
THOMSON LAKE REGIONAL PARK AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2019

THOMSON LAKE REGIONAL PARK AUTHORITY

CONTENTS

DECEMBER 31, 2019

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Schedule(s) to Financial Statements	11 - 13



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, 2019, 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, 2019, 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)

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.


— CPA LLP —
Chartered Professional Accountants

Swift Current, Saskatchewan
June 8, 2020

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Current		
Cash	\$ 306,899	\$ 487,972
Temporary Investment - Note 2	203,477	101,200
Accounts receivable - Note 3	42,870	48,907
Insurance receivable	97,569	-
Inventory	46	3,456
Land held for resale	<u>-</u>	<u>2,442</u>
	<u>650,861</u>	<u>643,977</u>
Investments - Note 4	<u>2,132</u>	<u>2,132</u>
Capital - Note 5	<u>5,043,879</u>	<u>4,830,960</u>
Other		
Cottage leases	<u>-</u>	<u>1,700</u>
	<u>\$ 5,696,872</u>	<u>\$ 5,478,769</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 22,346	\$ 22,187
GST payable	9,182	13,084
Deferred revenue	850	1,700
Current portion of capital lease - Note 6	<u>9,325</u>	<u>19,443</u>
	<u>41,703</u>	<u>56,414</u>
Obligation under capital leases - Note 6	<u>13,719</u>	<u>23,347</u>
Long-term notes - Note 7	<u>3,232</u>	<u>3,232</u>
Net assets	<u>5,638,218</u>	<u>5,395,776</u>
	<u>\$ 5,696,872</u>	<u>\$ 5,478,769</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, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
Campground sales	\$ 592,326	\$ 608,783
Golf	268,401	282,707
Cottage and municipal levies	161,614	151,142
Water and sewer infrastructure	116,428	128,262
Park entry	112,668	108,369
Pool	76,709	73,407
Potable water	76,147	82,527
Marina revenue	35,908	30,081
Capital infrastructure	<u>26,310</u>	<u>31,028</u>
	<u>1,466,511</u>	<u>1,496,306</u>
Other operating revenue		
Other operating revenue - Schedule 1	<u>272,455</u>	<u>71,097</u>
	<u>1,738,966</u>	<u>1,567,403</u>
Expenses		
Amortization	135,719	128,743
Bad debts (recovery)	3,845	(634)
Chemicals	10,730	9,613
Firewood	6,461	5,278
Fuel and oil	26,105	24,779
GST and PST paid	10,416	6,990
Golf purchase	3,057	5,815
Honorarium/mileage/conventions	10,273	10,402
Insurance/license/membership	44,490	36,664
Interest and bank charges	19,273	18,325
Miscellaneous	(187)	2,534
Natural gas	12,563	11,121
Office	24,853	23,989
Park/boat stickers/fire protection	14,708	11,572
Potable water system	118,133	115,815
Power	120,596	105,251
Professional fees	13,748	12,333
Repairs and maintenance	384,875	117,011
Vehicle lease	6,036	6,099
Wages and benefits	491,113	484,463
Waste disposal and septic plumbing	<u>39,717</u>	<u>37,370</u>
	<u>1,496,524</u>	<u>1,173,533</u>
Income from operations	242,442	393,870
Other income (expenses)		
Loss on disposal of assets	<u>-</u>	<u>(2,816)</u>
Excess of revenues over expenses	<u>\$ 242,442</u>	<u>\$ 391,054</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

**STATEMENT OF NET ASSETS
For the year ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
Net assets, beginning of year	\$ 5,395,776	\$ 5,004,722
Excess of revenues over expenses	<u>242,442</u>	<u>391,054</u>
Net assets, end of year	<u>\$ 5,638,218</u>	<u>\$ 5,395,776</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash provided by operations		
Excess of revenues over expenses	\$ 242,442	\$ 391,054
Add (deduct) items not requiring an outlay of cash		
Amortization	135,719	128,743
Loss on disposal of assets	-	2,816
Net changes in current assets and/or liabilities		
Accounts receivable	6,037	(17,508)
Insurance receivable	(97,569)	-
GST payable	(3,902)	(8,414)
Inventory	3,410	-
Land held for resale	2,442	-
Accounts payable	159	13,951
Deferred revenue	<u>(850)</u>	<u>(700)</u>
	<u>287,888</u>	<u>509,942</u>
Cash provided by (used in) investing activities		
Long-term investments acquired	-	700
Proceeds on disposition of capital assets	-	350
Capital assets acquired, net of proceeds	(348,638)	(217,340)
Other assets acquired	<u>(102,276)</u>	<u>(1,200)</u>
	<u>(450,914)</u>	<u>(217,490)</u>
Cash provided by (used in) financing activities		
Loan proceed	1,700	21,175
Repayment of long-term debt	<u>(19,747)</u>	<u>(16,088)</u>
	<u>(18,047)</u>	<u>5,087</u>
Net (decrease) increase in cash	(181,073)	297,539
Cash, beginning of year	<u>487,972</u>	<u>190,433</u>
Cash, end of year	<u>\$ 306,899</u>	<u>\$ 487,972</u>

See accompanying notes to financial statements

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 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.

(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 and controls	5 years
Equipment	15 years
Vehicles and equipment under capital lease	15 years
Water and 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, 2019

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. Temporary investments

Temporary investments includes the following term deposits.

