

Buckhorn Community Centre and Athletic Association

Financial Statements

Year ended December 31, 2023

Buckhorn Community Centre and Athletic Association

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For the year ended December 31, 2023

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Independent Auditor's Report

To the directors of
Buckhorn Community Centre and Athletic Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buckhorn Community Centre and Athletic Association (the Association), which comprise the statement of financial position as at December 31, 2023, and the statements of revenue and expenses, changes in 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives a portion of its revenue from donations and fundraising, including all festivals and social functions, the completeness of which is not susceptible to satisfactory audit verification. Our verification of these revenues was limited to the amounts recorded in the records of the Association. We were not able to determine whether any adjustments might be necessary to donations, fundraising revenues, excess of revenues over expenses, assets and net assets.

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 Association 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 the financial statements in accordance with Accounting Standards for 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 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 unless management either intends to liquidate the Association or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 independent 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. 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent 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 independent auditor's report. However, future events or conditions may cause the Association 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Richard Clarke, CPA, CA.

Deeth + Co. LLP

Chartered Professional Accountants

Licensed Public Accountants

Mississauga, Ontario

March 19, 2024

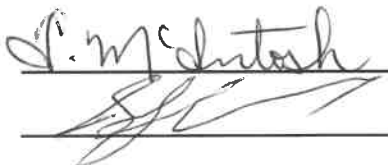
Buckhorn Community Centre and Athletic Association

Statement of Financial Position

As at December 31, 2023

	Notes	Capital Fund	Operating Fund	2023	2022
Assets					
Current assets					
Cash and bank	2	\$ 21,144	\$ 115,636	\$ 136,780	\$ 250,236
Short term investments	3	-	264,000	264,000	200,591
Accounts receivable		-	5,008	5,008	1,626
Inventory		-	3,628	3,628	3,628
Prepays	4	-	9,440	9,440	15,186
Due (to) from other fund		71,551	(71,551)	-	-
		92,695	326,161	418,856	471,267
Capital assets	5	469,472	-	469,472	548,071
		\$ 562,167	\$ 326,161	\$ 888,328	\$ 1,019,338
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	6	\$ -	\$ 18,464	\$ 18,464	\$ 19,892
Deferred revenue	7	-	85,062	85,062	30,333
Current portion of CEBA loan	8	-	-	-	40,000
		-	103,526	103,526	90,225
Deferred contributions	9	306,126	-	306,126	341,430
		306,126	103,526	409,652	431,655
Net assets					
Invested in capital assets		226,741	-	226,741	381,272
Internally restricted	10	29,300	-	29,300	29,300
Unrestricted		-	222,635	222,635	177,111
		256,041	222,635	478,676	587,683
		\$ 562,167	\$ 326,161	\$ 888,328	\$ 1,019,338

Approved:



The accompanying notes are an integral part of these financial statements

Buckhorn Community Centre and Athletic Association

Statement of Revenue and Expenses

For the year ended December 31, 2023

	Notes	Capital Fund	Operating Fund	2023	2022
Revenue					
Memberships		\$ -	\$ 8,130	\$ 8,130	\$ 8,440
Investment income		-	6,879	6,879	591
Projects - Craft shows		-	28,845	28,845	32,534
- Donations		-	47,546	47,546	47,428
- Fine arts festival		-	58,718	58,718	48,660
- Social functions		-	71,795	71,795	85,761
Federal grants		-	14,482	14,482	4,724
Events revenue		-	223,779	223,779	129,543
Sale of solar power	11	-	54,287	54,287	54,996
Provincial grants		-	4,800	4,800	9,639
Municipal grant - Trent Lakes		-	15,000	15,000	29,000
- Selwyn		-	250	250	275
Youth activity		-	150	150	5,381
Amortization of deferred contributions		35,304	-	35,304	38,410
		35,304	534,661	569,965	495,382
Expenses					
Fundraising costs - Social functions		-	101,204	101,204	99,111
- Fine arts festival		-	22,493	22,493	15,651
- Craft shows		-	5,578	5,578	11,835
Management costs		-	198,089	198,089	161,447
		-	327,364	327,364	288,044
Advertising		-	8,033	8,033	6,251
Amortization of capital assets		189,835	-	189,835	44,455
Insurance		-	11,806	11,806	10,901
Property taxes		-	9,570	9,570	9,326
Office		-	16,444	16,444	18,733
Professional fees		-	22,312	22,312	26,403
Repairs and maintenance		-	38,775	38,775	51,900
Telephone		-	4,662	4,662	5,095
Utilities		-	50,171	50,171	42,273
		189,835	489,137	678,972	503,381
Operating revenue (loss)		(154,531)	45,524	(109,007)	(7,999)
Other item					
Gain on disposal of land		-	-	-	116,884
Excess of revenue over expenses (expenses over revenue)		\$ (154,531)	\$ 45,524	\$ (109,007)	\$ 108,885

