

**THOMSON LAKE REGIONAL PARK AUTHORITY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**THOMSON LAKE REGIONAL PARK AUTHORITY**

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**DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Directors of Thomson Lake Regional Park Authority:

### Opinion

We have audited the financial statements of Thomson Lake Regional Park Authority, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, 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 organization as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards for government not for profit organizations

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 organization in accordance with the 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 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.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### Auditor's Responsibility 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibility for the Audit of the Financial Statements (continued)

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 organization's internal control.
- 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 organization'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 organization 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.

  
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CPA LLP  
Chartered Professional Accountants

Swift Current, Saskatchewan  
May 22, 2019

**THOMSON LAKE REGIONAL PARK AUTHORITY**

**STATEMENT OF FINANCIAL POSITION**

**As at December 31, 2018**

	<u>2018</u>	<u>2017</u> 14 months - Note 11
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 487,971	\$ 190,433
Temporary Investment	101,200	100,000
Accounts receivable - Note 2	48,907	31,399
Inventory	3,456	3,456
Land held for resale	<u>2,442</u>	<u>2,442</u>
	<u>643,976</u>	<u>327,730</u>
<b>Investments - Note 3</b>	<u>2,132</u>	<u>2,132</u>
<b>Capital - Note 4</b>	<u>4,830,961</u>	<u>4,745,529</u>
<b>Other</b>		
Cottage leases	<u>1,700</u>	<u>2,400</u>
	<u>\$ 5,478,769</u>	<u>\$ 5,077,791</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable - Note 5	\$ 22,187	\$ 8,236
GST payable	13,084	21,498
Deferred revenue	1,700	2,400
Current portion of capital lease - Note 6	<u>19,443</u>	<u>15,937</u>
	<u>56,414</u>	<u>48,071</u>
<b>Obligation under capital leases - Note 6</b>	<u>23,347</u>	<u>21,766</u>
<b>Long-term notes - Note 7</b>	<u>3,232</u>	<u>3,232</u>
<b>Net assets</b>	<u>5,395,776</u>	<u>5,004,722</u>
	<u>\$ 5,478,769</u>	<u>\$ 5,077,791</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, 2018**

	<u>2018</u>	<u>2017</u> 14 months - Note 11
<b>Revenue</b>		
Campground sales	\$ 608,783	\$ 610,248
Golf	282,707	273,522
Cottage and municipal levies	151,142	171,519
Water and sewer infrastructure	128,262	140,167
Park entry	108,369	100,264
Potable water	82,527	91,316
Pool	73,407	71,148
Capital infrastructure	31,028	8,664
Marina revenue	<u>30,081</u>	<u>30,987</u>
	<u>1,496,306</u>	<u>1,497,835</u>
<b>Other operating revenue</b>		
Other operating revenue - Schedule 1	<u>71,097</u>	<u>97,391</u>
	<u>1,567,403</u>	<u>1,595,226</u>
<b>Expenses</b>		
Amortization	128,743	129,162
Bad debts (recovery)	(634)	1,854
Chemicals	9,613	15,329
Firewood	5,278	10,000
Fuel and oil	24,779	20,762
GST and PST paid	6,990	7,158
Golf purchase	5,815	1,668
Honorarium/mileage/conventions	10,402	17,617
Insurance/license/membership	36,664	33,350
Interest and bank charges	18,325	19,332
Internet access fee	-	3,655
Miscellaneous	2,534	-
Natural gas	11,121	8,972
Office	23,989	12,643
Park/boat stickers/fire protection	11,572	9,747
Potable water system	115,815	124,564
Power	105,251	105,563
Professional fees	12,333	9,645
Repairs and maintenance	117,011	154,692
Vehicle lease	6,099	7,731
Wages and benefits	484,463	526,114
Waste disposal and septic plumbing	<u>37,370</u>	<u>31,084</u>
	<u>1,173,533</u>	<u>1,250,642</u>
<b>Income from operations</b>	393,870	344,584
<b>Other income (expenses)</b>		
(Loss) gain on disposal of assets	<u>(2,816)</u>	<u>5,794</u>
<b>Excess of revenues over expenses</b>	<u>\$ 391,054</u>	<u>\$ 350,378</u>

See accompanying notes to financial statements

**THOMSON LAKE REGIONAL PARK AUTHORITY**

**STATEMENT OF NET ASSETS  
For the year ended December 31, 2018**

	<u>2018</u>	<u>2017</u> 14 months - Note 11
<b>Net assets, beginning of year</b>	\$ 5,004,722	\$ 4,654,344
<b>Excess of revenues over expenses</b>	<u>391,054</u>	<u>350,378</u>
<b>Net assets, end of year</b>	<u>\$ 5,395,776</u>	<u>\$ 5,004,722</u>

