

# **LAKE BONAVISTA COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**June 30, 2023**

**Member of the**



# LAKE BONAVISTA COMMUNITY ASSOCIATION

June 30, 2023

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**MICHAEL IHEKUNA CPA**  
Chartered Professional Accountant

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**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, 2023 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, 2023.

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, 2023 and the results of its operations and cash flows for the year ended June 30, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

**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 organizations 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  
November 3, 2023



Michael Ihekuna CPA  
Chartered Professional Accountant

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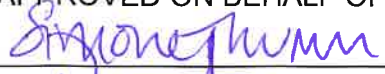
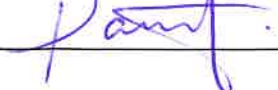
**LAKE BONAVISTA COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at June 30, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$1,032,756	\$ 945,542
Cash and cash equivalents, externally restricted (Note 3)	1,613	2,066
Short term investments (Note 6)	427,647	415,987
Accounts receivable, unrestricted	34,716	17,250
Accounts receivable, externally restricted (Note 3)	77,527	-
GST recoverable	10,605	16,547
Prepaid expense and deposits	23,297	19,631
	<b>1,608,161</b>	<b>1,417,023</b>
<b>Property and Equipment (Notes 4)</b>	<b>2,868,494</b>	<b>3,091,765</b>
	<b>\$ 4,476,655</b>	<b>\$ 4,508,788</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable, deposits and accrued liabilities	\$ 59,804	\$ 42,274
Deferred cash contributions (Note 3)	79,140	2,066
Deferred revenue	62,984	83,314
Payroll payable	25,086	13,901
	<b>227,014</b>	<b>141,555</b>
<b>Debentures payable (Note 8)</b>	<b>29,400</b>	<b>29,400</b>
<b>Deferred capital contributions (Notes 7)</b>	<b>1,792,506</b>	<b>1,946,056</b>
	<b>1,821,906</b>	<b>1,975,456</b>
<b>TOTAL LIABILITIES</b>	<b>2,048,920</b>	<b>2,117,011</b>
<b>NET ASSETS</b>		
Invested in property and equipment	1,075,988	1,145,709
Unrestricted	1,351,747	1,246,068
	<b>\$ 2,427,735</b>	<b>\$ 2,391,777</b>
	<b>\$ 4,476,655</b>	<b>\$ 4,508,788</b>

**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, 2023**

	<b>Unrestricted</b>	<b>Internally Restricted</b>	<b>Invested in Property and Equipment</b>	<b>2023 Totals</b>	<b>2022 Totals</b>
Balances, beginning of the year	<b>\$ 1,246,068</b>	<b>-</b>	<b>1,145,709</b>	<b>2,391,777</b>	<b>2,324,576</b>
Increase (decrease)	<b>105,679</b>	<b>-</b>	<b>(69,721)</b>	<b>35,958</b>	<b>67,202</b>
Balances, end of the year	<b>\$ 1,351,747</b>	<b>-</b>	<b>1,075,988</b>	<b>2,427,735</b>	<b>2,391,778</b>

See Notes to Financial Statements

**LAKE BONAVISTA COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)  
For the Year ended June 30, 2023

Revenue and expenditures			<u>2023</u>	<u>2022</u>
	Revenue	Expenditures	Net	Net
Facility rentals (schedule 1)	\$1,282,783	-	1,282,783	1,153,464
Programs (schedule 2)	107,810	87,907	19,903	9,663
Casino contributions (Note 10)	453	-	453	77,434
Memberships	10,894	-	10,894	8,184
Donations	970	-	970	14,651
Investment income	17,969	-	17,969	2,441
Fundraising - bonafund	-	-	-	59,984
Advertising	9,117	-	9,117	4,514
Capital building levy	64,163	-	64,163	59,984
Miscellaneous	7,363	-	7,363	4,548
Grants (Note 12)	9,368	-	9,368	112,494
	<u>1,510,890</u>	<u>87,907</u>	<u>1,422,983</u>	<u>1,447,377</u>
<b>General and administrative expenditures</b>				
Salaries and benefits			720,195	580,615
Utilities			283,236	261,056
Building and equipment - repair & maintenance			138,533	191,822
General office & miscellaneous			82,905	178,379
Insurance			48,973	46,077
Professional fees			11,805	23,115
Advertising			509	659
			<u>1,286,156</u>	<u>1,281,723</u>
Excess of revenue over expenses before amortization			136,827	165,654
Amortization of deferred capital contributions (Note 7)			153,550	152,546
Amortization expense			<u>(254,419)</u>	<u>(250,998)</u>
<b>Excess of revenue over expenses after amortization</b>			<u>\$ 35,958</u>	<u>\$ 67,202</u>

