

# **MANITOU BEACH RECREATION BOARD**

**Review Engagement Report**

**Financial Statements**

**December 31, 2023**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of **Manitou Beach Recreation Board**

We have reviewed the accompanying financial statements of Manitou Beach Recreation Board that comprise the statement of financial position as at December 31, 2023, and the statement of operations and changes in net assets and statement of cash flows 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, 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 standards.

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.

### *Basis for Qualified Conclusion*

Manitou Beach Recreation Board derives part of its revenue from fundraising activities and donations, the completeness of which is not susceptible to complete verification. Accordingly, our verification of revenue from these sources was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to receipts, excess of receipts over expenditures and net assets for the years ended December 31, 2023 and 2022.

### *Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 Manitou Beach Recreation Board as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan  
July 17, 2024

  
Chartered Professional Accountants

## MANAGEMENT'S RESPONSIBILITY

To the Members of  
**Manitou Beach Recreation Board:**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

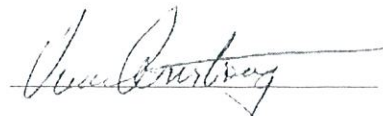
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Board to review the financial statements and report directly to them; their report follows. The external reviewers have full and free access to, and meet periodically and separately with, both the Board and management to discuss their review findings.



Mayor



Chairperson

# MANITOU BEACH RECREATION BOARD

## STATEMENT OF FINANCIAL POSITION

December 31, 2023  
with comparative figures for 2022

(Unaudited)

|  | <u>2023</u>      | <u>2022</u>   |
|--|------------------|---------------|
| <b>FINANCIAL ASSETS</b>                |                  |               |
| Cash                                   | \$ 12,399        | 22,643        |
| Short-term investments (Note 3)        | <u>38,418</u>    | <u>54,025</u> |
| Total financial assets                 | <u>50,817</u>    | <u>76,668</u> |
| <b>FINANCIAL LIABILITIES</b>           |                  |               |
| Due to Resort Village of Manitou Beach | <u>-</u>         | <u>16,487</u> |
| Total liabilities                      | <u>-</u>         | <u>16,487</u> |
| <b>NET FINANCIAL ASSETS</b>            | 50,817           | 60,181        |
| <b>NON-FINANCIAL ASSETS:</b>           |                  |               |
| Tangible capital assets (Note 4)       | <u>23,400</u>    | <u>25,436</u> |
| <b>ACCUMULATED SURPLUS</b>             | <u>\$ 74,217</u> | <u>85,617</u> |

### APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Mayor

See accompanying notes to the financial statements.



# MANITOU BEACH RECREATION BOARD

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2023  
with comparative figures for 2022

(Unaudited)

|   | <b>Budget</b>      |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | <b><u>2023</u></b> | <b><u>2023</u></b> | <b><u>2022</u></b> |
| <b>REVENUES</b>                                   |                    |                    |                    |
| 50/50 events                                      | \$ -               | \$ -               | 873                |
| Bingo income                                      | -                  | 1,556              | -                  |
| Canada Day  | -                  | 2,360              | 5,525              |
| Donations   | -                  | 290                | 3,564              |
| Events  | -                  | 90                 | 2,583              |
| Grants  | -                  | 524                | 3,537              |
| Interest income                                   | -                  | 879                | 715                |
| Pancake breakfast                                 | -                  | 2,114              | 8,055              |
| Rental income                                     | -                  | -                  | 783                |
|   | -                  | 7,813              | 25,635             |
| <b>EXPENSES</b>                                   |                    |                    |                    |
| 50/50 events                                      | -                  | 73                 | -                  |
| Advertising and promotion                         | -                  | 524                | 329                |
| Amortization of tangible capital assets           | -                  | 2,036              | 5,105              |
| Canada Day  | -                  | 4,150              | 5,199              |
| Donations   | -                  | 6,000              | -                  |
| Events  | -                  | 2,861              | 4,346              |
| Interest and bank charges                         | -                  | 12                 | 11                 |
| Pancake expense                                   | -                  | 2,509              | 452                |
| Supplies  | -                  | 1,048              | 534                |
|   | -                  | 19,213             | 15,976             |
| Excess (deficiency) of revenues over expenditures | \$ -               | (11,400)           | 9,659              |
| Accumulated surplus, beginning of year            | -                  | 85,617             | 75,958             |
| Accumulated surplus, end of year                  | \$ -               | \$ 74,217          | 85,617             |

See accompanying notes to the financial statements.