	<u>2019</u>	<u>2018</u>
Term deposit	\$ 103,477	\$ 101,200
Term deposit	<u>100,000</u>	<u>-</u>
	<u>\$ 203,477</u>	<u>\$ 101,200</u>

3. Accounts receivable

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

4. Investments

	<u>2019</u>	<u>2018</u>
Co-operative organization equity	\$ <u>2,132</u>	\$ <u>2,132</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

5. Capital assets

	<u>Cost</u>	<u>2019 Accumulated amortization</u>	<u>Net book value</u>	<u>2018 Net book value</u>
Land	\$ 284,100	\$ -	\$ 284,100	\$ 284,100
Buildings	1,063,712	266,992	796,720	771,067
Equipment	1,436,433	769,668	666,765	666,190
Pumps and controls	171,579	153,472	18,107	22,633
Vehicles and equipment under capital lease	97,742	19,422	78,320	83,804
Roads	568,892	142,769	426,123	321,830
Parkland development	2,080,297	303,112	1,777,185	1,650,413
Water and sewage infrastructure	<u>1,368,292</u>	<u>371,733</u>	<u>996,559</u>	<u>1,030,923</u>
	<u>\$ 7,071,047</u>	<u>\$ 2,027,168</u>	<u>\$ 5,043,879</u>	<u>\$ 4,830,960</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>2019</u>	<u>2018</u>
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.	\$ 17,400	\$ 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>5,644</u>	<u>21,614</u>
	23,044	42,790
Less current portion	<u>9,325</u>	<u>19,443</u>
	<u>\$ 13,719</u>	<u>\$ 23,347</u>

Future minimum lease payments payable under the capital leases after 2019 are as follows:

	<u>Gross payments</u>	<u>Principal payments</u>
2020	\$ 11,314	\$ 9,325
2021	5,915	4,395
2022	5,915	4,921
2023	<u>5,699</u>	<u>4,403</u>
	28,843	23,044
Less imputed interest	<u>5,799</u>	<u>N/A</u>
	<u>\$ 23,044</u>	<u>\$ 23,044</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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.

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, 2019:

(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 \$11,850 (2018 - \$11,880). 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 \$6,036 (2018 - \$6,099).

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.

THOMSON LAKE REGIONAL PARK AUTHORITY

SCHEDULE(S) TO FINANCIAL STATEMENTS

For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
		<u>Schedule 1</u>
Other operating revenue		
Insurance claim	\$ 208,492	\$ -
Rental, hay sale, and other	20,560	24,190
Donations	13,797	300
Concession lease	8,000	10,000
Interest	7,382	5,892
Grants, interest and other rebates	7,154	15,009
Grants	4,306	13,839
Park service	1,852	1,431
Dumpster	<u>912</u>	<u>436</u>
	<u>\$ 272,455</u>	<u>\$ 71,097</u>

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF OPERATIONS
for the fiscal period ended December 31, 2019

REVENUES	Camping/							Not allocated	Schedule 2
	2019	Concession	Marina	Swimming	Golf	Gate	Water		
Municipal levies	\$ -							-	\$ 3,700
Cottage levies and municipal levies	161,614							161,614	147,442
Park entry	112,668				112,668			-	108,369
Marina revenue	35,908		35,908					-	30,081
Capital infrastructure	26,310						26,310		31,028
Water and sewer infrastructure	116,428					116,428			128,262
Campground sales	592,326		592,326						608,783
Pool	76,709			76,709					73,407
Golf	268,401				268,401				282,707
Concession lease	8,000	8,000							10,000
Potable water	76,147					76,147			82,527
Park service	1,852							1,852	1,431
Rental	3,566							3,566	3,428
Interest	7,382							7,382	5,892
Grants, interest and rebates	7,154							7,154	15,009
Donations	13,797							13,797	300
Dumpster	912							912	436
Grants	4,306							4,306	13,839
Other income	232,208							232,208	20,762
	\$ 1,745,687	8,000	628,234	76,709	268,401	112,668	192,575	459,100	\$ 1,567,403

THOMSON LAKE REGIONAL PARK AUTHORITY

STATEMENT OF OPERATIONS
for the fiscal period ended December 31, 2019

EXPENSES	Schedule 2								
	2019	Concession	Camping/ Marina	Swimming	Golf	Gate	Water	Not allocated	2018
Advertising	\$ 1,049							1,049	\$ 1,875
Amortization	135,719							135,719	128,743
Bad debts	3,845							3,845	(634)
Chemical	10,730			4,061	6,669			-	9,613
Concession purchase	-							-	-
Firewood	6,461							6,461	5,278
Fuel and oil	26,105							26,105	24,779
Golf purchase	3,057				3,057			-	5,815
Honorarium/mileage/conventions	10,273							10,273	10,402
Insurance/license/membership	44,490							44,490	36,664
Interest and bank charge	19,273							19,273	18,325
Internet access fee	-							-	-
Jamboree/Park Day	-							-	2,725
Miscellaneous	(187)							(187)	2,534
Natural gas	12,563	2,700	88	4,148	46			5,581	11,121
Park/Boat stickers/Fire protection	14,708					14,708		-	11,572
Potable water system	118,133						118,133	-	115,815
Power	120,596		84,181	1,986	1,019	2,301	21,803	9,306	105,251
Professional fees	13,748							13,748	12,333
GST and PST paid	10,416							10,416	6,990
Repair and maintenance	384,875	1,468	11,203	11,040	56,700		3,631	300,833	117,011
Septic plumbing	-							-	3,945
Office and telephone	23,804	329		444	916			22,115	19,388
Vehicle lease	6,036							6,036	6,099
Wages and benefits	491,113		48,046	40,015	102,447	11,314		289,291	484,463
Waste disposal	39,717							39,717	33,426
	\$ 1,496,524	4,497	143,518	61,694	170,853	28,323	143,567	944,071	\$ 1,173,533
Excess of revenues over expenses	\$ 249,163	3,503	484,716	15014	97,548	84,345	49,008	(484,971)	\$ 393,870