See Notes to Financial Statements

**LAKE BONAVISTA COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Audited)

For the Year Ended June 30, 2023

	2023	2022
<b>Funds provided by (used in) operating activities:</b>		
<b>Excess of revenue over expenses</b>	<b>\$ 35,958</b>	<b>\$ 67,202</b>
Charges not affecting cash:		
Amortization	254,419	250,998
Amortization of deferred capital contributions	<u>(153,550)</u>	<u>(152,546)</u>
	<b>136,827</b>	<b>165,654</b>
Changes in operating working capital:		
Account receivable	(89,050)	15,143
Prepaid expenses	(3,666)	44,777
Accounts payable and accrued charges	28,720	(33,279)
Deferred revenue	<u>(20,330)</u>	<u>69,664</u>
Net increase in working capital	<u><b>52,501</b></u>	<u><b>261,959</b></u>
<b>Cash flows from financing activities:</b>		
Deferred cash contributions	77,074	(19,934)
Debentures	-	(400)
Deferred capital contributions (Note 7)	<u>-</u>	<u>106,933</u>
	<u><b>77,074</b></u>	<u><b>86,599</b></u>
<b>Cash flows from investing activities:</b>		
Acquisition of capital assets	(31,154)	(148,417)
(Purchases) / redemption of Investments	<u>(11,660)</u>	<u>(308,622)</u>
	<u><b>(42,814)</b></u>	<u><b>(457,039)</b></u>
<b>Increase / (decrease) in cash</b>	<b>86,761</b>	<b>(108,481)</b>
Cash, beginning of the year	<u>947,608</u>	<u>1,056,089</u>
<b>Cash, end of the year</b>	<u><b>\$ 1,034,369</b></u>	<u><b>\$ 947,608</b></u>
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	\$ 1,032,756	\$ 945,542
Externally restricted cash (Note 3)	<u>1,613</u>	<u>2,066</u>
	<u><b>\$ 1,034,369</b></u>	<u><b>\$ 947,608</b></u>

See Notes to Financial Statements



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

**June 30, 2023**

**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, 2023

### (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, 2023**

**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.

	<b>2023</b>	<b>2022</b>
Casino Bank	\$ 1,613	\$ 2,066
AGLC Receivable	77,527	-
	<b>\$ 79,140</b>	<b>\$ 2,066</b>

**4. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2023 Net</b>	<b>2022 Net</b>
Recreation centre	\$ 4,212,866	2,260,835	1,952,031	2,082,106
Mechanical equipment	1,053,275	740,921	312,354	353,038
Ice plant	519,421	194,176	325,245	343,013
Other equipment and tools	417,847	220,787	197,060	227,837
Field house	109,859	95,302	14,557	15,371
Office equipment	94,601	81,638	12,963	13,234
Community entrance signs	44,748	9,588	35,160	28,135
Community garden	24,903	10,468	14,435	14,987
Computer software	46,815	42,126	4,689	14,044
	<b>\$ 6,524,335</b>	<b>3,655,841</b>	<b>2,868,494</b>	<b>3,091,765</b>

**5. INTERNALLY RESTRICTED ASSETS**

	<b>2023</b>	<b>2022</b>
<b>Beginning balance of capital replacement reserve</b>	\$ -	\$ 763,112
Transfer to unrestricted funds	-	(763,112)
Total internally restricted cash	<b>\$ -</b>	<b>\$ -</b>

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

**June 30, 2023**

**6. SHORT TERM INVESTMENTS:**

	<b>2023</b>
Non redeemable GIC - maturing July 29, 2023 @ 2.40%	\$ 110,762
Redeemable GIC - Maturing July 30, 2023 @ 4%	<u>316,885</u>
	<u><u>\$ 427,647</u></u>
<b>Cash and cash equivalents</b>	
Non redeemable GIC - maturing September 17, 2023 @ 2.15%	<u><u>315,034</u></u>

**7. DEFERRED CAPITAL CONTRIBUTIONS**

	<b>2023</b>	<b>2022</b>
Balance from previous year	\$ 1,946,056	\$ 1,991,669
Contributions received	-	106,933
Amortization	<u>(153,550)</u>	<u>(152,546)</u>
	<u><u>\$ 1,792,506</u></u>	<u><u>\$ 1,946,056</u></u>

**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.

	<b>2023</b>	<b>2022</b>
Principal	\$ 14,700	\$ 14,700
Accrued interest	<u>14,700</u>	<u>14,700</u>
	<u><u>\$ 29,400</u></u>	<u><u>\$ 29,400</u></u>

