

DISABLED SAILING ASSOCIATION OF ALBERTA

Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

DISABLED SAILING ASSOCIATION OF ALBERTA

Index to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

	Page
NOTICE TO READER	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes In Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10



Nagy & Company Chartered Accountants

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Disabled Sailing Association of Alberta as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

NAGY & COMPANY CHARTERED ACCOUNTANTS
Calgary, Alberta
July 4, 2016

DISABLED SAILING ASSOCIATION OF ALBERTA

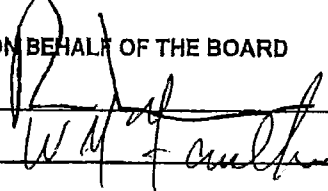
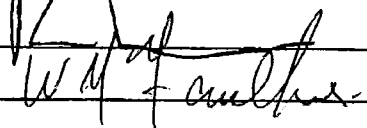
Statement of Financial Position

December 31, 2015

(Unaudited - See Notice To Reader)

	Operating Fund	Capital Fund	2015	2014
ASSETS				
CURRENT				
Cash	\$ 2,760	\$ -	\$ 2,760	\$ 5,589
Restricted cash	97,643	-	97,643	72,029
Term deposits (Note 4)	16,381	-	16,381	16,320
Goods and services tax recoverable	2,806	-	2,806	1,643
	119,590	-	119,590	95,581
PROPERTY, PLANT AND EQUIPMENT (Note 5)	-	61,796	61,796	70,140
	\$ 119,590	\$ 61,796	\$ 181,386	\$ 165,721
LIABILITIES AND NET ASSETS				
CURRENT				
Bank indebtedness (Note 6)	\$ 6,290	\$ -	\$ 6,290	\$ -
Accounts payable	4,744	-	4,744	3,020
	11,034	-	11,034	3,020
DEFERRED INCOME (Note 7)	97,643	-	97,643	72,029
	108,677	-	108,677	75,049
NET ASSETS				
Fund balances	10,913	61,796	72,709	90,672
	\$ 119,590	\$ 61,796	\$ 181,386	\$ 165,721

ON BEHALF OF THE BOARD

 Director
 Director

DISABLED SAILING ASSOCIATION OF ALBERTA

Statement of Revenues and Expenditures

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

	Operating Fund	Capital Fund	2015	2014
REVENUE				
Casino	\$ 30,130	\$ -	\$ 30,130	\$ 23,142
Donations	9,683	-	9,683	65,714
Grants	11,424	-	11,424	15,442
Interest	88	-	88	73
Memberships and sailing fees	18,479	-	18,479	41,525
Miscellaneous	-	-	-	475
	69,804	-	69,804	146,371
EXPENSES				
Amortization	-	11,523	11,523	11,685
Computer	306	-	306	-
Events	2,390	-	2,390	49,826
Goods and services tax paid	1,163	-	1,163	1,643
Insurance	10,805	-	10,805	11,484
Interest and bank charges	634	-	634	274
Office	4,345	-	4,345	6,915
Professional fees	2,112	-	2,112	2,300
Rent	1,234	-	1,234	1,164
Repairs and maintenance	4,482	-	4,482	10,739
Storage	10,694	-	10,694	13,729
Sub-contracts	16,000	-	16,000	-
Telephone	2,528	-	2,528	2,437
Travel	-	-	-	2,411
Vehicle	2,063	-	2,063	977
Wages, fees and benefits	17,488	-	17,488	53,460
	76,244	11,523	87,767	169,044
DEFICIENCY OF REVENUE OVER EXPENSES				
	\$ (6,440)	\$ (11,523)	\$ (17,963)	\$ (22,673)

DISABLED SAILING ASSOCIATION OF ALBERTA

Statement of Changes in Net Assets

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

	2014 Balance	Deficiency of revenue over expenses	Transfers	2015 Balance
Operating fund	\$ 20,532	\$ (6,440)	\$ (3,179)	\$ 10,913
Capital fund	70,140	(11,523)	3,179	61,796
	\$ 90,672	\$ (17,963)	\$ -	\$ 72,709

	2013 Balance	Deficiency of revenue over expenses	Transfers	2014 Balance
Operating fund	\$ 39,594	\$ (10,988)	\$ (8,074)	\$ 20,532
Capital fund	73,751	(11,685)	8,074	70,140
	\$ 113,345	\$ (22,673)	\$ -	\$ 90,672

