

Financial Statements of

GROVENOR COMMUNITY LEAGUE

August 31, 2018

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Grovenor Community League

We have reviewed the accompanying financial statements of Grovenor Community League (the "League") that comprise the statement of financial position as at August 31, 2018, and the statement of operations, unrestricted net assets and cash flow 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 not-for-profit organizations ("ASNPO"), 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 Grovenor Community League as at August 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Gill & Bird LLP

Chartered Professional Accountants

October 18, 2018

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GROVENOR COMMUNITY LEAGUE

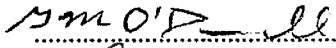
Statement of Financial Position

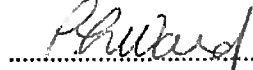
As at August 31, 2018

(unaudited - see Review Engagement Report)

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 98,075	\$ 46,609
Restricted cash (Note 3)	9,761	91,578
Prepaid expenses	416	2,997
	<u>\$ 108,252</u>	<u>\$ 141,184</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 676	\$ 6,920
Deferred revenue (Note 4)	9,761	91,578
	<u>10,437</u>	<u>98,498</u>
NET ASSETS		
Unrestricted net assets	97,815	42,686
	<u>\$ 108,252</u>	<u>\$ 141,184</u>

APPROVED BY THE BOARD

 Director

 Director

GROVENOR COMMUNITY LEAGUE

Statement of Operations

Year ended August 31, 2018

(unaudited - see Review Engagement Report)

	<u>2018</u>	<u>2017</u>
REVENUES		
Casino	\$ 81,817	\$ 44,164
Grants	61,095	135,279
Hall rental	14,850	11,215
Soccer fees	9,529	8,916
Memberships	3,592	4,235
Programs	2,916	2,925
Advertising	1,530	1,290
Donations	550	69,799
	<u>175,879</u>	<u>277,823</u>
EXPENSES		
Hall maintenance	28,766	20,971
Rink maintenance	23,211	12,295
Capital (Note 5)	20,848	227,448
Soccer program	9,167	7,566
Utilities	8,019	7,590
Community events	6,059	5,773
Professional fees	4,961	3,087
Newsletter	4,091	1,926
Equipment rental	3,800	175
Summer program wages	3,499	10,812
Security system	3,055	498
Insurance	2,589	2,420
JP swim program	1,254	1,134
Hall supplies	673	499
Memberships	581	1,331
Interest and bank charges	7	77
	<u>120,750</u>	<u>303,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 55,129	\$ (25,779)

GROVENOR COMMUNITY LEAGUE

Statement of Unrestricted Net Assets

Year ended August 31, 2018

(unaudited - see Review Engagement Report)

	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$ 42,686	\$ 68,465
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>55,129</u>	<u>(25,779)</u>
<u>UNRESTRICTED NET ASSETS, END OF YEAR</u>	<u>\$ 97,815</u>	<u>\$ 42,686</u>

GROVENOR COMMUNITY LEAGUE

Statement of Cash Flow

Year ended August 31, 2018

(unaudited - see Review Engagement Report)

	<u>2018</u>	<u>2017</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess (deficiency) of revenues over expenditures	\$ 55,129	\$ (25,779)
Net change in non-cash working capital items		
Deferred revenue	(81,817)	12,088
Prepaid expenses	2,581	(2,594)
Accounts receivable	-	660
Accounts payable and accrued liabilities	(6,244)	6,754
	<u>(30,351)</u>	<u>(8,871)</u>
INVESTING		
Decrease (increase) in restricted cash (casino funds)	<u>81,817</u>	<u>(30,410)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51,466	(39,281)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	46,609	85,890
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 98,075	\$ 46,609

GROVENOR COMMUNITY LEAGUE

Notes to the Financial Statements

Year ended August 31, 2018

(unaudited – see Review Engagement Report)

1. DESCRIPTION OF BUSINESS

Grovenor Community League (the “League”) was established in 1907 and incorporated on January 28, 1964 and is an Edmonton based non-profit organization incorporated under the Societies Act of Alberta and as such is exempt from income taxes.

The League is a member of the Edmonton Federation of Community Leagues (“EFCL”) and offers a variety of community-based programs with a view to promote recreational and cultural activities for citizens in the Grovenor neighborhood.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following accounting policies:

Deferral accounting and revenue recognition

The League 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.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with original maturity dates not exceeding 90 days. Term deposits with original maturity dates in excess of 90 days are classified as investments. Restricted cash includes amounts which have been received and recorded as deferred income which is restricted for use against certain approved expenditures.

Investments

Investments include fixed rate instruments with maturity dates in excess of 90 days and are measured at amortized cost.

Capital assets

In accordance with section 4431, *Tangible Capital Assets held by not-for-profit organizations*, the League qualifies as a small organization and has elected to expense its capital assets. The additional disclosures required have been included in note 5 of the financial statements.

Donated services

The value of donated services is not reflected in revenues or expenditures, as it is not possible to reasonably estimate the fair value of transactions of this nature.

GROVENOR COMMUNITY LEAGUE

Notes to the Financial Statements

Year ended August 31, 2018

(unaudited – see Review Engagement Report)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials

The League records the value of donated materials to the extent these materials would have otherwise been purchased and exceed a minimum dollar value of \$1,000.

Values are established by reference to the fair value of materials being provided or by examination of suppliers' invoices indicating the amount being donated.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimations and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for such items as accounts payable and accruals and fair value of donated materials. Actual results could differ from those estimates.

Financial instruments

Financial assets and financial liabilities are initially recorded at fair value when the League becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments which are measured at amortized cost are added to the carrying value of the assets or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest rate method.

As a result of its financial instruments, the League is exposed to the following risks:

Credit risk

The League, in the normal course of business, monitors the financial condition of its customers and counterparties and reviews the credit history of each where appropriate. The League does not have a significant exposure to any individual customers or counterparty. The League does not believe that it is exposed to an unusual level of customer credit risk.

3. RESTRICTED CASH

Restricted cash is comprised of a casino account balance of \$9,761 (2017 - \$91,578). This cash can only be used as qualified expenditures are made.

GROVENOR COMMUNITY LEAGUE

Notes to the Financial Statements

Year ended August 31, 2018

(unaudited – see Review Engagement Report)

4. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Casino	\$ 9,761	\$ 91,578

In previous years, the board of directors approved a total commitment of \$15,000 for the playground and park renewal project. The commitment was approved for payment out of the Casino account and is included as part of deferred revenue - casino.

As part of the construction of the playground and park renewal project during the year, a payment of nil (2017 - \$9,000) was made out of the Casino account towards the playground and park renewal project.

5. CAPITAL EXPENDITURES

The League meets the requirements under section 4431, *Tangible Capital Assets held by not-for-profit organizations* and as a result has elected not to capitalize its tangible capital assets but rather to expense assets acquired during the year. The amount of capital assets expensed in the statement of financial position was \$20,848 (2017 - \$227,448) and included the cost of a new solar energy system (\$20,848), (2017 included primarily the cost of completion of the playground).

<u>Category</u>	<u>Major assets</u>
Building	Community hall; Grovenor recreation centre; Ice hockey rink; General ice rink; equipment
Equipment	Skateboard park; Spray park; Playground; Barbeque; Snowblowers (2); Power Brush; Solar power system