



LAKE BONAVISTA COMMUNITY ASSOCIATION

June 30, 2017

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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, 2017 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. 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, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
October 11, 2017




Heidi Brauer
Chartered Professional Accountant

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at June 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 426,265	\$ 653,985
Cash and cash equivalents, externally restricted (Note 3)	99,516	3,917
Cash and cash equivalents, internally restricted (Note 5)	764,274	442,276
Accounts receivable, unrestricted	155,354	19,628
GST receivable	5,990	1,875
Inventories	10,142	9,405
Prepaid expense and deposits (Note 6)	53,016	23,196
	<u>1,514,557</u>	<u>1,154,282</u>
Property and Equipment (Notes 4 & 10)	<u>2,682,947</u>	<u>2,602,272</u>
	<u>\$ 4,197,504</u>	<u>\$ 3,756,554</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, deposits and accrued liabilities (Note 7)	\$ 89,440	\$ 59,094
Deferred cash contributions (Note 3)	99,516	3,917
Deferred revenue	212,214	254,548
Payroll payable	5,636	6,207
	<u>406,806</u>	<u>323,766</u>
Debentures payable (Note 9)	<u>30,000</u>	<u>30,000</u>
Deferred capital contributions (Notes 8)	<u>1,483,369</u>	<u>1,388,961</u>
NET ASSETS		
Internally restricted (Note 5)	764,274	442,276
Invested in property and equipment	1,199,578	1,213,311
Unrestricted	313,477	358,240
	<u>\$ 2,277,329</u>	<u>\$ 2,013,827</u>
	<u>\$ 4,197,504</u>	<u>\$ 3,756,554</u>

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, 2017

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2017 Totals	2016 Totals
Balances, beginning of the year	\$ 358,240	365,699	1,213,311	1,937,250	1,580,348
Restatement (Note 13)	-	76,577	-	76,577	76,577
	<u>358,240</u>	<u>442,276</u>	<u>1,213,311</u>	<u>2,013,827</u>	<u>1,656,925</u>
Transfer of capital replacement reserve	(300,000)	300,000	-	-	-
Transfer to contract ice reserve fund	(10,095)	10,095	-	-	-
Establish breaking barriers assistance fund	(4,593)	4,593	-	-	-
Bonafund appropriation from current revenue	(2,200)	2,200	-	-	-
Investment income	(5,110)	5,110	-	-	-
Increase (decrease)	277,235	-	(13,733)	263,502	356,902
Balances, end of the year	<u>\$ 313,477</u>	<u>764,274</u>	<u>1,199,578</u>	<u>2,277,329</u>	<u>2,013,827</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)
For the Year ended June 30, 2017

Revenue and expenditures			<u>2017</u>	<u>2016</u>
	Revenue	Expenditures	Net	Net
Facility rentals (schedule 1)	\$ 971,435	\$ -	971,435	951,137
Programs (schedule 2)	245,271	176,879	68,392	50,647
Expenses recovered	48,751	-	48,751	46,037
Memberships	45,492	-	45,492	46,185
Grants	25,395	-	25,395	-
Concession, vending and merchandise	16,526	8,237	8,289	11,480
Fundraising - user fees	12,828	-	12,828	10,275
Donations	6,063	-	6,063	20,000
Casino contributions (note 11)	5,576	2,154	3,422	71,328
Investment income	5,110	-	5,110	3,062
Advertising	2,900	-	2,900	5,657
Miscellaneous	2,613	-	2,613	3,618
Fundraising - bonafund	2,200	-	2,200	4,880
	<u>1,390,160</u>	<u>187,270</u>	<u>1,202,890</u>	<u>1,224,306</u>
General and administrative expenditures				
Salaries and benefits			463,855	481,263
Utilities			171,268	166,121
General office & miscellaneous			87,250	70,257
Building and equipment - repair & maintenance			126,526	59,522
Insurance			25,124	24,495
Professional fees			7,960	7,522
			<u>881,983</u>	<u>809,180</u>
Excess of revenue over expenses before amortization			320,907	415,126
Amortization of deferred capital contributions (note 8)			65,158	60,791
Amortization expense			<u>(122,563)</u>	<u>(119,015)</u>
Excess of revenue over expenses after amortization			<u>\$ 263,502</u>	<u>\$ 356,902</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>
Funds provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 263,502	\$ 356,902
Charges not affecting cash:		
Amortization	122,563	119,015
Amortization of deferred capital contributions	<u>(65,158)</u>	<u>(60,791)</u>
	320,907	415,126
Changes in operating working capital:		
Account receivable	(139,841)	359,460
Inventories	(737)	5,792
Prepaid expenses	(29,821)	(3,534)
Accounts payable and accrued charges	29,775	(393,252)
Deferred revenue	(42,334)	676
Reserve funds	<u>-</u>	<u>18,066</u>
Net increase in working capital	<u>137,949</u>	<u>402,334</u>
Cash flows from financing activities:		
Deferred cash contributions	95,599	(71,332)
Debentures	-	(200)
Deferred capital contributions (Note 8)	<u>159,566</u>	<u>-</u>
	<u>255,165</u>	<u>(71,532)</u>
Cash flows from investing activities:		
Acquisition of capital assets	<u>(203,237)</u>	<u>(28,083)</u>
	<u>(203,237)</u>	<u>(28,083)</u>
Increase in cash	189,877	302,719
Cash, beginning of the year	<u>1,100,178</u>	<u>797,459</u>
Cash, end of the year	<u>\$ 1,290,055</u>	<u>\$ 1,100,178</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 426,265	\$ 653,985
Internally restricted cash and cash equivalents	764,274	442,276
Externally restricted cash (note 3)	<u>99,516</u>	<u>3,917</u>
	<u>\$ 1,290,055</u>	<u>\$ 1,100,178</u>

