

LAKE BONAVISTA COMMUNITY ASSOCIATION

FINANCIAL STATEMENTS (Audited)

June 30, 2022

Member of the



**FEDERATION OF
CALGARY COMMUNITIES**

LAKE BONAVISTA COMMUNITY ASSOCIATION

June 30, 2022

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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, 2022 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, 2022.

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, 2022 and the results of its operations and cash flows for the year ended June 30, 2022 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
October 19, 2022



Michael Ihekuna CPA
Chartered Professional Accountant

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LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Audited)

As at June 30, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 945,542	\$1,034,089
Cash and cash equivalents, externally restricted (Note 3)	2,066	22,000
Short term investments (Note 6)	415,987	107,365
Accounts receivable, unrestricted	17,250	42,616
GST recoverable	16,547	6,324
Prepaid expense and deposits	19,631	64,408
	1,417,023	1,276,802
Property and Equipment (Notes 4)	3,091,766	3,194,347
	\$ 4,508,789	\$ 4,471,149
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, deposits and accrued liabilities	\$ 42,274	\$ 77,097
Deferred cash contributions (Note 3)	2,066	22,000
Deferred revenue	83,314	13,649
Payroll payable	13,901	12,358
	141,555	125,104
Debentures payable (Note 8)	29,400	29,800
Deferred capital contributions (Notes 7)	1,946,056	1,991,669
	1,975,456	2,021,469
TOTAL LIABILITIES	2,117,011	2,146,573
NET ASSETS		
Invested in property and equipment	1,145,710	1,202,678
Unrestricted	1,246,068	1,121,898
	\$ 2,391,778	\$ 2,324,576
	\$ 4,508,789	\$ 4,471,149

CONTINGENCY (NOTE 11)

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, 2022

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 1,121,898	-	1,202,678	2,324,576	2,398,064
Increase (decrease)	124,170	-	(56,968)	67,202	(73,488)
Balances, end of the year	<u>\$ 1,246,068</u>	<u>-</u>	<u>1,145,710</u>	<u>2,391,778</u>	<u>2,324,576</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF OPERATIONS
(Audited)
For the Year ended June 30, 2022

Revenue and expenditures		<u>2022</u>	<u>2021</u>
	<u>Revenue</u>	<u>Expenditures</u>	<u>Net</u>
Facility rentals (schedule 1)	\$1,153,464	-	1,153,464
Programs (schedule 2)	48,153	38,490	9,663
Casino contributions (Note 10)	80,098	2,664	77,434
Expenses recovered	-	-	(277)
Memberships	8,184	-	8,184
Donations	14,651	-	14,651
Investment income	2,441	-	2,441
Fundraising - bonafund	-	-	31,286
Advertising	4,514	-	4,514
Capital building levy	59,984	-	59,984
Miscellaneous	4,548	-	4,548
Grants (Note 12)	112,494	-	112,494
	<u>1,488,531</u>	<u>41,154</u>	<u>1,447,377</u>
			917,746
General and administrative expenditures			
Salaries and benefits		580,615	520,012
Utilities		261,056	152,445
Building and equipment - repair & maintenance		191,822	92,734
General office & miscellaneous		178,379	69,778
Loss on sale of capital assets		-	10,043
Insurance		46,077	42,409
Professional fees		23,115	9,722
Advertising		659	280
		<u>1,281,723</u>	<u>897,423</u>
Excess of revenue over expenses before amortization		165,654	20,323
Amortization of deferred capital contributions (Note 7)		152,546	144,918
Amortization expense		<u>(250,998)</u>	<u>(238,729)</u>
Excess / (Deficiency) of revenue over expenses after amortization		<u>\$ 67,202</u>	<u>\$ (73,488)</u>

See Notes to Financial Statements

LAKE BONAVISTA COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended June 30, 2022

