

LAKE BONAVISTA COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2021

Member of the



**FEDERATION OF
CALGARY COMMUNITIES**

LAKE BONAVISTA COMMUNITY ASSOCIATION

June 30, 2021

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11
Schedule 1 - Facility Rentals	12
Schedule 2 - Program Revenues and Expenses	13



MICHAEL IHEKUNA CPA
Chartered Professional Accountant

Independent Auditor's Report

To the Members of
Lake Bonavista Community Association

Report on the Audit of the Financial Statements

Opinion

I have audited the Statement of Financial Position of the Lake Bonavista Community Association as at June 30, 2021 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended June 30, 2021.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Lake Bonavista Community Association as at June 30, 2021 and the results of its operations and cash flows for the year ended June 30, 2021 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

I am independent of the Lake Bonavista Community Association in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 Lake Bonavista Community Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
December 15, 2021



Michael Ihekuna CPA
Chartered Professional Accountant

Suite 110, 720 - 28 Street NE
Calgary, AB T2A 6R3
(403) 244-4111 ext. 211
michael.ihekuna@calgarycommunities.com



LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at June 30, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$1,034,089	\$ 364,896
Cash and cash equivalents, externally restricted (Note 3)	22,000	100,854
Cash and cash equivalents, internally restricted (Note 5)	-	763,112
Short term investments (Note 6)	107,365	-
Accounts receivable, unrestricted	42,616	189,021
GST recoverable	6,324	3,497
Prepaid expense and deposits	64,408	76,455
	<u>1,276,802</u>	<u>1,497,835</u>
Property and Equipment (Notes 4)	<u>3,194,347</u>	<u>3,235,871</u>
	<u>\$ 4,471,149</u>	<u>\$ 4,733,706</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, deposits and accrued liabilities	\$ 77,097	\$ 25,495
Deferred cash contributions (Note 3)	22,000	100,854
Deferred revenue	13,649	150,373
Payroll payable	12,358	15,522
	<u>125,104</u>	<u>292,244</u>
Debentures payable (Note 8)	<u>29,800</u>	<u>30,000</u>
Deferred capital contributions (Notes 7)	<u>1,991,669</u>	<u>2,013,398</u>
NET ASSETS		
Internally restricted (Note 5)	-	763,112
Invested in property and equipment	1,202,678	1,222,473
Unrestricted	1,121,898	412,479
	<u>\$ 2,324,576</u>	<u>\$ 2,398,064</u>
	<u>\$ 4,471,149</u>	<u>\$ 4,733,706</u>

CONTINGENCY (NOTE 12)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director
 Director

See Notes to the Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended June 30, 2021

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2021 Totals	2020 Totals
Balances, beginning of the year	\$ 412,479	763,112	1,222,473	2,398,064	2,457,413
Transfers	763,112	(763,112)	-	-	-
Increase (decrease)	(53,693)	-	(19,795)	(73,488)	(59,349)
Balances, end of the year	<u>\$ 1,121,898</u>	<u>-</u>	<u>1,202,678</u>	<u>2,324,576</u>	<u>2,398,064</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION

STATEMENT OF OPERATIONS

(Audited)

For the Year ended June 30, 2021

Revenue and expenditures			2021	2020
	Revenue	Expenditures	Net	Net
Facility rentals (schedule 1)	\$ 620,705	-	620,705	837,992
Programs (schedule 2)	24,494	12,893	11,601	(14,866)
Casino contributions (Note 10)	3,854	4	3,850	12,322
Expenses recovered	-	277	(277)	(1,376)
Memberships	10,966	-	10,966	21,352
Vending and merchandise	-	-	-	390
Donations	3,123	-	3,123	5,159
Investment income	3,709	-	3,709	10,569
Advertising	1,955	-	1,955	2,215
Miscellaneous	5,742	-	5,742	(64,340)
Grants	256,372	-	256,372	200,187
	930,920	13,174	917,746	1,009,604
General and administrative expenditures				
Salaries and benefits			520,012	523,104
Utilities			152,445	159,362
Building and equipment - repair & maintenance			92,734	107,069
General office & miscellaneous			69,778	55,601
Loss on sale of capital assets			10,043	64,811
Insurance			42,409	36,657
Professional fees			9,722	16,546
Advertising			280	612
			897,423	963,762
Excess of revenue over expenses before amortization			20,323	45,842
Amortization of deferred capital contributions (Note 7)			144,918	136,135
Amortization expense			(238,729)	(241,326)
Deficiency of revenue over expenses after amortization			\$ (73,488)	\$ (59,349)

