

THOMSON LAKE REGIONAL PARK AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2017

THOMSON LAKE REGIONAL PARK AUTHORITY

CONTENTS

DECEMBER 31, 2017

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
Schedule(s) to Financial Statements	10 - 12

INDEPENDENT AUDITOR'S REPORT

To the Directors of Thomson Lake Regional Park Authority:

We have audited the accompanying financial statements of Thomson Lake Regional Park Authority, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards for government not for profit organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgment, 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 organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Thomson Lake Regional Park Authority as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Sector Accounting Standards for government not for profit organizations.

Other Matter

The financial statements of Thomson Lake Regional Park Authority for the year ended October 31, 2016 were reviewed and a qualified conclusion on those statements was issued on March 10, 2017.

————— *CPA LLP* —————
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
May 7, 2018

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	<u>2017</u> December 31	<u>2016</u> October 31
ASSETS		
Current		
Cash	\$ 190,434	\$ 40,586
Temporary investments	100,000	-
Accounts receivable - Note 2	31,399	79,975
GST receivable	-	7,873
Inventory	3,456	4,136
Land held for resale	2,442	2,442
Prepaid expenses	<u>-</u>	<u>2,500</u>
	<u>327,731</u>	<u>137,512</u>
Investments - Note 3	<u>2,132</u>	<u>1,742</u>
Capital - Note 4	<u>4,745,530</u>	<u>4,666,642</u>
Other		
Cottage leases	<u>2,400</u>	<u>3,200</u>
	<u>\$ 5,077,793</u>	<u>\$ 4,809,096</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 8,236	\$ 41,408
GST payable	21,498	-
Deferred revenue	2,400	3,200
Scheduled repayments for long-term debt - Note 5	-	18,000
Current portion of capital lease - Note 6	<u>15,937</u>	<u>15,937</u>
	48,071	78,545
Callable debt - Note 5	<u>-</u>	<u>32,000</u>
	<u>48,071</u>	<u>110,545</u>
Obligation under capital leases - Note 6	<u>21,766</u>	<u>40,473</u>
Long-term notes - Note 7	<u>3,232</u>	<u>3,732</u>
Net assets	<u>5,004,724</u>	<u>4,654,346</u>
	<u>\$ 5,077,793</u>	<u>\$ 4,809,096</u>
Approved on behalf of the Board		
_____ Director	_____ Director	

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

**STATEMENT OF OPERATIONS
For the year ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
	December 31	October 31
Revenue		
Campground sales	\$ 610,248	\$ 590,837
Golf	276,256	277,556
Cottage and municipal levies	171,519	143,649
Water and sewer infrastructure	140,167	124,020
Park entry	100,264	100,941
Potable water	91,316	73,642
Pool	71,148	63,993
Marina revenue	30,987	19,777
Capital infrastructure	8,664	30,924
Food and beverage	<u>-</u>	<u>207,802</u>
	<u>1,500,569</u>	<u>1,633,141</u>
Other operating revenue		
Other operating revenue - Schedule 1	<u>94,657</u>	<u>144,890</u>
	<u>1,595,226</u>	<u>1,778,031</u>
Expenses		
Amortization	129,162	127,569
Bad debts	1,854	1,884
Chemicals	15,329	12,233
Concession purchase	-	116,029
Firewood	10,000	-
Fuel and oil	20,762	21,309
GST and PST paid	7,158	29,230
Golf purchase	1,668	10,963
Honorarium/mileage/conventions	17,617	21,402
Insurance/license/membership	33,350	31,373
Interest and bank charges	17,315	16,968
Internet access fee	3,655	4,098
Long-term loan interest	2,017	-
Miscellaneous	-	622
Natural gas	8,972	10,088
Office	12,643	12,000
Park/boat stickers/fire protection	9,747	9,080
Potable water system	124,564	101,847
Power	105,563	94,872
Professional fees	9,645	9,923
Repairs and maintenance	154,692	144,328
Vehicle lease	7,731	7,194
Wages and benefits	526,114	733,421
Waste disposal and septic plumbing	<u>31,084</u>	<u>31,807</u>
	<u>1,250,642</u>	<u>1,548,240</u>
Income from operations	344,584	229,791
Other income (expenses)		
Gain (loss) on disposal of assets	<u>5,794</u>	<u>(28,012)</u>
Excess of revenues over expenses	<u>\$ 350,378</u>	<u>\$ 201,779</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

