

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL
Financial Statements
Year Ended December 31, 2014

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Index to Financial Statements

Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of Eagle Point - Blue Rapids Parks Council

We have audited the accompanying financial statements of Eagle Point - Blue Rapids Parks Council, which comprise the statement of financial position as at December 31, 2014 and the statements of revenues and expenditures, 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Eagle Point - Blue Rapids Parks Council derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Eagle Point - Blue Rapids Parks Council. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2014, current assets and net assets as at December 31, 2014.

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Independent Auditor's Report to the Members of Eagle Point - Blue Rapids Parks Council *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Eagle Point - Blue Rapids Parks Council as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Carlson Roberts Seely LLP." The signature is written in a cursive, flowing style.

Drayton Valley, Alberta
February 23, 2015

CHARTERED ACCOUNTANTS

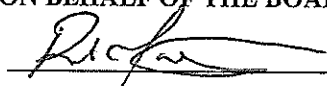
EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

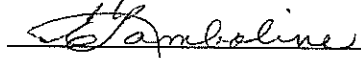
Statement of Financial Position

December 31, 2014

| | General Fund 2014 | Externally Restricted Fund 2014 | Total 2014 | Total 2013 |
|---------------------------------------|----------------------|---------------------------------------|-------------------|-------------------|
| ASSETS | | | | |
| CURRENT | | | | |
| Cash | \$ 90,171 | \$ 27,631 | \$ 117,802 | \$ 142,555 |
| Term deposits | - | - | - | 25,000 |
| Accounts receivable | 151 | - | 151 | 4,070 |
| Goods and services tax recoverable | 1,873 | - | 1,873 | 3,124 |
| | <u>\$ 92,195</u> | <u>\$ 27,631</u> | <u>\$ 119,826</u> | <u>\$ 174,749</u> |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT | | | | |
| Accounts payable | \$ 8,306 | \$ - | \$ 8,306 | \$ 3,357 |
| Wages payable | 1,580 | - | 1,580 | 4,309 |
| | <u>9,886</u> | <u>-</u> | <u>9,886</u> | <u>7,666</u> |
| NET ASSETS | | | | |
| Reserve fund <i>(Note 1)</i> | 55,000 | - | 55,000 | 55,000 |
| Net assets | 27,309 | 27,631 | 54,940 | 112,083 |
| | <u>82,309</u> | <u>27,631</u> | <u>109,940</u> | <u>167,083</u> |
| | <u>\$ 92,195</u> | <u>\$ 27,631</u> | <u>\$ 119,826</u> | <u>\$ 174,749</u> |

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Revenues and Expenditures

Year Ended December 31, 2014

| | General Fund 2014 | Externally Restricted Fund 2014 | Total 2014 | Total 2013 |
|--|----------------------|---------------------------------------|--------------------|---------------------|
| REVENUES | | | | |
| Grant revenue | \$ - | \$ 98,381 | \$ 98,381 | \$ 111,699 |
| Service revenue | 75,000 | - | 75,000 | - |
| Municipal contributions - Brazeau County | - | 5,508 | 5,508 | 20,000 |
| Municipal contributions - Town of Drayton Valley | - | 1,000 | 1,000 | - |
| Admin fees | 375 | - | 375 | - |
| Contributed goods | - | - | - | 20,000 |
| Cash donations | - | - | - | 39,086 |
| | <u>75,375</u> | <u>104,889</u> | <u>180,264</u> | <u>190,785</u> |
| EXPENSES | | | | |
| Salaries and wages | 41,341 | 53,212 | 94,553 | 160,095 |
| Sub-contracts | 68,372 | 23,919 | 92,291 | 31,460 |
| Repairs and maintenance | - | 12,967 | 12,967 | 22,019 |
| Supplies | 3,855 | 6,306 | 10,161 | 45,790 |
| Professional fees | 6,149 | 2,283 | 8,432 | 8,434 |
| Advertising and promotion | 3,950 | 744 | 4,694 | 19,094 |
| Travel | 3,768 | 863 | 4,631 | 2,193 |
| Telephone | 3,090 | 259 | 3,349 | 5,485 |
| Insurance | 2,656 | 511 | 3,167 | 3,199 |
| Office | 2,895 | 286 | 3,181 | - |
| Training | 742 | 1,072 | 1,814 | 2,775 |
| GST Expense | - | - | - | 3,124 |
| Amortization | - | - | - | 20,000 |
| | <u>136,818</u> | <u>102,422</u> | <u>239,240</u> | <u>323,668</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS | (61,443) | 2,467 | (58,976) | (132,883) |
| OTHER INCOME | | | | |
| Interest income | 1,833 | - | 1,833 | 2,223 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$ (59,610) | \$ 2,467 | \$ (57,143) | \$ (130,660) |

See notes to financial statements

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2014

| | General Fund 2014 | Externally Restricted Fund 2014 | Total 2014 | Total 2013 |
|---|----------------------|---------------------------------------|---------------|---------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 141,919 | \$ 25,164 | \$ 167,083 | \$ 297,743 |
| Deficiency of revenues over expenses | (59,610) | 2,467 | (57,143) | (130,660) |
| NET ASSETS - END OF YEAR | \$ 82,309 | \$ 27,631 | \$ 109,940 | \$ 167,083 |

