

Financial Statements of
Upper Stoney Lake Association
For the year ended December 31, 2022
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the directors of Upper Stoney Lake Association

We have reviewed the accompanying financial statements of Upper Stoney Lake Association that comprise the statement of financial position as at December 31, 2022 and the statements of changes in net assets, operations, cash flows and the notes to financial statements 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 Canadian accounting standards for private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Upper Stoney Lake Association as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Other Matter

We were not engaged to report on the comparative financial statements, and as such, the comparative financial statements for the year ended December 31, 2021 are neither audited nor reviewed.

Inclusive Accounting - Oshawa

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Oshawa, Ontario
June 27, 2023

Upper Stoney Lake Association
Statement of Financial Position
(Unaudited)

| As at December 31 | 2022 | 2021 |
|---------------------------------|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 66,457 | \$ 58,974 |
| Short term investments (note 3) | 35,014 | 34,404 |
| Accounts receivable | 3,750 | - |
| Prepaid expenses | 2,171 | 3,523 |
| | 107,392 | 96,901 |
| Capital assets (note 4) | 31,645 | 32,130 |
| | \$ 139,037 | \$ 129,031 |

Liabilities

Current liabilities

| | | |
|--|----------|------|
| Accounts payable and accrued liabilities | \$ 4,613 | \$ - |
| Unearned event revenue | 3,750 | - |
| | 8,363 | - |

Fund balances

| | | |
|--|-------------------|-------------------|
| General fund | 107,305 | 107,212 |
| Pavilion Reserve Fund - Internally restricted | 21,819 | 21,819 |
| Gordon Barry bursary fund | 1,550 | - |
| | 130,674 | 129,031 |
| | \$ 139,037 | \$ 129,031 |

On behalf of the Board

Electronically approved - Suzanne Coros **Director**

Electronically approved - Doug Owens **Director**

Upper Stoney Lake Association
Statement of Changes in Net Assets
(Unaudited)

For the year ended December 31, 2022

| | General fund | Pavilion Reserve Fund - Internally restricted | Gordon Barry bursary fund | Total 2022 | Total 2021 |
|---|-------------------|--|------------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 107,212 | \$ 21,819 | \$ - | \$ 129,031 | \$ 106,342 |
| Excess of revenue over expenses for the year | 93 | - | 1,550 | 1,643 | 22,689 |
| Balance, end of year | \$ 107,305 | \$ 21,819 | \$ 1,550 | \$ 130,674 | \$ 129,031 |

Upper Stoney Lake Association
Statement of Operations
(Unaudited)

| For the year ended December 31 | 2022 | 2021 |
|---|-----------------|------------------|
| Revenue | | |
| Membership revenue | \$ 35,085 | \$ 31,638 |
| Event activities | 17,068 | 11,672 |
| Restricted donations | 1,550 | - |
| Miscellaneous and donations | 896 | 1,740 |
| Interest income | 746 | - |
| Rental | 650 | 942 |
| | <u>55,995</u> | <u>45,992</u> |
| Expenses | | |
| Association expenses | | |
| Membership expenses | 5,943 | 5,656 |
| Professional fees | 4,194 | - |
| FOCA Dues | 1,405 | 1,309 |
| Interest and bank charges | 1,313 | 377 |
| Repairs and maintenance | 894 | 884 |
| | <u>13,749</u> | <u>8,226</u> |
| Pavilion expenses | | |
| Pavilion and property maintenance | 6,837 | 977 |
| Manager | 6,000 | 2,531 |
| Insurance | 5,215 | 3,858 |
| Property taxes | 4,040 | 3,998 |
| Supplies | 3,859 | - |
| Utilities | 2,625 | 2,828 |
| Security | 487 | 380 |
| Amortization | 485 | 505 |
| | <u>29,548</u> | <u>15,077</u> |
| Other | | |
| Event expenses | 11,055 | - |
| | <u>54,352</u> | <u>23,303</u> |
| Excess of revenue over expenses for the year | <u>\$ 1,643</u> | <u>\$ 22,689</u> |

Upper Stoney Lake Association
Statement of Cash Flows
(Unaudited)

| For the year ended December 31 | 2022 | 2021 |
|--|-------------------------|-------------------------|
| Cash provided from (used for) | | |
| Operating activities | | |
| Excess of revenue over expenses | \$ 1,643 | \$ 22,689 |
| Item not involving cash | | |
| Amortization | 485 | 505 |
| | <u>2,128</u> | <u>23,194</u> |
| Changes in non-cash working capital items: | | |
| Short term investments | (610) | - |
| Accounts receivable | (3,750) | 2,250 |
| Prepaid expenses | 1,352 | - |
| Accounts payable and accrued liabilities | 4,613 | (1) |
| Unearned event revenue | 3,750 | - |
| Deferred revenue | - | (13,030) |
| | <u>5,355</u> | <u>(10,781)</u> |
| Net increase in cash position | 7,483 | 12,413 |
| Cash position, beginning of year | <u>58,974</u> | <u>46,561</u> |
| Cash position, end of year | <u>\$ 66,457</u> | <u>\$ 58,974</u> |

Upper Stoney Lake Association
Notes to Financial Statements
For the year ended December 31, 2022
(Unaudited)

1. Nature of operations

Upper Stoney Lake Association (the Association) was incorporated under the laws of the Province of Ontario as a not-for-profit organization without share capital in 1979, and is a non-profit organization under the Income Tax Act and is thus exempt from income taxes.

2. Summary of significant accounting policies

(a) *Accrual basis of accounting*

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(b) *Fund accounting deferred*

The Association follows the deferral method of accounting for contributions which includes membership revenue, interest income, special events revenue and other. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

(c) *Revenue recognition*

Revenue from membership dues is recognized when the service is rendered. All other revenues are recorded when amounts are known and collectible.

(d) *Cash*

Cash consists of balances with financial institutions.

(e) *Accounting estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(f) *Capital assets*

Capital assets are recorded at cost. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Upper Stoney Lake Association
Notes to Financial Statements
For the year ended December 31, 2022
(Unaudited)

2. Summary of significant accounting policies — continued

(f) *Capital assets — continued*

| | |
|------------------------|-----|
| Furniture and fixtures | 30% |
| Building | 4% |

(g) *Contributed services*

Directors, committee members and owners volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(h) *Financial instruments*

The Association measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in deficiency of revenue over expenditures when incurred. The carrying amount of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost.

3. Short term investments

Investments consist of Canadian Treasury Bill and Money Market Funds which earned an average 1.67% in 2022.

4. Capital assets

| | 2022 | | 2021 | |
|------------------------|------------|-----------------------------|------------|-----------------------------|
| | Cost | Accumulated amortization | Cost | Accumulated amortization |
| Land | \$ 20,000 | \$ - | \$ 20,000 | \$ - |
| Building | 76,130 | 64,485 | 76,130 | 64,000 |
| Furniture and fixtures | 5,397 | 5,397 | 5,397 | 5,397 |
| | \$ 101,527 | \$ 69,882 | \$ 101,527 | \$ 69,397 |
| Net book value | | \$ 31,645 | | \$ 32,130 |

Upper Stoney Lake Association
Notes to Financial Statements
For the year ended December 31, 2022
(Unaudited)

5. Comparative amounts

Certain 2021 comparative amounts have been reclassified to conform with the financial statement presentation adopted for 2022.