**STATEMENT OF NET ASSETS
For the year ended December 31, 2017**

	<u>2017</u> December 31	<u>2016</u> October 31
Net assets, beginning of year	\$ 4,654,346	\$ 6,948,535
Change in accounting policy - Note 12	<u>-</u>	<u>(2,495,968)</u>
Restated net assets, beginning of year	4,654,346	4,452,567
Excess of revenues over expenses	<u>350,378</u>	<u>201,779</u>
Net assets, end of year	<u>\$ 5,004,724</u>	<u>\$ 4,654,346</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF CASH FLOWS
For the year ended December 31, 2017

	<u>2017</u> December 31	<u>2016</u> October 31
Cash provided by operations		
Excess of revenues over expenses	\$ 350,378	\$ 201,779
Add (deduct) items not requiring an outlay of cash		
Amortization	129,162	127,569
(Gain) loss on disposal of assets	(5,794)	28,012
Cottage lease	(1,200)	(3,200)
Net changes in current assets and/or liabilities		
Accounts receivable	48,576	(16,513)
GST payable/receivable	29,371	(33,925)
Inventory	680	(4,136)
Prepaid expenses	2,500	2,500
Accounts payable	(33,172)	7,622
Deferred revenue	(800)	(8,800)
Current portion of long-term notes	<u>-</u>	<u>(7,100)</u>
	<u>519,701</u>	<u>293,808</u>
 Cash provided by (used in) investing activities		
Long-term investments acquired	(390)	(136)
Capital assets acquired, net of proceeds	(200,256)	(464,084)
Other assets acquired	<u>(100,000)</u>	<u>-</u>
	<u>(300,646)</u>	<u>(464,220)</u>
 Cash provided by (used in) financing activities		
Loan proceed	-	50,000
Repayment of long-term debt	(50,000)	-
Repayment of obligation under capital leases	(18,707)	-
Long-term notes	<u>(500)</u>	<u>(500)</u>
	<u>(69,207)</u>	<u>49,500</u>
 Net increase (decrease) in cash	149,848	(120,912)
 Cash, beginning of year	<u>40,586</u>	<u>161,498</u>
 Cash, end of year	<u>\$ 190,434</u>	<u>\$ 40,586</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

Thomson Lake Regional Park Authority (the "organization") provides seasonal camping, golfing, concession and recreational services to park visitors and local residents. The organization was established under the Regional Parks Regulations of the Province of Saskatchewan in 1960 and is a registered charity under the Income Tax Act.

1. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Public Sector Accounting Standards for government not for profit organizations.

(b) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions, which are measured at the applicable carrying or exchange amount. Unless otherwise noted, the organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable and notes receivable. Financial liabilities measured at amortized cost on a straight-line basis include operating loan, accounts payable and long-term debt.

Investments consisting of equity instruments quoted in an active market (such as publicly traded companies on Canadian exchanges) are initially recognized and subsequently measured at fair value. All other investments are measured at (amortized) cost less any impairments.

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is claimed using the declining balance method at the following annual rates:

Land	
Pumps & controls	5 years
Equipment	15 years
Vehicles under capital lease	15 years
Water & Sewage Infrastructure	30 years
Roads	10/40 years
Buildings	60 years
Parkland development	100 years

(d) Revenue recognition

Revenues from the rendering of services, and sale of retail goods are recorded on a daily basis as summarized by the organization's cash register system. Any credit retail sales are recorded as revenue on the day the significant risks and rewards of ownership have been effectively transferred to the customer and when collection is reasonably assured.

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. Significant accounting policies (continued)

(e) Use of estimates

The preparation of the financial statements in accordance with Public Sector Accounting Standards for government not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period then ended. Actual results could differ from those estimates.

Significant areas requiring the use of estimates relate to the determination of the collectible amount of accounts receivable and the useful life of capital assets.

(f) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

2. Accounts receivable

Accounts receivables are comprised of park levies and utility bills owed by cottage owners.

