

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Financial Statements

Year Ended December 31, 2019

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Eagle Point - Blue Rapids Parks Council

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, 2019, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, 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 (ASNPO).

Basis for Opinion

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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ASNPO, 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 related 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

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:

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

- 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
April 30, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Financial Position

December 31, 2019

	General Fund 2019	Externally Restricted Fund 2019	Total 2019	Total 2018
ASSETS				
CURRENT				
Cash	\$ 19,450	\$ 134,822	\$ 154,272	\$ 88,840
Accounts receivable	613	15,600	16,213	151
Goods and services tax recoverable	2,780	-	2,780	1,660
	<u>\$ 22,843</u>	<u>\$ 150,422</u>	<u>\$ 173,265</u>	<u>\$ 90,651</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 5,703	\$ -	\$ 5,703	\$ 4,302
Deferred income	140	-	140	-
	<u>5,843</u>	<u>-</u>	<u>5,843</u>	<u>4,302</u>
NET ASSETS				
Reserve Fund	17,000	-	17,000	17,000
Net assets	-	150,422	150,422	69,349
	<u>17,000</u>	<u>150,422</u>	<u>167,422</u>	<u>86,349</u>
	<u>\$ 22,843</u>	<u>\$ 150,422</u>	<u>\$ 173,265</u>	<u>\$ 90,651</u>

ON BEHALF OF THE BOARD

Director

Director

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Revenues and Expenditures

Year Ended December 31, 2019

	General Fund 2019	Externally Restricted Fund 2019	Total 2019	Total 2018
REVENUES				
Grant revenue	\$ -	\$ 254,865	\$ 254,865	\$ 184,132
Sponsorships	300	4,400	4,700	2,400
Service revenue	-	3,584	3,584	1,920
Event revenue	-	2,914	2,914	-
Cash donations	-	500	500	8,764
Reimbursed Supplies	-	3,333	3,333	60
	300	269,596	269,896	197,276
EXPENSES				
Salaries and wages	27,147	27,155	54,302	50,328
Core contractors	10,214	39,892	50,106	51,485
Sub-contracts	-	27,584	27,584	18,446
Supplies	1,243	22,041	23,284	6,619
Office	7,259	5,094	12,353	9,887
Amortization	6,794	-	6,794	7,129
Travel	656	3,631	4,287	2,699
Professional fees	3,500	-	3,500	4,950
Insurance	1,067	2,012	3,079	2,387
GST Expense	347	2,384	2,731	1,701
Advertising and promotion	25	1,625	1,650	3,215
Telephone	529	870	1,399	2,079
Repairs and maintenance	232	-	232	-
Interest and bank charges	137	2	139	295
Training	-	81	81	-
	59,150	132,371	191,521	161,220
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(58,850)	137,225	78,375	36,056
OTHER INCOME	2,699	-	2,699	600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (56,151)	\$ 137,225	\$ 81,074	\$ 36,656

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2019

	General Fund Reserve 2019	General Fund Net Asset 2019	Externally Restricted Fund Net Asset 2019	Total Total 2019	Total Total 2018
NET ASSETS - BEGINNING OF YEAR					
Excess of revenues over expenses	\$ 17,000	\$ 41,604	\$ 27,744	\$ 86,348	\$ 49,692
Interfund allocation for appropriation	-	(56,151)	137,225	81,074	36,656
	-	14,547	(14,547)	-	-
NET ASSETS - END OF YEAR	\$ 17,000	\$ -	\$ 150,422	\$ 167,422	\$ 86,348

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Cash Flows
Year Ended December 31, 2019

	General Fund 2019	Externally Restricted Fund 2019	Total 2019	Total 2018
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ (56,151)	\$ 137,225	\$ 81,074	\$ 36,656
Item not affecting cash:				
Amortization of equipment	6,794	-	6,794	7,129
	(49,357)	137,225	87,868	43,785
Changes in non-cash working capital:				
Accounts receivable	(462)	(15,599)	(16,061)	84
Accounts payable	1,399	-	1,399	(7,929)
Deferred income	140	-	140	-
Prepaid expenses	-	-	-	5,587
Goods and services tax payable	(1,120)	-	(1,120)	3,566
	(43)	(15,599)	(15,642)	1,308
Cash flow from (used by) operating activities	(49,400)	121,626	72,226	45,093
INVESTING ACTIVITY				
Purchase of equipment	(6,794)	-	(6,794)	(7,129)
Cash flow from (used by) investing activity	(6,794)	-	(6,794)	(7,129)
FINANCING ACTIVITY				
Interfund allocation for appropriation	14,547	(14,547)	-	-
Cash flow from (used by) financing activity	14,547	(14,547)	-	-
INCREASE (DECREASE) IN CASH FLOW	(41,647)	107,079	65,432	37,964
Cash - beginning of year	61,097	27,743	88,840	50,876
CASH - END OF YEAR	\$ 19,450	\$ 134,822	\$ 154,272	\$ 88,840

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements Year Ended December 31, 2019

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 (2018 - \$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, 2019

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	2019 Net book value	2018 Net book value
Motor vehicles	\$ 20,000	\$ 20,000	\$ -	\$ -
Office equipment, furniture	16,835	16,835	-	-
Computer equipment	29,074	29,074	-	-
	<u>\$ 65,909</u>	<u>\$ 65,909</u>	<u>\$ -</u>	<u>\$ -</u>

3. ECONOMIC DEPENDENCE

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

4. SUBSEQUENT EVENT

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The Society is likely going to be effected by less donations from the community as times are a lot tighter and excess income is not going to be available. The Society has enough funds to carry it through the 2020 year as of year end.

The Society has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Society for future periods.

This disclosure assumes there is no significant doubt about the entity's ability to continue as a going concern.

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2019

5. SUBSEQUENT EVENT

During the 2019 year, the Society applied for an Alberta Parks grant for operating funds for \$100,000. Subsequent to year end the Society received confirmation that they were successful in their application for funding and received payment for said funding.

6. 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, 2019.

(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.