

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL
Financial Statements
Year Ended December 31, 2018

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

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INDEPENDENT AUDITOR'S REPORT

To the Members of Eagle Point - Blue Rapids Parks Council

Qualified Opinion

We have audited the financial statements of Eagle Point - Blue Rapids Parks Council (the Society), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society 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 the Society. 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, 2018, current assets and net assets as at December 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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P.O. Box 6927
5508 Jubilee Avenue
Drayton Valley, AB
Canada T7A 1S3

Phone: (780) 542-4468
Fax: (780) 542-5275
Toll Free: (888) 542-4468
Email: office@crsllp.ca

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Carlson Roberts Seely LLP.

Drayton Valley, Alberta
June 10, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS


EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Financial Position

December 31, 2018

	General Fund 2018	Externally Restricted Fund 2018	Total 2018	Total 2017
ASSETS				
CURRENT				
Cash	\$ 61,097	\$ 27,743	\$ 88,840	\$ 50,876
Accounts receivable	151	-	151	235
Goods and services tax recoverable	1,660	-	1,660	5,226
Prepaid expenses	-	-	-	5,587
	<u>\$ 62,908</u>	<u>\$ 27,743</u>	<u>\$ 90,651</u>	<u>\$ 61,924</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 4,302	\$ -	\$ 4,302	\$ 12,231
NET ASSETS				
Reserve Fund	17,000	-	17,000	42,000
Net assets	41,606	27,743	69,349	7,693
	<u>58,606</u>	<u>27,743</u>	<u>86,349</u>	<u>49,693</u>
	<u>\$ 62,908</u>	<u>\$ 27,743</u>	<u>\$ 90,651</u>	<u>\$ 61,924</u>

ON BEHALF OF THE BOARD

 Director

 Director

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Revenues and Expenditures

Year Ended December 31, 2018

	General Fund 2018	Externally Restricted Fund 2018	Total 2018	Total 2017
REVENUES				
Grant revenue	\$ 106,000	\$ 78,132	\$ 184,132	\$ 119,325
Cash donations	4,750	4,014	8,764	-
Sponsorships	1,400	1,000	2,400	-
Service revenue	1,375	545	1,920	500
Reimbursed Supplies	-	60	60	-
	<u>113,525</u>	<u>83,751</u>	<u>197,276</u>	<u>119,825</u>
EXPENSES				
Core contractors	19,784	31,701	51,485	87,174
Salaries and wages	29,064	21,264	50,328	23,502
Sub-contracts	-	18,446	18,446	67,750
Office	6,896	2,991	9,887	10,265
Amortization	7,129	-	7,129	6,303
Supplies	551	6,068	6,619	53,611
Professional fees	4,950	-	4,950	4,950
Advertising and promotion	1,000	2,215	3,215	2,578
Travel	104	2,595	2,699	10,805
Insurance	517	1,870	2,387	2,795
Telephone	693	1,386	2,079	1,868
GST Expense	328	1,373	1,701	5,251
Interest and bank charges	295	-	295	115
Training	-	-	-	125
	<u>71,311</u>	<u>89,909</u>	<u>161,220</u>	<u>277,092</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	42,214	(6,158)	36,056	(157,267)
OTHER INCOME	600	-	600	815
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 42,814</u>	<u>\$ (6,158)</u>	<u>\$ 36,656</u>	<u>\$ (156,452)</u>

See notes to financial statements

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2018

	General Fund Reserve 2018	General Fund Net Asset 2018	Externally Restricted Fund Net Asset 2018	Total Total 2018	Total Total 2017
NET ASSETS - BEGINNING OF YEAR	\$ 42,000	\$ 5,766	\$ 1,927	\$ 49,693	\$ 206,145
Excess of revenues over expenses	-	42,814	(6,158)	36,656	(156,452)
Interfund allocation for appropriation	-	(31,974)	31,974	-	-
Reserve transfer	(25,000)	25,000	-	-	-
NET ASSETS - END OF YEAR	\$ 17,000	\$ 41,606	\$ 27,743	\$ 86,349	\$ 49,693

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Cash Flows

Year Ended December 31, 2018

	General Fund 2018	Externally Restricted Fund 2018	Total 2018	Total 2017
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 42,814	\$ (6,158)	\$ 36,656	\$ (156,452)
Item not affecting cash:				
Amortization of equipment	7,129	-	7,129	6,303
	<u>49,943</u>	<u>(6,158)</u>	<u>43,785</u>	<u>(150,149)</u>
Changes in non-cash working capital:				
Accounts receivable	84	-	84	50,416
Accounts payable	(2,341)	(5,588)	(7,929)	(21,526)
Deferred income	-	-	-	(5,000)
Prepaid expenses	-	5,587	5,587	(5,587)
Goods and services tax payable	3,566	-	3,566	1,035
	<u>1,309</u>	<u>(1)</u>	<u>1,308</u>	<u>19,338</u>
Cash flow from (used by) operating activities	<u>51,252</u>	<u>(6,159)</u>	<u>45,093</u>	<u>(130,811)</u>
INVESTING ACTIVITY				
Purchase of equipment	<u>(7,129)</u>	<u>-</u>	<u>(7,129)</u>	<u>(6,303)</u>
Cash flow from (used by) investing activity	<u>(7,129)</u>	<u>-</u>	<u>(7,129)</u>	<u>(6,303)</u>
FINANCING ACTIVITY				
Interfund allocation for appropriation	<u>(31,974)</u>	<u>31,974</u>	<u>-</u>	<u>-</u>
Cash flow from (used by) financing activity	<u>(31,974)</u>	<u>31,974</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	<u>12,149</u>	<u>25,815</u>	<u>37,964</u>	<u>(137,114)</u>
Cash - beginning of year	<u>48,948</u>	<u>1,928</u>	<u>50,876</u>	<u>187,990</u>
CASH - END OF YEAR	<u>\$ 61,097</u>	<u>\$ 27,743</u>	<u>\$ 88,840</u>	<u>\$ 50,876</u>

See notes to financial statements

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2018

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 (2017 - \$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, 2018

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	2018 Net book value	2017 Net book value
Motor vehicles	\$ 20,000	\$ 20,000	\$ -	\$ -
Office equipment, furniture	12,495	12,495	-	-
Computer equipment	29,074	29,074	-	-
	<u>\$ 61,569</u>	<u>\$ 61,569</u>	<u>\$ -</u>	<u>\$ -</u>

3. ECONOMIC DEPENDENCE

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

4. 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, 2018.

(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.