	2022	2021
Funds provided by (used in) operating activities:		
Excess / (Deficiency) of revenue over expenses	\$ 67,202	\$ (73,488)
Charges not affecting cash:		
Amortization	250,998	238,729
Loss on sale of capital asset	-	10,043
Amortization of deferred capital contributions	<u>(152,546)</u>	<u>(144,918)</u>
	165,654	30,366
Changes in operating working capital:		
Account receivable	15,143	143,579
Prepaid expenses	44,777	12,046
Accounts payable and accrued charges	(33,279)	48,437
Deferred revenue	<u>69,664</u>	<u>(136,724)</u>
Net increase in working capital	<u>261,959</u>	<u>97,704</u>
Cash flows from financing activities:		
Deferred cash contributions	(19,934)	(78,854)
Debentures	(400)	(200)
Deferred capital contributions (Note 7)	<u>106,933</u>	<u>123,189</u>
	<u>86,599</u>	<u>44,135</u>
Cash flows from investing activities:		
Acquisition of capital assets	(148,417)	(233,747)
Proceeds on disposal of capital assets	-	26,500
(Purchases) / redemption of Investments	<u>(308,622)</u>	<u>(107,365)</u>
	<u>(457,039)</u>	<u>(314,612)</u>
Decrease in cash	(108,481)	(172,773)
Cash, beginning of the year	<u>1,056,089</u>	<u>1,228,862</u>
Cash, end of the year	<u>\$ 947,608</u>	<u>\$ 1,056,089</u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 945,542	\$ 1,034,089
Externally restricted cash (Note 3)	<u>2,066</u>	<u>22,000</u>
	<u>\$ 947,608</u>	<u>\$ 1,056,089</u>

See Notes to Financial Statements

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

June 30, 2022

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, 2022

(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, 2022

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.

	2022	2021
Casino Bank	\$ 2,066	\$ -
Unspent grant funding	-	22,000
	\$ 2,066	\$ 22,000

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2022 Net	2021 Net
Recreation centre	\$ 4,201,592	2,119,486	2,082,106	2,121,816
Mechanical equipment	1,053,275	700,236	353,039	393,724
Ice plant	519,421	176,408	343,013	310,088
Other equipment and tools	414,253	186,417	227,836	264,144
Field house	109,859	94,488	15,371	16,185
Office equipment	88,831	75,597	13,234	18,111
Community entrance signs	36,085	7,950	28,135	29,579
Community garden	23,058	8,070	14,988	17,293
Computer software	46,815	32,771	14,044	23,407
	\$ 6,493,189	3,401,423	3,091,766	3,194,347

5. INTERNALLY RESTRICTED ASSETS

	2022	2021
Beginning balance of capital replacement reserve	\$ -	\$ 763,112
Transfer to unrestricted funds	-	(763,112)
Total internally restricted cash	\$ -	\$ -

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

June 30, 2022

6. SHORT TERM INVESTMENTS:

	2022
Non redeemable GIC - maturing July 29, 2023 @ 2.40%	\$ 108,171
Redeemable GIC - Maturing October 2, 2022 @ 2%	307,816
	\$ 415,987

7. DEFERRED CAPITAL CONTRIBUTIONS

	2022	2021
Balance from previous year	\$ 1,991,669	\$ 2,013,398
Contributions received	106,933	123,189
Amortization	(152,546)	(144,918)
	\$ 1,946,056	\$ 1,991,669

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.

	2022	2021
Principal	\$ 14,700	\$ 14,900
Accrued interest	14,700	14,900
	\$ 29,400	\$ 29,800

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, 2022

10. CASINO CONTRIBUTIONS

	2022	2021
Casino balance, beginning of the year	\$ -	\$ 3,854
AGLC Casino proceeds	76,187	-
Raffle box	3,579	-
Casino advisor reimbursement	2,398	-
Contribution to operations	(80,098)	(3,854)
Casino balance, end of the year (Note 3)	\$ 2,066	\$ -

During the year, casino advisor fees and online platform fee for fundraiser was paid from the general account which amounted to \$2,664. This amount will be transferred from the casino into the general bank subsequent to year end.