The accompanying notes are an integral part of these financial statements

Buckhorn Community Centre and Athletic Association

Statement of Changes in Net Assets

December 31, 2023

	Capital Fund	Operating Fund	2023	2022
Balance, beginning of year	\$ 410,572	\$ 177,111	\$ 587,683	\$ 478,798
Excess of revenue over expenses (expenses over revenue)	(154,531)	45,524	(109,007)	108,885
Balance, end of year	\$ 256,041	\$ 222,635	\$ 478,676	\$ 587,683

The accompanying notes are an integral part of these financial statements

Buckhorn Community Centre and Athletic Association

Statement of Cash Flows

For the year ended December 31, 2023

	Capital Fund	Operating Fund	2023	2022
Cash flows from operating activities:				
Excess of revenue over expenses (expenses over revenues)	\$ (154,531)	\$ 45,524	\$(109,007)	\$ 108,885
Items not involving cash:				
Amortization of capital assets	189,835	-	189,835	44,455
Amortization of deferred contributions	(35,304)	-	(35,304)	(38,410)
Gain on disposal of land	-	-	-	(116,884)
	-	45,524	45,524	(1,954)
Change in non-cash working capital items related to operations:				
Accounts receivable	-	(3,382)	(3,382)	(582)
Prepays	-	5,746	5,746	(12,146)
Accounts payable and accrued liabilities	-	(1,428)	(1,428)	(2,924)
Deferred revenue	-	54,729	54,729	(74,176)
Deferred contributions	-	-	-	136,207
		101,189	101,189	44,425
Cash provided by financing activities:				
Interfund transfer	(34,166)	34,166	-	-
Repayment of CEBA loan	-	(40,000)	(40,000)	-
Cash provided by (used in) in investing activities:				
Purchase of capital assets	(111,236)	-	(111,236)	(114,460)
Purchase of marketable securities	-	(63,409)	(63,409)	(200,591)
Proceeds from disposal of land	-	-	-	117,884
	(111,236)	(63,409)	(174,645)	(197,167)
Net decrease in cash from activities	(145,402)	31,946	(113,456)	(152,742)
Cash and bank at beginning of year	166,546	83,690	250,236	402,978
Cash and bank at end of year	\$ 21,144	\$ 115,636	\$ 136,780	\$ 250,236

The accompanying notes are an integral part of these financial statements

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

1 Significant accounting policies

Purpose of organization

The Buckhorn Community Centre and Athletic Association is a registered charity that provides activities and enrichment to the lives of the residents of the community.

Basis of Accounting

The financial statements were prepared using Accounting Standards for Not-for-Profit Organizations.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are 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. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Inventory

The Association records inventory at the lower of cost and net realizable value.

Capital Assets

Purchased capital assets are recorded in the Capital Fund at acquisition cost.

Amortization is provided on a straight-line basis using the following rates:

Building	25 years
Computer equipment	5 years
Parking lot	10 years
Furniture, fixtures and equipment	5-10 years
Ball park	10 years
Building expansion	25 years
Fencing	10 years
Solar equipment	20 years

Deferred contributions relating to capital assets are amortized on a straight-line basis using the same rate as the related asset.

The Association's monument is capitalized in the statement of financial position. The monument is recorded at acquisition cost and not subject to amortization.

Assets under construction are not amortized until the asset is in service.

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

1 Significant accounting policies (continued)

Contributed Materials and Services

Due to the difficulty of determining their fair value, the Association does not recognize in the financial statements the value of goods and services donated by the many volunteers on whom the Association is dependent.

Income Tax

The Association is a registered charity and, as such, it is not subject to either federal or provincial income taxes.

Fund Accounting

The Operating Fund accounts for the Association's program delivery and administrative activities.