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2021

	2021	2020
Funds provided by (used in) operating activities:		
Deficiency of revenue over expenses	\$ (73,488)	\$ (59,349)
Charges not affecting cash:		
Amortization	238,729	241,326
Loss on sale of capital asset	10,043	64,811
Amortization of deferred capital contributions	<u>(144,918)</u>	<u>(136,135)</u>
	30,366	110,653
Changes in operating working capital:		
Account receivable	143,579	(46,629)
Inventories	-	1,951
Prepaid expenses	12,046	(18,909)
Accounts payable and accrued charges	48,437	(78,635)
Deferred revenue	<u>(136,724)</u>	<u>108,843</u>
Net increase (decrease) in working capital	<u>97,704</u>	<u>77,274</u>
Cash flows from financing activities:		
Deferred cash contributions	(78,854)	37,480
Debentures	(200)	-
Deferred capital contributions (Note 7)	<u>123,189</u>	<u>163,078</u>
	<u>44,135</u>	<u>200,558</u>
Cash flows from investing activities:		
Acquisition of capital assets	(233,747)	(266,397)
Proceeds on disposal of capital assets	26,500	-
Investments	<u>(107,365)</u>	<u>103,352</u>
	<u>(314,612)</u>	<u>(163,045)</u>
Increase / (Decrease) in cash	(172,773)	114,787
Cash, beginning of the year	<u>1,228,862</u>	<u>1,114,075</u>
Cash, end of the year	<u>\$ 1,056,089</u>	<u>\$ 1,228,862</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 1,034,089	\$ 364,896
Internally restricted cash and cash equivalents	-	763,112
Externally restricted cash (Note 3)	<u>22,000</u>	<u>100,854</u>
	<u>\$ 1,056,089</u>	<u>\$ 1,228,862</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2021

1. NATURE OF THE ORGANIZATION

The Lake Bonavista Community Association (the "Association") was incorporated under the Societies Act of Alberta on February 6, 1970, to acquire lands and provide a building for social and community activities, to encourage and promote amateur games and exercises and to provide a meeting place for the consideration and discussion of questions affecting the interests of the community.

The Association was registered as a charity and is exempt from income taxes as long as it maintains its charitable purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations. The significant accounting policies are as follows:

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

(b) Revenue Recognition

Donations are recorded as revenue when received.

The Association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses were incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Operating revenue and expenses are recorded on the accrual basis.

(c) Inventories

Inventory consists of staff clothing and is valued at the lower of cost and net realizable value with the cost being determined on a first-in first-out basis.

LAKE BONAVISTA COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

June 30, 2021

(d) Property and Equipment

Property and equipment are recorded at cost and amortization is provided in the accounts at rates designed to amortize the cost of the capital assets over its estimated useful life. Amortization is provided at the following annual rates on a straight-line basis:

Recreation centre and ice plant	-	5%
Field house & community entrance sign		4%
Mechanical equipment	-	5%
Other equipment and tools	-	10%, 20%
Used vehicle, office equipment, community garden and computer software	-	20%

During the fiscal year, the board passed a motion to increase amortization rates for the Recreation centre and Ice plant from 2.5% to 5%. These changes have been accounted for prospectively.

(e) Deferred Capital Contributions

Deferred capital contributions represent funding or donations received to assist in the purchase of property and equipment. This funding is being amortized to income on the same basis as the related capital asset is amortized and expensed.

(f) Contributed Services

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

(g) Financial Instruments

Measurement of Financial Instruments:

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, investments, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that the Organization is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

(h) Donated Goods

The Association receives goods donated by individuals and businesses who assist the organization in achieving its mission. Donated goods are recorded at cost if a value could readily be established and the goods would have otherwise been purchased.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2021

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Assets generated from casino activities are restricted to spending according to Alberta Gaming regulations. Unspent grant funding is restricted to be spent on approved expenditures only.

	<u>2021</u>	<u>2020</u>
Casino Bank	\$ -	\$ 3,854
Unspent grant funding	<u>22,000</u>	<u>97,000</u>
	<u>\$ 22,000</u>	<u>\$ 100,854</u>

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net</u>	<u>2020 Net</u>
Recreation centre	\$ 4,102,707	1,980,891	2,121,816	2,240,576
Mechanical equipment	1,053,275	659,551	393,724	434,409
Ice plant	471,049	160,961	310,088	267,982
Other equipment and tools	414,253	150,109	264,144	172,725
Field house	109,859	93,674	16,185	16,999
Office equipment	87,671	69,560	18,111	19,789
Community entrance signs	36,085	6,506	29,579	31,022
Community garden	23,058	5,765	17,293	19,599
Computer software	46,815	23,408	23,407	32,770
	<u>\$ 6,344,772</u>	<u>3,150,425</u>	<u>3,194,347</u>	<u>3,235,871</u>

5. INTERNALLY RESTRICTED ASSETS

	<u>2021</u>	<u>2020</u>
Balance forward	\$ 763,112	\$ 1,002,271
Investment income	-	10,569
Transfer of capital replacement fund	-	(304,389)
Capital building levy	-	45,252
Total capital replacement reserve	<u>763,112</u>	<u>753,703</u>
Transfer to unrestricted funds	(763,112)	-
Breaking barriers fund	-	7,702
Playground fund	-	1,707
Total other funds	<u>-</u>	<u>9,409</u>
Total internally restricted cash	<u>\$ -</u>	<u>\$ 763,112</u>

During the year, the board of directors decided to unrestrict these funds and have them available for use.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2021

6. SHORT TERM INVESTMENTS:

	2021
Non redeemable GIC - maturing May 22, 2022 @ .55%	\$ 107,365
Cash and cash equivalents:	
Non redeemable GIC - maturing September 19, 2021 @ 0.15%	308,141
Redeemable GIC - maturing August 27, 2021 @ .30%	306,766
	614,907
	\$ 722,272

7. DEFERRED CAPITAL CONTRIBUTIONS

	2021	2020
Balance from previous year	\$ 2,013,398	\$ 1,986,455
Contributions received	123,189	163,078
Amortization	(144,918)	(136,135)
	\$ 1,991,669	\$ 2,013,398

8. DEBENTURES PAYABLE

The debentures payable are unsecured, bear simple interest of 5% per annum and are repayable as to both principal and interest at any time upon the request of the debenture holder, but matured on January 1, 1998 and are non-interest bearing from that date forward.