3. Investments

	<u>2017</u> December 31	<u>2016</u> October 31
Co-operative organization equity	\$ <u>2,132</u>	\$ <u>1,742</u>

4. Capital assets

	<u>2017</u> December 31		<u>2016</u> October 31
	Accumulated <u>amortization</u>	Net book <u>value</u>	Net book <u>value</u>
	<u>Cost</u>		
Land	\$ 284,100	\$ -	\$ 284,100
Buildings	981,272	245,263	718,001
Equipment	1,267,381	674,051	555,591
Pumps & controls	171,579	143,287	35,364
Vehicles under capital lease	74,550	9,609	69,580
Roads	445,025	122,297	313,551
Parkland development	1,918,148	268,490	1,616,831
Water & Sewage Infrastructure	<u>1,368,292</u>	<u>301,820</u>	<u>1,073,624</u>
	<u>\$ 6,510,347</u>	<u>\$ 1,764,817</u>	<u>\$ 4,666,642</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

5. Long-term debt

	<u>2017</u> December 31	<u>2016</u> October 31
The Quick loan is repayable in minimum annual installments of \$18,000 including interest at 4.00%, due October 2019. The loan was advanced from the \$400,000 available line of credit with security registered against the organization's land.	\$ -	\$ 50,000
Less scheduled repayments	-	18,000
Less remaining portion of callable debt	<u>-</u>	<u>32,000</u>
	<u>\$ -</u>	<u>\$ -</u>

6. Obligation under capital leases

The company has entered into the following lease agreements to acquire capital assets. The liability recorded under the capital leases represents the minimum lease payments, net of imputed interest. The company's obligations under capital leases are as follows:

	<u>2017</u> December 31	<u>2016</u> October 31
4 year automotive lease with monthly payments of \$1,264 plus sales tax and an imputed interest rate of 0%, which expires in January, 2020.	\$ 37,703	\$ 56,410
Less current portion	<u>15,937</u>	<u>15,937</u>
	<u>\$ 21,766</u>	<u>\$ 40,473</u>

Future minimum lease payments payable under the capital leases after 2017 are as follows:

	<u>Gross</u> <u>payments</u>	<u>Principal</u> <u>payments</u>
2018	\$ 15,937	\$ 15,937
2019	15,937	15,937
2020	<u>5,829</u>	<u>5,829</u>
	37,703	37,703
Less imputed interest	<u>-</u>	<u>N/A</u>
	<u>\$ 37,703</u>	<u>\$ 37,703</u>

7. Long-term notes

The organization received financing from investors in the form of long-term notes as follows:

Golf Cart notes \$3,232

The notes are non-interest bearing, due on demand and have no specific repayment terms

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

8. Financial instruments

The organization is exposed to various risks through its financial instruments. The following comments help describe the nature of these risks as of December 31, 2017:

(a) Credit risk

As defined by the *CPA Canada Handbook*, "[credit] risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation." The organization's credit risk arises from the possibility that cottage owners are unable to fulfill their commitments. The organization mitigates this risk through follow up and collection processes addressing amounts in arrears.

(b) Interest rate risk

As defined by the *CPA Canada Handbook*, "[interest] rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates." The organization is not exposed to any significant interest rate risk.

(c) Fair value of financial assets and liabilities

The organization has financial instruments consisting of accounts receivable, GST receivable, accounts payable, long-term debt and long-term notes. The carrying value of these financial instruments approximates fair value due to their short terms to maturity.

9. Lease commitment

The company has entered into a lease agreement with the Ministry of Agriculture and Agri-Food Canada (AAFC) to lease a lot for a period of five years beginning in 2016. The annual lease payments include a \$250 administration fee plus 10% of the annual gross revenue generated from seasonal and day camping grounds located on leased lands. The lease payment made in the current year was \$10,122 (2016 - \$9,422). The organization has the option to renew for an additional five (5) years.

The organization has also entered into a lease agreement with Ford Credit to lease a truck for four years beginning in 2016. The monthly lease payments include \$523 plus sales tax. The lease payments made in the current year were \$7,730 (2016 - \$7,194).

10. Bank line of credit

The organization has an authorized line of credit up to \$450,000. The operating loan is payable on demand and incurs interest at 4.25%. It is secured with an interest in the organization's land with a carrying value of \$284,100.

11. Change in fiscal year end

The organization changed its fiscal period to be December 31, 2017. The current fiscal year end of the financial statements reflects a 14 month year end. The previous fiscal year end of the organization was October 31, 2016.

12. Change in accounting policy

During the year the organization changed its accounting policy to begin to amortize its capital assets over their estimated useful lives. The financial statements have been restated to reflect this change as follows: Reduce Capital by \$2,623,538, record amortization expense of \$127,569 for 2016 and reduce net assets, beginning of the year by \$2,495,968.