See accompanying notes to financial statements

**THOMSON LAKE REGIONAL PARK AUTHORITY**

**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2018**

	<u>2018</u>	<u>2017</u> 14 months - Note 11
<b>Cash provided by operations</b>		
Excess of revenues over expenses	\$ 391,054	\$ 350,378
Add (deduct) items not requiring an outlay of cash		
Amortization	128,743	129,162
Loss (gain) on disposal of assets	2,816	(5,794)
Cottage lease	-	(1,200)
Net changes in current assets and/or liabilities		
Accounts receivable	(17,508)	48,576
GST payable	(8,414)	29,373
Inventory	-	680
Prepaid expenses	-	2,500
Accounts payable	13,951	(33,172)
Deferred revenue	<u>(700)</u>	<u>(800)</u>
	<u>509,942</u>	<u>519,703</u>
<b>Cash provided by (used in) investing activities</b>		
Long-term investments acquired	700	(390)
Proceeds on disposition of capital assets	350	-
Capital assets acquired, net of proceeds	(217,340)	(200,256)
Other assets acquired	<u>(1,200)</u>	<u>(100,000)</u>
	<u>(217,490)</u>	<u>(300,646)</u>
<b>Cash provided by (used in) financing activities</b>		
Loan proceed	21,175	-
Repayment of long-term debt	-	(50,000)
Repayment of obligation under capital leases	(16,089)	(18,707)
Long-term notes	<u>-</u>	<u>(500)</u>
	<u>5,086</u>	<u>(69,207)</u>
<b>Net increase in cash</b>	297,538	149,850
<b>Cash, beginning of year</b>	<u>190,433</u>	<u>40,583</u>
<b>Cash, end of year</b>	<u>\$ 487,971</u>	<u>\$ 190,433</u>

See accompanying notes to financial statements



# THOMSON LAKE REGIONAL PARK AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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) Temporary Investment

Temporary investments are valued at cost.

#### (c) 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, temporary investments, 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.

#### (d) 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 and equipment under capital lease	15 years
Water & Sewage Infrastructure	30 years
Roads	10/40 years
Buildings	60 years
Parkland development	100 years

#### (e) 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, 2018**

**1. Significant accounting policies (continued)**

**(f) 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.

**(g) 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>2018</u>	<u>2017</u>
		14 months - Note 11
Co-operative organization equity	\$ <u>2,132</u>	\$ <u>2,132</u>

**4. Capital assets**

	<u>2018</u>		<u>2017</u>	
			14 months - Note 11	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 284,100	\$ -	\$ 284,100	\$ 284,100
Buildings	1,024,556	253,489	771,067	736,009
Equipment	1,387,508	721,318	666,190	593,330
Pumps & controls	171,579	148,945	22,634	28,291
Vehicles and equipment under capital lease	97,742	13,938	83,804	64,941
Roads	453,060	131,230	321,830	322,728
Parkland development	1,935,574	285,161	1,650,413	1,649,658
Water & Sewage Infrastructure	<u>1,368,292</u>	<u>337,369</u>	<u>1,030,923</u>	<u>1,066,472</u>
	<u>\$ 6,722,411</u>	<u>\$ 1,891,450</u>	<u>\$ 4,830,961</u>	<u>\$ 4,745,529</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

5. Accounts payable

Accounts payable are comprised of AAFC lease payment & SaskWater December usage.

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>2018</u>	<u>2017</u> 14 months - Note 11
63 months lease with monthly payments of \$930 plus sales tax every May to October and an imputed interest rate of 11.3%, which expires October 2023.	\$ 21,176	\$ -
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.	<u>21,614</u>	<u>37,703</u>
	42,790	37,703
Less current portion	<u>19,443</u>	<u>15,937</u>
	<u>\$ 23,347</u>	<u>\$ 21,766</u>

Future minimum lease payments payable under the capital leases after 2018 are as follows:

	<u>Gross payments</u>	<u>Principal payments</u>
2019	\$ 21,851	\$ 19,443
2020	11,592	9,603
2021	5,914	4,395
2022	5,914	4,922
2023	<u>5,699</u>	<u>4,427</u>
	50,970	42,790
Less imputed interest	<u>8,180</u>	N/A
	<u>\$ 42,790</u>	<u>\$ 42,790</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, 2018

**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, 2018:

(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 organization 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 \$11,880 (2017 - \$10,122). 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 \$6,099 (2017 - \$7,730).

**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 4.95%. It is secured with an interest in the organization's land with a carrying value of \$284,100.

**11. Change in fiscal year end**

In the prior year the organization changed its fiscal period to be December 31st. The prior year financial statement reflects a 14 month year end from November 1, 2016 to December 31, 2017.

