

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Financial Statements

Year Ended December 31, 2021

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

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Year Ended December 31, 2021

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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, 2021, 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, 2021, 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:

- 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.

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

- 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 M.P.

Drayton Valley, Alberta
May 16, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Financial Position

December 31, 2021

	General Fund 2021	Externally Restricted Fund 2021	2021	2020
ASSETS				
CURRENT				
Cash	\$ 213,278	\$ 242,308	\$ 455,586	\$ 431,479
Accounts receivable	900	-	900	917
Government receivable (Note 3)	-	-	-	10,668
Goods and services tax recoverable	4,869	-	4,869	4,145
Prepaid expenses	75	-	75	-
	<u>\$ 219,122</u>	<u>\$ 242,308</u>	<u>\$ 461,430</u>	<u>\$ 447,209</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 34,473	\$ -	\$ 34,473	\$ 21,110
Employee deductions payable	987	-	987	984
Deferred income (Note 4)	309	-	309	20,071
	<u>35,769</u>	<u>-</u>	<u>35,769</u>	<u>42,165</u>
CEBA LOAN (Note 3)	60,000	-	60,000	40,000
	<u>95,769</u>	<u>-</u>	<u>95,769</u>	<u>82,165</u>
NET ASSETS				
Reserve Fund	50,000	-	50,000	20,000
Net assets	73,353	242,308	315,661	345,044
	<u>123,353</u>	<u>242,308</u>	<u>365,661</u>	<u>365,044</u>
	<u>\$ 219,122</u>	<u>\$ 242,308</u>	<u>\$ 461,430</u>	<u>\$ 447,209</u>

ON BEHALF OF THE BOARD

Dwaine Leck Director
Dollard O'Connor Director

EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Revenues and Expenditures

Year Ended December 31, 2021

	General Fund 2021	Externally Restricted Fund 2021	2021	2020
REVENUES				
Grant revenue	\$ 120,071	\$ 126,955	\$ 247,026	\$ 405,984
Event revenue	-	6,278	6,278	933
Cash donations	5,000	45	5,045	3,080
Sponsorships	900	3,000	3,900	900
Service revenue	38	3,781	3,819	2,778
Reimbursed Supplies	-	780	780	443
	<u>126,009</u>	<u>140,839</u>	<u>266,848</u>	<u>414,118</u>
EXPENSES				
Core contractors	13,948	71,835	85,783	61,816
Sub-contracts	2,317	72,809	75,126	64,864
Salaries and wages	33,269	11,639	44,908	51,209
Supplies	3,270	39,860	43,130	26,650
Office	7,973	2,791	10,764	13,429
Advertising and promotion	2,203	3,241	5,444	4,409
GST Expense	905	4,085	4,990	4,092
Amortization	4,185	-	4,185	7,109
Insurance	2,020	1,721	3,741	2,734
Professional fees	3,500	-	3,500	3,500
Telephone	786	2,150	2,936	2,551
Utilities	-	2,098	2,098	2,380
Travel	357	856	1,213	1,062
Repairs and maintenance	1,190	-	1,190	-
Interest and bank charges	503	90	593	397
Training	-	505	505	-
	<u>76,426</u>	<u>213,680</u>	<u>290,106</u>	<u>246,202</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>49,583</u>	<u>(72,841)</u>	<u>(23,258)</u>	<u>167,916</u>
OTHER INCOME				
Government assistance (Note 3)	22,124	-	22,124	27,816
Interest income	1,751	-	1,751	1,890
	<u>23,875</u>	<u>-</u>	<u>23,875</u>	<u>29,706</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 73,458</u>	<u>\$ (72,841)</u>	<u>\$ 617</u>	<u>\$ 197,622</u>

See notes to financial statements

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2021

	General Fund Reserve 2021	General Fund Net Asset 2021	Externally Restricted Fund Net Asset 2021	Total 2021	Total 2020
NET ASSETS - BEGINNING OF YEAR	\$ 20,000	\$ 12,235	\$ 332,809	\$ 365,044	\$ 167,422
Excess of revenues over expenses	-	73,458	(72,841)	617	197,622
Interfund allocation for appropriation	30,000	(12,340)	(17,660)	-	-
NET ASSETS - END OF YEAR	\$ 50,000	\$ 73,353	\$ 242,308	\$ 365,661	\$ 365,044