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Cash Flows

Year Ended December 31, 2014

| | General Fund 2014 | Externally Restricted Fund 2014 | Total 2014 | Total 2013 |
|--|----------------------|---------------------------------------|-------------------|-------------------|
| OPERATING ACTIVITIES | | | | |
| Excess of revenues over expenses | \$ (59,610) | \$ 2,467 | \$ (57,143) | \$ (130,660) |
| Items not affecting cash: | | | | |
| Amortization of property, plant and equipment | - | - | - | 20,000 |
| Contributed goods | - | - | - | (20,000) |
| | <u>(59,610)</u> | <u>2,467</u> | <u>(57,143)</u> | <u>(130,660)</u> |
| Changes in non-cash working capital: | | | | |
| Accounts receivable | 3,919 | - | 3,919 | 60,411 |
| Goods and services tax payable | 1,251 | - | 1,251 | 1,227 |
| Accounts payable | 4,949 | - | 4,949 | 441 |
| Wages payable | (2,729) | - | (2,729) | 12 |
| | <u>7,390</u> | <u>-</u> | <u>7,390</u> | <u>62,091</u> |
| Cash flow from operating activities | <u>(52,220)</u> | <u>2,467</u> | <u>(49,753)</u> | <u>(68,569)</u> |
| INVESTING ACTIVITIES | | | | |
| Sale of GIC | 25,000 | - | 25,000 | - |
| Purchase of GIC | - | - | - | (25,000) |
| Cash flow from (used by) investing activities | <u>25,000</u> | <u>-</u> | <u>25,000</u> | <u>(25,000)</u> |
| INCREASE (DECREASE) IN CASH FLOW | <u>(27,220)</u> | <u>2,467</u> | <u>(24,753)</u> | <u>(93,569)</u> |
| Cash - beginning of year | <u>117,391</u> | <u>25,164</u> | <u>142,555</u> | <u>236,124</u> |
| CASH - END OF YEAR | <u>\$ 90,171</u> | <u>\$ 27,631</u> | <u>\$ 117,802</u> | <u>\$ 142,555</u> |

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The society is a not-for-profit organization incorporated under the Alberta Societies Act. It manages and operates Eagle Point Provincial Park and Blue Rapids Provincial Recreational Area, provides consulting and management services to various groups of interest in respect to Eagle Point Provincial and Blue Rapids Recreational Parks, and offers environmental, experiential education programs to the local community.

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

Eagle Point - Blue Rapids Parks Council follows the restricted fund method of accounting for contributions.

The Restricted Fund accounts for the organization's operating costs, operating grants and other revenues designated as restricted by external funding sources.

The General Fund accounts for other operating costs, operating grants and revenues not externally restricted. Within the General Fund is the Society's Reserve Fund, which was created, by way of Board resolution, to cover cash shortfalls. The balance of this fund is reviewed on an annual basis by the Board of Directors.

Recognition of contributions

The society follows the restricted fund method of accounting for contributions. Externally restricted contributions are recognized when they are received in the restricted fund. Unrestricted contributions are recognized in the general fund.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Contributed goods

Contributed goods are recorded at their fair market value at the time of the donation. During the year \$0 in goods were donated (2013 - \$20,000).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Equipment

Equipment is recorded at cost less accumulated amortization. Equipment is fully amortized in the year it is purchased.

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

The society is a not-for-profit organization. Accordingly, no provision is made for income taxes pursuant to Section 149(1) of the Income Tax Act.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

2. CHANGE IN ACCOUNTING POLICY

During 2014, the society changed its accounting policy with respect to contributed services. Previously the society had compiled and recognized the contributed services according to an hourly rate corresponding to the average market rate for similar services. Due to the difficulty compiling these hours, the society has decided to no longer recognize these contributed services in the financial statements. These financial statements reflect the policy change of no longer recognizing contributed services.

As a result of this accounting change, there was no change to net assets as at January 1, 2013. There was no change to the deficiency of revenues over expenses for the year ended December 31, 2013. However, revenues decreased from \$359,421 to \$190,785 and expenses decreased from \$492,304 to \$323,668 for the year ended December 31, 2013.

3. EQUIPMENT

| | Cost | Accumulated amortization | 2014 Net book value | 2013 Net book value |
|-----------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Motor vehicles | \$ 20,000 | \$ 20,000 | \$ - | \$ - |
| Office equipment, furniture | 10,041 | 10,041 | - | - |
| Computer equipment | 16,508 | 16,508 | - | - |
| | <u>\$ 46,549</u> | <u>\$ 46,549</u> | <u>\$ -</u> | <u>\$ -</u> |

4. ECONOMIC DEPENDENCE

The society is mainly funded by grants and is economically dependent upon them.

5. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of December 31, 2014.

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2014

5. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

The society's carrying value of cash, accounts receivable, accounts payable, accrued liabilities and wages payable approximates its fair value due to the immediate or short term maturity of these instruments

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities.

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation and change in accounting policy.