

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Financial Statements

Year Ended December 31, 2017

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

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Year Ended December 31, 2017

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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, 2017 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 audit opinion.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eagle Point - Blue Rapids Parks Council as at December 31, 2017 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
June 11, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS


EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Financial Position

December 31, 2017

	General Fund 2017	Externally Restricted Fund 2017	Total 2017	Total 2016
ASSETS				
CURRENT				
Cash	\$ 48,948	\$ 1,928	\$ 50,876	\$ 187,990
Accounts receivable	235	-	235	50,651
Goods and services tax recoverable	5,226	-	5,226	6,261
Prepaid expenses	-	5,587	5,587	-
	<u>\$ 54,409</u>	<u>\$ 7,515</u>	<u>\$ 61,924</u>	<u>\$ 244,902</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 6,643	\$ 5,588	\$ 12,231	\$ 33,757
Deferred income (Note 3)	-	-	-	5,000
	<u>6,643</u>	<u>5,588</u>	<u>12,231</u>	<u>38,757</u>
NET ASSETS				
Reserve Fund	42,000	-	42,000	42,000
Net assets	5,766	1,927	7,693	164,145
	<u>47,766</u>	<u>1,927</u>	<u>49,693</u>	<u>206,145</u>
	<u>\$ 54,409</u>	<u>\$ 7,515</u>	<u>\$ 61,924</u>	<u>\$ 244,902</u>

ON BEHALF OF THE BOARD

 Director

 Director

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Revenues and Expenditures

Year Ended December 31, 2017

	General Fund 2017	Externally Restricted Fund 2017	Total 2017	Total 2016
REVENUES				
Grant revenue	\$ 5,000	\$ 114,325	\$ 119,325	\$ 392,079
Service revenue	500	-	500	1,500
Cash donations	-	-	-	10,200
	<u>5,500</u>	<u>114,325</u>	<u>119,825</u>	<u>403,779</u>
EXPENSES				
Core contractors	58,034	29,140	87,174	100,042
Sub-contracts	-	67,750	67,750	132,629
Supplies	1,487	52,124	53,611	17,897
Salaries and wages	8,485	15,017	23,502	6,762
Travel	4,895	5,910	10,805	14,692
Office	8,143	2,122	10,265	5,908
GST Expense	2,020	3,231	5,251	6,314
Professional fees	4,950	-	4,950	5,397
Insurance	765	2,030	2,795	2,812
Advertising and promotion	1,012	1,566	2,578	1,399
Telephone	907	960	1,867	2,010
Training	125	-	125	-
Interest and bank charges	116	-	116	116
Amortization	6,303	-	6,303	1,588
	<u>97,242</u>	<u>179,850</u>	<u>277,092</u>	<u>297,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(91,742)	(65,525)	(157,267)	106,213
OTHER INCOME				
Interest income	815	-	815	872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (90,927)</u>	<u>\$ (65,525)</u>	<u>\$ (156,452)</u>	<u>\$ 107,085</u>

See notes to financial statements

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2017

	General Fund Reserve 2017	General Fund Net asset 2017	Externally Restricted Fund Net Asset 2017	Total Total 2017	Total Total 2016
NET ASSETS - BEGINNING OF YEAR	\$ 42,000	\$ 45,154	\$ 118,991	\$ 206,145	\$ 99,060
Deficiency of revenues over expenses	-	(90,927)	(65,525)	(156,452)	107,085
Interfund allocation for appropriation	-	51,539	(51,539)	-	-
NET ASSETS - END OF YEAR	\$ 42,000	\$ 5,766	\$ 1,927	\$ 49,693	\$ 206,145

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Cash Flows

Year Ended December 31, 2017

	General Fund 2017	Externally Restricted Fund 2017	Total 2017	Total 2016
OPERATING ACTIVITIES				
Excess (deficiency) of revenues	\$ (90,927)	\$ (65,525)	\$ (156,452)	\$ 107,085
Item not affecting cash:				
Amortization of equipment	6,303	-	6,303	1,588
	<u>(84,624)</u>	<u>(65,525)</u>	<u>(150,149)</u>	<u>108,673</u>
Changes in non-cash working capital:				
Accounts receivable	50,416	-	50,416	(50,500)
Accounts payable	648	(22,174)	(21,526)	27,267
Deferred income	(5,000)	-	(5,000)	5,000
Prepaid expenses	-	(5,587)	(5,587)	-
Goods and services tax payable	1,035	-	1,035	(7,284)
	<u>47,099</u>	<u>(27,761)</u>	<u>19,338</u>	<u>(25,517)</u>
Cash flow from operating activities	<u>(37,525)</u>	<u>(93,286)</u>	<u>(130,811)</u>	<u>83,156</u>
INVESTING ACTIVITY				
Purchase of equipment	<u>(6,303)</u>	<u>-</u>	<u>(6,303)</u>	<u>(1,588)</u>
Cash flow from (used by) investing activity	<u>(6,303)</u>	<u>-</u>	<u>(6,303)</u>	<u>(1,588)</u>
FINANCING ACTIVITY				
Interfund allocation for appropriation	<u>51,538</u>	<u>(51,538)</u>	<u>-</u>	<u>-</u>
Cash flow from (used by) financing activity	<u>51,538</u>	<u>(51,538)</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	7,710	(144,824)	(137,114)	81,568
Cash - beginning of year	<u>41,238</u>	<u>146,752</u>	<u>187,990</u>	<u>106,422</u>
CASH - END OF YEAR	\$ 48,948	\$ 1,928	\$ 50,876	\$ 187,990

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

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 (2016 - \$0).

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, 2017

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)l 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. EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Motor vehicles	\$ 20,000	\$ 20,000	\$ -	\$ -
Office equipment, furniture	10,041	10,041	-	-
Computer equipment	24,399	24,399	-	-
	<u>\$ 54,440</u>	<u>\$ 54,440</u>	<u>\$ -</u>	<u>\$ -</u>

3. DEFERRED INCOME

Deferred income consists of a grant received that was restricted to the purchase of a new server. As at December 31, 2017 this grant had been fully spent.

4. ECONOMIC DEPENDENCE

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

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

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, 2017.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society's credit risk is reduced by the fact that the 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.

(b) 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. The society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.