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Statement of Cash Flows

Year Ended December 31, 2021

	General Fund 2021	Externally Restricted Fund 2021	Total 2021	Total 2020
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 73,458	\$ (72,841)	\$ 617	\$ 197,622
Item not affecting cash:				
Amortization of equipment	4,185	-	4,185	7,109
	<u>77,643</u>	<u>(72,841)</u>	<u>4,802</u>	<u>204,731</u>
Changes in non-cash working capital:				
Accounts receivable	10,684	-	10,684	4,629
Accounts payable	13,361	-	13,361	15,406
Deferred income	(19,762)	-	(19,762)	19,931
Prepaid expenses	(75)	-	(75)	-
Goods and services tax payable	(724)	-	(724)	(1,365)
Employee deductions payable	3	-	3	984
	<u>3,487</u>	<u>-</u>	<u>3,487</u>	<u>39,585</u>
Cash flow from (used by) operating activities	<u>81,130</u>	<u>(72,841)</u>	<u>8,289</u>	<u>244,316</u>
INVESTING ACTIVITY				
Purchase of equipment	-	(4,182)	(4,182)	(7,109)
Cash flow from (used by) investing activity	<u>-</u>	<u>(4,182)</u>	<u>(4,182)</u>	<u>(7,109)</u>
FINANCING ACTIVITIES				
CEBA Loan	20,000	-	20,000	40,000
Interfund allocation for appropriation	13,478	(13,478)	-	-
Cash flow from (used by) financing activities	<u>33,478</u>	<u>(13,478)</u>	<u>20,000</u>	<u>40,000</u>
INCREASE (DECREASE) IN CASH FLOW	<u>114,608</u>	<u>(90,501)</u>	<u>24,107</u>	<u>277,207</u>
Cash - beginning of year	<u>98,670</u>	<u>332,809</u>	<u>431,479</u>	<u>154,272</u>
CASH - END OF YEAR	<u>\$ 213,278</u>	<u>\$ 242,308</u>	<u>\$ 455,586</u>	<u>\$ 431,479</u>

See notes to financial statements

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The council 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:

Cash and cash equivalents

Cash includes cash and cash equivalents.

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 Council'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 Council 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 Council 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 (2020 - \$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.

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

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

Income taxes

The Council 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. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Motor vehicles	\$ 20,000	\$ 20,000	\$ -	\$ -
Office equipment, furniture	24,273	24,273	-	-
Computer equipment	32,931	32,931	-	-
	<u>\$ 77,204</u>	<u>\$ 77,204</u>	<u>\$ -</u>	<u>\$ -</u>

3. GOVERNMENT ASSISTANCE

During the year, the Council received the additional \$20,000 Canada Emergency Business Account ("CEBA") which is an interest-free line of credit to cover operating costs. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of 50%. As of December 31, 2021, \$60,000 of the line of credit was used.

The company qualified for the Canadian Emergency Wage Subsidy (CEWS) for periods 11 through 21. These financial statements reflect \$22,124 in income from the CEWS.

4. DEFERRED INCOME

Deferred income consists of the unspent portion of a grant received from the Department of Environment and Parks from the Province of Alberta in accordance with the Environment and Sustainable Resource Development Grant Regulation, A.R. 182/2000.

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Notes to Financial Statements

Year Ended December 31, 2021

5. RELATED PARTY TRANSACTIONS

a) During the year, the Council entered into transactions with the following related parties:

Drayton Sand and Gravel, Chair's corporation
Drayton Redi-Mix Ltd, Chair's corporation
Dennis McGinn Holdings Ltd., Chair's corporation
Koerr Inc, Executive director's corporation
Sandra Bannard, Executive director
Tammie Stafford, Director

b) The Council entered into the following transactions with related parties.

	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Sponsorship	\$ 1,400	\$ 900
Program registration	<u>229</u>	<u>133</u>
	<u>\$ 1,629</u>	<u>\$ 1,033</u>

These transactions are in the normal course of the operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

c) The Council has no outstanding balances to/from related parties at year end.

6. ECONOMIC DEPENDENCE

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

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EAGLE POINT - BLUE RAPIDS PARKS COUNCIL

Notes to Financial Statements

Year Ended December 31, 2021

7. FINANCIAL INSTRUMENTS

The council 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, 2021.

(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.