See Notes to Financial Statements

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

June 30, 2017

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, 2017

(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 8).

(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.

Financial 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, 2017

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>2017</u>	<u>2016</u>
Casino Bank	\$ 68,986	\$ 3,917
Unspent grant funding	30,530	-
	<u>\$ 99,516</u>	<u>\$ 3,917</u>

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2017 Net</u>	<u>2016 Net</u>
Recreation centre	\$ 3,389,637	1,616,561	1,773,076	1,734,519
Mechanical equipment	918,861	512,624	406,237	440,201
Ice plant	412,504	123,161	289,343	299,655
Other equipment and tools	314,600	156,039	158,561	119,802
Field house	106,573	90,484	16,089	1,422
Office equipment	78,057	75,004	3,053	5,523
Community entrance signs	36,631	733	35,898	-
Vehicles	2,300	1,610	690	1,150
	<u>\$ 5,259,163</u>	<u>2,576,216</u>	<u>2,682,947</u>	<u>2,602,272</u>

5. INTERNALLY RESTRICTED ASSETS

The board of directors internally restricted cash for the following reserve funds:

	<u>2017</u>	<u>2016</u>
Balance forward	\$ 365,699	\$ 357,757
Investment income	5,110	3,062
Appropriation of bonafund revenue	2,200	4,880
Capital building levy	300,000	-
Total capital replacement reserve	<u>673,009</u>	<u>365,699</u>
Uniform reserve fund	63,484	63,484
Contract ice reserve fund	21,481	11,386
Breaking barriers fund	4,593	-
Playground fund	1,707	1,707
Total other funds	<u>91,265</u>	<u>76,577</u>
Total internally restricted cash	<u>\$ 764,274</u>	<u>\$ 442,276</u>

LAKE BONAVISTA COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

June 30, 2017

Internally restricted cash consists of:

	<u>2017</u>	<u>2016</u>
Cash equivalent GIC - maturing Sept. 4, 2017 @.75%	\$ 300,000	\$ 202,109
Cash equivalent GIC - maturing Aug. 6, 2017 @.75%	300,000	240,167
Cash equivalent GIC - maturing Sept. 24, 2017@.75%	164,274	-
	<u>\$ 764,274</u>	<u>\$ 442,276</u>

6. PREPAID EXPENSE AND DEPOSITS

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

7. ACCOUNTS PAYABLE, DEPOSITS AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities includes normal trade payables.

8. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>
Balance from previous year	\$ 1,388,961	\$ 1,449,752
Contributions received	159,566	-
Amortization	(65,158)	(60,791)
	<u>\$ 1,483,369</u>	<u>\$ 1,388,961</u>

9. 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>2017</u>	<u>2016</u>
Principal	\$ 15,000	\$ 15,000
Accrued interest	15,000	15,000
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

10. LICENCE OF OCCUPATION

The Association's building complex and field house are situated on land under a licence of occupation from the City of Calgary. The term of this licence is for a fifteen (15) year period, beginning on January 1, 2013 and ending on December 31, 2027 for a nominal fee of \$150 for the entire period.

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

June 30, 2017

11. CASINO CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>
Casino balance, beginning of the year	\$ 3,917	\$ 75,249
Casino proceeds less bank charges	70,645	(4)
Contribution to operations	<u>(5,576)</u>	<u>(71,328)</u>
Casino balance, end of the year (Note 3)	<u>\$ 68,986</u>	<u>\$ 3,917</u>

12. CAPITAL LEVY

The Board had made the decision, not to collect a capital levy in 2016 and 2017.

13. RESTATEMENT

It has come to our attention, that the uniform reserve fund of \$63,484, contract ice reserve fund \$11,386 and the playground fund \$1,707 balances recorded as a liability in 2016 for a total of \$76,577 are not a liability, but should be reclassified to internally restricted assets. This resulted in a decrease in liabilities for 2016 and an increase in internally restricted assets of \$76,577.