**MANITOU BEACH RECREATION BOARD**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

**Year ended December 31, 2023**  
with comparative figures for 2022

(Unaudited)

|  | <u>2023</u>      | <u>2022</u>   |
|--|------------------|---------------|
| <b>Surplus (deficit)</b>                                       | \$ (11,400)      | 9,659         |
| Purchase of tangible capital assets                            | -                | -             |
| Amortization of tangible capital assets                        | 2,036            | 5,105         |
| Proceeds on disposal of tangible capital assets                | -                | -             |
| Loss (gain) on disposal of tangible capital assets             | <u>-</u>         | <u>-</u>      |
| <b>Surplus (deficit) of capital expenses over expenditures</b> | <u>2,036</u>     | <u>5,105</u>  |
| <br>   |                  |               |
| <b>Increase (decrease) in net financial assets</b>             | (9,364)          | 14,764        |
| <b>Net financial assets - beginning of the year</b>            | <u>60,181</u>    | <u>45,417</u> |
| <b>Net financial assets - end of year</b>                      | <u>\$ 50,817</u> | <u>60,181</u> |

See accompanying notes to the financial statements.

# MANITOU BEACH RECREATION BOARD

## STATEMENT OF CASH FLOW

Year ended December 31, 2023  
with comparative figures for 2022

(Unaudited)

|   | <u>2023</u>      | <u>2022</u>     |
|---|------------------|-----------------|
| <b>Cash provided by (used in):</b>            |                  |                 |
| Operating activities:                         |                  |                 |
| Excess (deficiency) of revenues over expenses | \$ (11,400)      | 9,659           |
| Item not involving an outlay of cash:         |                  |                 |
| Amortization                                  | <u>2,036</u>     | <u>5,105</u>    |
|   | (9,364)          | 14,764          |
| Changes in non-cash working capital:          |                  |                 |
| Accounts payable and accrued liabilities      | <u>-</u>         | <u>(572)</u>    |
|   | <u>(9,364)</u>   | <u>14,192</u>   |
| Investing activities:                         |                  |                 |
| Increase (decrease) in investments            | <u>15,607</u>    | <u>(17,202)</u> |
| Financing activities:                         |                  |                 |
| Due to Resort Village of Manitou Beach        | <u>(16,487)</u>  | <u>16,487</u>   |
| Net change in cash during the year            | (10,244)         | 13,477          |
| Cash position, beginning of year              | <u>22,643</u>    | <u>9,166</u>    |
| Cash position, end of year                    | <u>\$ 12,399</u> | <u>22,643</u>   |

Cash position is comprised of cash in bank less outstanding cheques.

See accompanying notes to the financial statements.

# MANITOU BEACH RECREATION BOARD

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

(Unaudited)

### 1. PURPOSE OF THE ORGANIZATION

Manitou Beach Recreation Board (the "Recreation Board") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of the Province of Saskatchewan. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Recreation Board operates to provide events, fundraisers, and recreational activities in the Resort Village of Manitou Beach.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies.

#### (a) **Tangible capital assets**

Tangible capital assets are recorded at cost. Amortization is calculated using the following annual rates and methods designed to amortize the assets over their useful lives:

|           |                              |
|-----------|------------------------------|
| Equipment | 5 - 15 years - straight line |
|-----------|------------------------------|

#### (b) **Revenue recognition**

Operating grants are recognized as revenue when the funds are received and the conditions, if any, of the funding have been met. Government transfers are recognized as revenue in the year in which events that give rise to the transfer occur, provided the transfers are authorized, any eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made.

A transfer with or without eligibility criteria but without stipulations is recognized in the period the transfer is authorized and all eligibility criteria have been met, except to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

Fireworks, pancake breakfast, concession booth and ski rental revenues are recorded as income at such time activities are provided and collection is reasonably assured.

Donation income is recognized in the year it is received.

#### (c) **Contributed services**

The operations of the Recreation Board depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### (d) **Measurement uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates. Differences are reflected in current earnings when identified.



# MANITOU BEACH RECREATION BOARD

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

(Unaudited)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Impairment of long-lived assets

The Recreation Board tests long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

### 3. SHORT-TERM INVESTMENTS

Short-term investments consists of term deposits with maturity dates of February 2024, bearing interest at 3.00%.

### 4. TANGIBLE CAPITAL ASSETS

|           |                  | <u>2023</u>                         |                           | <u>2022</u>               |
|-----------|------------------|-------------------------------------|---------------------------|---------------------------|
|           | <u>Cost</u>      | <u>Accumulated<br/>Amortization</u> | <u>Net<br/>Book Value</u> | <u>Net<br/>Book Value</u> |
| Equipment | \$ <u>61,245</u> | <u>37,845</u>                       | <u>23,400</u>             | <u>25,436</u>             |

### 5. FINANCIAL INSTRUMENTS

The Recreation Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Recreation Boards risk exposure and concentration as of December 31, 2022.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Recreation Board is exposed to credit risk from customers. The Recreation Board has a significant number of customers which minimizes concentration of credit risk.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Recreation Board is exposed to this risk mainly in respect accounts payable and accrued liabilities. Cash flows from operations provide a substantial portion of the Recreation Board's cash requirements.