**12. Commitment**

The organization has committed to pay \$90,442 for the shoreline restoration project.

**THOMSON LAKE REGIONAL PARK AUTHORITY**

**SCHEDULE(S) TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2018**

	<u>2018</u>	<u>2017</u> 14 months - Note 11
		<u>Schedule 1</u>
<b>Other operating revenue</b>		
Grants, interest and other rebates	\$ 15,009	\$ 17,099
Donations	300	1,530
Dumpster	436	1,309
Fundraising	-	139
Grants	13,839	14,867
Interest	5,892	11,724
Internet access	-	1,639
Park service	1,431	2,457
Rental, hay sale, and other	24,190	21,627
Concession Lease	<u>10,000</u>	<u>25,000</u>
	<u>\$ 71,097</u>	<u>\$ 97,391</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF OPERATIONS  
for the fiscal period ended December 31, 2018

Schedule 2

	2018	Concession	Camping/ Marina	Swimming	Golf	Gate	Water	Not allocated	2017
<b>REVENUES</b>									
Municipal levies	\$ 3,700							3,700	\$ 3,700
Cottage levies	147,442							147,442	167,819
Park entry	108,369				108,369			-	100,263
Marina revenue	30,081		30,081					-	30,987
Capital infrastructure	31,028							31,028	8,663
Water and sewer infrastructure	128,262					128,262		-	140,166
Campground sales	608,783		608,783					-	610,248
Pool	73,407			73,407				-	71,148
Golf	282,707				282,707			-	273,522
Concession lease	10,000							10,000	25,000
Potable water	82,527					82,527		-	91,316
Park service	1,431							1,431	2,457
Rental	3,428							3,428	2,603
Interest	5,892							5,892	11,723
Commissions	15,009							15,009	17,099
Fundraising	-							-	139
Donations	300							300	1,530
Internet access	-							-	1,638
Dumpster	436							436	1,309
Grants	13,839							13,839	14,867
Other income	20,762							20,762	19,029
	<b>1,567,403</b>	<b>-</b>	<b>638,864</b>	<b>73,407</b>	<b>282,707</b>	<b>108,369</b>	<b>210,789</b>	<b>253,267</b>	<b>1,595,226</b>

**THOMSON LAKE REGIONAL PARK AUTHORITY**

**STATEMENT OF OPERATIONS**

for the fiscal period ended December 31, 2018

	Camping/							Not allocated	Schedule 2
	2018	Concession	Marina	Swimming	Golf	Gate	Water		2017
<b>EXPENSES</b>									
Advertising	\$ 1,875							1,875	\$ 1,690
Amortization	128,743							128,743	129,162
Bad debts	(634)							(634)	1,854
Chemical	9,613			3,861	4,042			1,710	15,329
Concession purchase	-							0	-
Firewood	5,278							5,278	10,000
Fuel and oil	24,779							24,779	20,762
Golf purchase	5,815				5,815			0	1,668
Honorarium/mileage/conventions	10,402							10,402	17,617
Insurance/license/membership	36,664							36,664	33,350
Interest and bank charge	18,325							18,325	17,315
Internet access fee	-							0	3,655
Jamboree/Park Day	2,725							2,725	2,806
Long term loan interest	-							0	2,017
Miscellaneous	2,534							2,534	-
Natural gas	11,121		1,434	8,027	353			1,307	8,972
Park/Boat stickers/Fire protection	11,572					11,572		0	9,747
Potable water system	115,815						115,815	0	124,564
Power	105,251	781		93,034	829		5,699	4,908	105,563
Professional fees	12,333							12,333	9,645
GST and PST paid	6,990							6,990	7,158
Repair and maintenance	117,011	2,689	15,005	14,890	24,077		13,927	42,731	154,692
Roads	-							0	-
Septic plumbing	3,948		2,617	910	220			201	4,445
Telephone & office	19,388	409				1,514		17,465	8,147
Vehicle lease	6,099							6,099	7,731
Wages and benefits	484,463		51,784	41,940	106,267		18,214	266,257	526,114
Waste disposal	33,422							33,422	26,639
	<b>1,173,533</b>	<b>3,879</b>	<b>163,875</b>	<b>70,457</b>	<b>140,775</b>	<b>34,992</b>	<b>135,441</b>	<b>624,114</b>	<b>1,250,642</b>
<b>Excess of revenues over expenses</b>	<b>\$ 393,870</b>	<b>(3,879)</b>	<b>474,989</b>	<b>2950</b>	<b>141,932</b>	<b>73,376</b>	<b>75,349</b>	<b>(370,847)</b>	<b>\$ 344,584</b>