14. COMPARATIVE DATA

Certain of the 2016 data has been reclassified to agree with this year's presentation.

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 1 - FACILITIES RENTAL

For the Year ended June 30, 2017

	<u>2017</u>	<u>2016</u>
Large arena	\$ 347,481	\$ 315,575
Facility rentals - programs	305,147	303,786
Gym	105,556	93,917
Small arena	78,458	83,237
Multi-purpose, storage and dressing room	57,327	61,016
Bonavista room	11,563	45,829
Fitness centre	43,013	34,503
Scout hall and green space	22,000	13,274
Set up and take down	890	-
	<u>\$ 971,435</u>	<u>\$ 951,137</u>

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 2 - PROGRAM REVENUE AND EXPENSES
For the Fiscal year ended June 30, 2017

	Hockey	Basketball	Soccer	Children	Adult	Social	Total
Revenue							
Registration	\$ 487,359	45,686	27,279	32,908	19,611	1,517	614,360
Less: Fees collected for Hockey/Calgary/ Alberta	(63,980)	-	-	-	-	-	(63,980)
Less: Bonafund discount	(39,484)	-	-	-	-	-	(39,484)
Less: Amount received for facility rental	(253,975)	(9,268)	(3,820)	(29,370)	(8,294)	(420)	(305,147)
Program registration	129,920	36,418	23,459	3,538	11,317	1,097	205,749
Contract ice reserve fund	22,415	-	-	-	-	-	22,415
Advertising	500	-	-	-	-	-	500
Fundraising	6,065	-	-	-	-	1,303	7,368
Sponsorships/ grants/donations	2,000	150	-	-	-	2,789	4,939
Miscellaneous	-	-	4,300	-	-	-	4,300
	<u>160,900</u>	<u>36,568</u>	<u>27,759</u>	<u>3,538</u>	<u>11,317</u>	<u>5,189</u>	<u>245,271</u>
Expenditures:							
Awards and photos	5,472	168	3,495	-	-	245	9,380
Coached clinics & training	6,371	-	-	-	-	-	6,371
Officials & instructors	56,480	8,635	-	8,197	10,143	-	83,455
Salaries	-	-	1,193	5,312	351	924	7,780
Fundraising	-	-	-	-	-	699	699
Facilities - external	24,492	7,069	564	-	-	147	32,272
Uniforms/equipment	6,588	1,813	6,690	-	132	1,120	16,343
Miscellaneous	7,720	1,008	2,611	118	667	8,455	20,579
	<u>107,123</u>	<u>18,693</u>	<u>14,553</u>	<u>13,627</u>	<u>11,293</u>	<u>11,590</u>	<u>176,879</u>
Excess of revenue (deficit) over expenses	\$ 53,777	17,875	13,206	(10,089)	24	(6,401)	68,392

	For the Year ended June 30, 2016						
	Hockey	Basketball	Soccer	Children	Adult	Social	Total
Revenue							
Registration	\$ 493,354	37,776	31,323	31,613	25,254	2,552	621,872
Less: Fees collected for Hockey Calgary/Alberta	(62,909)	-	-	-	-	-	(62,909)
Less: Bonafund discount	(42,650)	(790)	(20)	(345)	(145)	(125)	(44,075)
Less: Amount received for facility rental	(254,150)	(8,503)	(2,565)	(27,698)	(9,766)	(1,104)	(303,786)
Program registration	133,645	28,483	28,738	3,570	15,343	1,323	211,102
Advertising	500	-	-	-	-	-	500
Fundraising	-	-	-	-	-	1,732	1,732
Sponsorships/ grants/donations	4,151	-	-	-	-	3,401	7,552
Miscellaneous	147	-	5,650	-	-	-	5,797
	<u>138,443</u>	<u>28,483</u>	<u>34,388</u>	<u>3,570</u>	<u>15,343</u>	<u>6,456</u>	<u>226,683</u>
Expenditures:							
Awards and photos	6,934	337	6,750	-	-	212	14,233
Officials/instructors	59,156	5,904	-	7,401	11,483	63	84,007
Salaries	-	-	976	4,993	217	1,227	7,413
Donations	-	-	-	-	-	802	802
Coaches clinics/training	4,050	-	-	-	-	-	4,050
Facilities - external	13,593	7,974	474	-	-	140	22,181
Uniforms/equipment	8,803	1,691	5,853	601	-	1,552	18,500
Miscellaneous	11,259	1	3,553	114	401	9,522	24,850
	<u>103,795</u>	<u>15,907</u>	<u>17,606</u>	<u>13,109</u>	<u>12,101</u>	<u>13,518</u>	<u>176,036</u>
Excess of revenue (deficit) over expenses	\$ 34,648	12,576	16,782	(9,539)	3,242	(7,062)	50,647