THOMSON LAKE REGIONAL PARK AUTHORITY

SCHEDULE(S) TO FINANCIAL STATEMENTS

For the year ended December 31, 2017

	<u>2017</u> December 31	<u>2016</u> October 31
		<u>Schedule 1</u>
Other operating revenue		
Commissions	\$ 17,099	\$ 15,241
Donations	1,530	47,943
Dumpster	1,309	1,539
Fundraising	139	2,086
Grants	12,133	34,085
Interest	11,724	8,944
Internet access	1,639	2,989
Park service	2,457	2,961
Rental, hay sale, and other	21,627	27,102
Concession Lease	<u>25,000</u>	<u>2,000</u>
	<u>\$ 94,657</u>	<u>\$ 144,890</u>

STATEMENT OF OPERATIONS
for the fiscal period ended December 31, 2017

Schedule 2

	2017	Concession	Camping/ Marina	Swimming	Golf	Gate	Water	Not allocated	2016
REVENUES									
Municipal levies	\$ 3,700.00							3,700	\$ 3,700.00
Cottage levies	167,818							167,818	139,949
Park entry	100,263					100,263		-	100,941
Marina revenue	30,987		30,987					-	19,777
Capital infrastructure	8,663							8,663	30,924
Water and sewer infrastructure	140,166						140,166	-	124,020
Campground sales	610,248		610,248					-	590,837
Pool	71,148			71,148				-	63,993
Golf	276,255				276,255			-	277,556
Food and beverage	-							-	207,802
Potable water	91,316						91,316	-	73,642
Park service	2,457							2,457	2,961
Rental	2,603							2,603	3,583
Interest	11,723							11,723	8,944
Commissions	17,099							17,099	15,241
Fundraising	139							139	2,086
Donations	1,309							1,309	47,943
Internet access	1,638							1,638	2,989
Dumpster	1,539							1,539	1,539
Grants	12,133							12,133	34,085
Other income	44,022							44,022	25,519
	\$ 1,595,226	-	641,235	71,148	276,255	100,263	231,482	274,843	\$ 1,778,031

THOMSON LAKE REGIONAL PARK AUTHORITY

**STATEMENT OF OPERATIONS
for the fiscal period ended December 31, 2017**

									Schedule 2
	2017	Concession	Camping/ Marina	Swimming	Golf	Gate	Water	Not allocated	2016
EXPENSES									
Advertising	\$ 1,690							1,690	\$ 987
Amortization	129,162							129,162	127,569
Bad debts	1,854							1,854	1,884
Chemical	15,329							15,329	12,233
Concession purchase	-							-	116,029
Firewood	10,000							10,000	-
Fuel and oil	20,762							20,762	21,309
Golf purchase	1,668				1,668			-	10,963
Honorarium/mileage/conventions	17,617							17,617	21,402
Insurance/license/membership	33,350							33,350	31,373
Interest and bank charge	17,315							17,315	16,968
Internet access fee	3,655							3,655	4,098
Jamboree/Park Day	2,806							2,806	2,582
Long term loan interest	2,017							2,017	-
Miscellaneous	-							-	622
Natural gas	8,972	1,257	396	6,251				1,068	10,088
Park/Boat stickers/Fire protection	9,747					9,747		-	9,080
Potable water system	124,564						124,564	-	101,847
Power	105,563	7,378	67,175	3,932			17,040	10,038	94,872
Professional fees	9,645							9,645	9,923
GST and PST paid	7,158							7,158	29,230
Repair and maintenance	154,692	2,718	24,729	579	44,475	6,639	5,104	70,448	144,328
Roads	-							-	-
Septic plumbing	4,445	232	2,320	235	467			1,191	7,945
Telephone & office	8,147			439	381	1,205		6,122	8,431
Vehicle lease	7,731							7,194	7,194
Wages and benefits	526,114		69,077	56,160	99,136	17,693		284,048	733,421
Waste disposal	26,639							26,639	23,862
	1,250,642	11,585	163,697	67,596	146,127	35,284	146,708	679,108	1,548,240
Excess of revenues over expenses	\$ 344,584	(11,585)	477,538	3552	130,128	64,979	84,774	(404,265)	\$ 229,791