**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, 2023

### 10. CASINO CONTRIBUTIONS

	2023	2022
Casino balance, beginning of the year	\$ 2,066	\$ -
AGLC Casino proceeds	-	76,187
Raffle box	-	3,579
Casino advisor reimbursement	-	2,398
Contribution to operations	(453)	(80,098)
Casino balance, end of the year (Note 3)	\$ 1,613	\$ 2,066

### 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.

### 12. GRANTS

	2023	2022
Government of Alberta - Job grant	\$ 6,899	\$ 9,061
Spent on operations	(6,899)	(9,061)
Deferred to next year	-	-
City of Calgary - Capital conservation grant	-	12,000
Proceeds	-	184,417
Spent on capital assets	-	(106,933)
Spent on operations	-	(89,484)
Deferred to next year	-	-
Calgary Foundation	-	10,000
Spent on operation	-	(10,000)
Deferred to next year	-	-
Government of Alberta - Restrictions exemption program	-	2,000
Spent on operations	-	(2,000)
Deferred to next year	-	-
City of Calgary - Other grants	2,469	1,950
Spent on operations	(2,469)	(1,950)
Deferred to next year	-	-
<b>Summary:</b>		
Contribution to operations	\$ 9,368	\$ 112,495
Spent on capital assets (Note 7)	\$ -	\$ 106,933

**LAKE BONAVISTA COMMUNITY ASSOCIATION**  
**SCHEDULE 1 - FACILITIES RENTAL**

For the Year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
Large arena	\$ 618,497	\$ 563,175
Facility rentals - programs	48,434	-
Small arena	282,569	278,085
Gym	130,288	131,054
Multi-purpose, storage and dressing room	71,659	53,357
Fitness centre	65,816	59,343
Bonavista room	86,023	74,572
Scout hall and green space	11,407	-
Lobby rental	-	12,000
Equipment rental	798	150
Garden plots	1,395	1,010
Facility rental discounts	(34,103)	(19,282)
	<u>\$ 1,282,783</u>	<u>\$ 1,153,464</u>

**LAKE BONAVISTA COMMUNITY ASSOCIATION**  
**SCHEDULE 2 - PROGRAM REVENUE AND EXPENSES**  
For the Fiscal year ended June 30, 2023

	Basketball	Soccer	Children	Adult	Social	Baseball	Total
<b>Revenue</b>							
Registration	34,534	16,431	49,281	24,806	16,711	7,358	149,121
Less: Program discounts	(1,369)	(572)	(1,712)	(303)	(20)	(550)	(4,526)
Less: Amount received for facility rental	(2,005)	(679)	(23,428)	(12,128)	(980)	(34)	(39,254)
Program registration	31,160	15,180	24,141	12,375	15,711	6,774	105,341
Fundraising	-	-	-	-	-	-	-
Sponsorships/ grants/donations	-	-	-	-	2,469	-	2,469
	<b>31,160</b>	<b>15,180</b>	<b>24,141</b>	<b>12,375</b>	<b>18,180</b>	<b>6,774</b>	<b>107,810</b>
<b>Expenditures:</b>							
Advertising	-	-	-	-	415	-	415
Awards & photos	-	-	-	-	-	234	234
Coached clinics & training	-	-	-	-	-	-	-
Officials & instructors	10,694	3,904	17,552	3,520	2,560	2,175	40,405
Fundraising	-	-	-	-	-	-	-
Facilities - external	2,995	310	310	-	-	754	4,369
Uniforms/equipment	72	328	1,206	20	1,308	675	3,609
Miscellaneous	1,339	-	65	241	35,375	1,855	38,875
	<b>15,100</b>	<b>4,542</b>	<b>19,133</b>	<b>3,781</b>	<b>39,658</b>	<b>5,693</b>	<b>87,907</b>
Excess of revenue (deficit) over expenses	<b>16,060</b>	<b>10,638</b>	<b>5,008</b>	<b>8,594</b>	<b>(21,478)</b>	<b>1,081</b>	<b>19,903</b>

For the Year ended June 30, 2022

	Basketball	Soccer	Children	Adult	Social	Baseball	Total
<b>Revenue</b>							
Registration	26,110	35,615	3,942	22,682	10,492	6,154	104,995
Less: Program discount	(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
	<b>18,968</b>	<b>34,259</b>	<b>1,462</b>	<b>(22,322)</b>	<b>9,833</b>	<b>5,953</b>	<b>48,153</b>
<b>Expenditures:</b>							
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
	<b>4,217</b>	<b>9,246</b>	<b>-</b>	<b>9,862</b>	<b>7,689</b>	<b>4,831</b>	<b>38,490</b>
Excess of revenue (deficit) over expenses	<b>14,751</b>	<b>25,013</b>	<b>1,462</b>	<b>(32,184)</b>	<b>2,144</b>	<b>1,122</b>	<b>9,663</b>