The Capital Fund reports assets, liabilities, revenues, and expenses related to capital assets and building expansions.

Financial Instruments

Measurement of financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, cash is reported at fair value. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets measured at amortized cost include short term investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, and deferred contributions.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Use of Estimates

The preparation of financial statements in accordance with Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The principal estimates used in preparation of these financial statements are the estimated useful life of capital assets, deferred revenue and contributions and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

2 Cash and bank

The Association's bank accounts are held at one credit union and earn a nominal amount of interest.

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

3 Short term investments

The Association currently holds two short-term GICs, with fixed interest rates of 2.75% and 5.35%, maturing on March 22, 2024 and November 23, 2024 respectively.

The short term investments balance is made up solely of the principal balance invested. Interest is cashable upon receipt and accrued as a receivable up to December 31, 2023.

4 Prepaids

Prepaids are capitalized as assets and amortized into income on a straight-line basis.

5 Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Building	653,449	411,132	242,317	278,446
Computer equipment	44,475	44,475	-	13,025
Parking lot	162,308	162,308	-	10,882
Furniture, fixtures and equipment	394,909	310,542	84,367	43,129
Ball park	2,072	2,072	-	-
Building expansion	674,371	621,191	53,180	98,429
Fencing	5,743	5,743	-	-
Solar equipment	312,293	265,387	46,906	61,458
Memorial Centaph Monument	42,702	-	42,702	42,702
	\$ 2,292,322	\$ 1,822,850	\$ 469,472	\$ 548,071

Amortization provided for the year totalled \$189,835 (2022 - \$44,455).

6 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances amounting to \$120 (2022 - \$347).

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

7 Deferred revenue

Deferred revenue represents grants and donations received subject to specific spending restrictions. The balance of deferred revenue at December 31 is comprised of:

	<u>2023</u>	<u>2022</u>
Capital Funds:		
Operating Fund:		
Cenotaph project	\$ 8,742	\$ 9,017
Ball diamond upgrade	9,737	9,737
BFAF booth and performance fees	2,770	-
Prepaid show and membership fees	55,980	3,396
Vehicle storage fees	7,833	8,183
	<u>\$ 85,062</u>	<u>\$ 30,333</u>

8 CEBA Loan

	<u>2023</u>	<u>2022</u>
CEBA loan, \$60,000 net of forgivable portion of \$20,000, terms described below	\$ -	\$ 40,000

During the year, The Association repaid the remaining balance of the \$40,000 CEBA loan. The \$20,000 forgivable portion has been recognized as federal grant income in the fiscal year ended December 31, 2020.

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

9 Deferred contributions

Deferred contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of contributions is recorded as revenue in the statement of revenue and expenses.

	2023	2022
Balance, beginning of the year	\$ 341,430	\$ 243,633
Contributions received during the year		
Ontario Trillium Foundation grant	-	88,213
Special Family Foundation	-	35,000
	341,430	366,846
Less: amortization	(35,304)	(25,416)
Balance, end of the year	\$ 306,126	\$ 341,430

10 Internally restricted reserves

The Board of Directors has established an internally restricted reserve in the Capital Fund, which is to be used towards future purchases of capital assets.

The internally restricted reserves are not available for other purposes without the approval of the Board of Directors.

11 Solar array

The Association entered into a 20-year agreement with the Ontario Power Authority on January 3, 2011 to install a solar array on the roof of the building. The solar array is expected to generate revenues of \$0.713/kWh for the Association. The total cost was financed through two loans and the interest and principal payments were funded by the proceeds from the sale of hydro as a transfer to the capital fund. The loans were fully repaid in a prior year.

The following is a summary of activity for the current year, and for the project to date:

	2023	Cumulative
Solar income	\$ 54,287	\$ 630,806
Less: debt payments		
Principal	-	(312,466)
Interest	-	(108,431)
Net cash flows	\$ 54,287	\$ 209,909

Buckhorn Community Centre and Athletic Association

Notes to the Financial Statements

December 31, 2023

12 Financial instruments

Liquidity Risk

Liquidity risk is the risk that the Association encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth, or may be unable to settle or recover a financial asset. The Association is subject to liquidity risk through its accounts payable and accrued liabilities. It is the board's opinion that the Association is not subject to significant credit, currency, interest rate or other price risk. There have been no changes since the prior year.

13 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.