11. 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
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

June 30, 2022

12. GRANTS

	<u>2022</u>	<u>2021</u>
Government of Alberta - Job grant	\$ 9,061	\$ 1,992
Spent on operations	<u>(9,061)</u>	<u>(1,992)</u>
Deferred to next year	<u>-</u>	<u>-</u>
City of Calgary - Capital conservation grant	12,000	12,000
Proceeds	184,417	55,514
Spent on capital assets	<u>(106,933)</u>	<u>(48,189)</u>
Spent on operations	<u>(89,484)</u>	<u>(7,325)</u>
Deferred to next year	<u>-</u>	<u>12,000</u>
Calgary Foundation	10,000	10,000
Spent on operation	<u>(10,000)</u>	<u>-</u>
Deferred to next year	<u>-</u>	<u>10,000</u>
Government of Alberta - Restrictions exemption program	2,000	-
Spent on operations	<u>(2,000)</u>	<u>-</u>
Deferred to next year	<u>-</u>	<u>-</u>
City of Calgary - Other grants	1,950	-
Spent on operations	<u>(1,950)</u>	<u>-</u>
Deferred to next year	<u>-</u>	<u>-</u>
Government of Alberta - COVID-19 relief grant	-	15,000
Spent on operations	<u>-</u>	<u>(15,000)</u>
Deferred to next year	<u>-</u>	<u>-</u>
Government of Alberta - Community initiatives grant	-	75,000
Spent on capital assets	<u>-</u>	<u>(75,000)</u>
Deferred to next year	<u>-</u>	<u>-</u>
City of Calgary - COVID-19 relief funding	-	185,770
Spent on operations	<u>-</u>	<u>(185,770)</u>
Deferred to next year	<u>-</u>	<u>-</u>
Government of Alberta - Relaunch grant	-	15,000
Spent on operations	<u>-</u>	<u>(15,000)</u>
Deferred to next year	<u>-</u>	<u>-</u>
Summary:		
Contribution to operations	\$ 112,495	\$ 225,087
Spent on capital assets (Note 7)	\$ 106,933	\$ 123,189

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 1 - FACILITIES RENTAL

For the Year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
Large arena	\$ 563,175	\$ 316,263
Facility rentals - programs	-	27,805
Small arena	278,085	145,366
Gym	131,054	57,370
Multi-purpose, storage and dressing room	53,357	8,718
Fitness centre	59,343	16,107
Bonavista room	74,572	75,372
Scout hall and green space	-	4,275
Lobby rental	12,000	-
Board room rental	-	219
Equipment rental	150	-
Garden plots	1,010	1,535
Facility rental discounts	(19,282)	(32,325)
	<u>\$ 1,153,464</u>	<u>\$ 620,705</u>

LAKE BONAVISTA COMMUNITY ASSOCIATION
SCHEDULE 2 - PROGRAM REVENUE AND EXPENSES
For the Fiscal year ended June 30, 2022

	Basketball	Soccer	Children	Adult	Social	Baseball	Total
Revenue							
Registration	26,110	35,615	3,942	22,682	10,492	6,154	104,995
Less: Program discounts	(180)	(505)	-	(227)	(35)	(95)	(1,042)
Less: Amount received for facility rental	(6,962)	(851)	(2,480)	(44,777)	(1,374)	(106)	(56,550)
Program registration	18,968	34,259	1,462	(22,322)	9,083	5,953	47,403
Fundraising	-	-	-	-	-	-	-
Sponsorships/ grants/donations	-	-	-	-	750	-	750
	18,968	34,259	1,462	(22,322)	9,833	5,953	48,153
Expenditures:							
Advertising	-	-	-	-	865	-	865
Awards & photos	-	2,645	-	-	-	-	2,645
Coached clinics & training	-	-	-	-	-	-	-
Officials & instructors	2,937	5,895	-	9,597	420	1,428	20,277
Fundraising	-	-	-	-	2,060	-	2,060
Facilities - external	-	883	-	-	26	169	1,078
Uniforms/equipment	-	246	-	-	-	1,670	1,916
Miscellaneous	1,280	2,222	-	265	4,318	1,564	9,649
	4,217	9,246	-	9,862	7,689	4,831	38,490
Excess of revenue (deficit) over expenses	14,751	25,013	1,462	(32,184)	2,144	1,122	9,663

For the 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