	2021	2020
Principal	\$ 14,900	\$ 15,000
Accrued interest	14,900	15,000
	\$ 29,800	\$ 30,000

9. LICENCE OF OCCUPATION

The Association's building complex and field house are situated on land under a licence of occupation from the City of Calgary. The term of this licence is for a fifteen (15) year period, beginning on April 1, 2019 and ending on March 31, 2034 for a nominal fee of \$150 for the entire period.

LAKE BONAVISTA COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2021

10. CASINO CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Casino balance, beginning of the year	\$ 3,854	\$ 16,182
Casino proceeds less bank charges	-	-
Contribution to operations	<u>(3,854)</u>	<u>(12,328)</u>
Casino balance, end of the year (Note 3)	<u>\$ -</u>	<u>\$ 3,854</u>

11. SUBSEQUENT EVENT

The global COVID19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Society's ability to continue to service its members is dependent on the continued ability to generate revenue and manage expenses.

12. CONTINGENT LIABILITY

On July 26, 2019, the Lake Bonavista Community Association was served with a statement of claim filed by a former employee seeking damages for wrongful dismissal and punitive damages. Management has a strong argument to support the cause for termination and believes that this claim holds little merit.

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 1 - FACILITIES RENTAL

For the Year ended June 30, 2021

	2021	2020
Large arena	\$ 316,263	\$ 423,592
Facility rentals - programs	27,805	68,429
Small arena	145,366	164,013
Gym	57,370	46,603
Multi-purpose, storage and dressing room	8,718	43,720
Fitness centre	16,107	31,243
Bonavista room	75,372	52,945
Scout hall and green space	4,275	8,075
Board room rental	219	335
Set up and take down fees	-	500
Equipment rental	-	20
Garden plots	1,535	1,755
Facility rental discounts	(32,325)	(3,238)
	\$ 620,705	\$ 837,992

LAKE BONA VISTA COMMUNITY ASSOCIATION
SCHEDULE 2 - PROGRAM REVENUE AND EXPENSES
For the Fiscal year ended June 30, 2021

	Basketball	Soccer	Children	Adult	Social	Baseball	Total
Revenue							
Registration	5,035	23,720	1,352	8,459	-	6,234	44,800
Less: Amount received for facility rental	(2,048)	(551)	(924)	(16,783)	-	-	(20,306)
Program registration	2,987	23,169	428	(8,324)	-	6,234	24,494
Fundraising	-	-	-	-	-	-	-
Sponsorships/ grants/donations	-	-	-	-	-	-	-
	2,987	23,169	428	(8,324)	-	6,234	24,494
Expenditures:							
Advertising	-	-	-	-	346	-	346
Awards & photos	-	2,425	-	-	-	-	2,425
Coached clinics & training	-	-	-	-	-	-	-
Officials & instructors	635	1,547	-	-	-	-	2,182
Facilities - external	-	340	-	-	-	326	666
Uniforms/equipment	-	897	94	239	-	890	2,120
Miscellaneous	334	3,864	59	-	195	702	5,154
	969	6,648	153	239	541	1,918	12,893
Excess of revenue (deficit) over expenses	2,018	16,521	275	(8,563)	(541)	4,316	11,601

For the Year ended June 30, 2020

	Basketball	Soccer	Children	Adult	Social	Baseball	Total
Revenue							
Registration	15,135	7,548	18,740	18,094	12,920	385	72,822
Less: Amount received for facility rental	(5,499)	(1,496)	(16,013)	(40,814)	(1,638)	-	(65,460)
Program registration	9,636	6,052	2,727	(22,720)	11,282	385	7,362
Fundraising	-	-	-	-	364	-	364
Sponsorships/ grants/donations	-	1,855	-	-	1,300	-	3,155
	9,636	7,907	2,727	(22,720)	12,946	385	10,881
Expenditures:							
Advertising	-	-	-	-	1,253	308	1,561
Coached clinics & training	-	15	-	-	-	-	15
Officials & instructors	1,325	750	8,137	6,518	694	-	17,424
Facilities - external	(426)	-	-	-	-	-	(426)
Uniforms/equipment	-	1,785	-	714	-	-	2,499
Miscellaneous	527	467	9	91	3,580	-	4,674
	1,426	3,017	8,146	7,323	5,527	308	25,747
Excess of revenue (deficit) over expenses	8,210	4,890	(5,419)	(30,043)	7,419	77	(14,866)