DISABLED SAILING ASSOCIATION OF ALBERTA

Statement of Cash Flows

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

	2015	2014
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (17,963)	\$ (22,673)
Items not affecting cash:		
Amortization of property, plant and equipment	11,523	11,685
	(6,440)	(10,988)
Changes in non-cash working capital:		
Goods and services tax recoverable	(1,163)	710
Accounts payable	1,724	1,680
Deferred Income	25,614	51,906
	26,175	54,296
Cash flow from operating activities	19,735	43,308
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,179)	(8,074)
Purchase of term deposits	(61)	(16,320)
Cash flow used by investing activities	(3,240)	(24,394)
FINANCING ACTIVITY		
Bank indebtedness	6,290	-
Cash flow from financing activity	6,290	-
INCREASE IN CASH FLOW	22,785	18,914
Cash - beginning of year	77,618	58,704
CASH - END OF YEAR	\$ 100,403	\$ 77,618
CASH CONSISTS OF:		
Cash	\$ 2,760	\$ 5,589
Restricted cash	97,643	72,029
	\$ 100,403	\$ 77,618

DISABLED SAILING ASSOCIATION OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

1. DESCRIPTION OF BUSINESS

The Association was incorporated on August 11, 1994 under the provisions of the Societies Act of the Province of Alberta. The Association is a non-profit organization which facilitates and promotes sailing for disabled persons in Calgary, Alberta.

The Association is registered with the Charities Division, Canada Revenue Agency. As such it is exempt from income taxes and can issue charitable donation receipts.

The Association serves three main constituencies: its donors, the charitable sector and the community.

2. CORRECTION OF AN ERROR

Subsequent to the issuance of the Association's 2014 annual financial statements, the Association determined that there was an error in accounting for the casino revenue and expenditures. In prior years, casino revenue and expenditures were presented as a separate restricted fund. The restatement recognizes revenue for the amount of restricted funds that have been spent, and reclassifies unspent casino funds to deferred revenue.

	As previously reported	Adjustment	Restated
Deferred revenue	\$ -	\$ 72,029	\$ 72,029
Casino revenue	76,539	(53,327)	23,212
Opening fund balances	132,047	(18,702)	113,345
	\$ 208,586	\$ -	\$ 208,586

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have not necessarily been prepared on the basis of generally accepted accounting principles. These financial statements are prepared on accounting policies of which the more significant ones are:

Cash and cash equivalents

Cash includes cash held in Chartered banks.

Restricted cash

Disbursement of the casino funds is subject to restrictions established by Alberta Gaming and Liquor Commission ("AGLC") (Note 7).

(continues)

DISABLED SAILING ASSOCIATION OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Term deposits

Term deposits, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve month, are carried at amortized cost.

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Boats and equipments	25%	declining balance method
Computer equipment	30%	declining balance method
Docks	10 years	straight-line method
Leasehold improvements	25%	declining balance method
Storage facilities	20 years	straight-line method
Trailer	25%	straight-line method
Vehicles	25%	declining balance method

The association regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Income taxes

The Association is a Registered Charity exempt from paying income taxes under Section 149 (1) (F) of the Income Tax Act.

Fund accounting

Disabled Sailing Association of Alberta follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenses related to Disabled Sailing Association of Alberta's capital assets.

(continues)

DISABLED SAILING ASSOCIATION OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Disabled Sailing Association of Alberta follows the restricted fund method of accounting for contributions.

Donations, including operating grants, casino events, money raised from event fees, and independent sailing rentals are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted donations are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on casino funds are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Members' dues are recorded as revenue of the General Fund when the services are provided.

Donated goods

Donated assets, other than cash, have not been given accounting recognition. They generally consists of volunteer time, the fair value of which is not readily determinable.

Donated services

The Association relies on the time and expertise donated by many volunteers. The value of this time has not been reflected in these financial statements.

4. TERM DEPOSITS

	2015	2014
Redeemable GIC, bearing interest at 0.35%, due January 28, 2016	\$ 15,355	\$ -
Redeemable GIC, bearing interest at 0.35%, due January 28, 2016	1,026	-
Redeemable GIC, bearing interest at 0.35%, due January 3, 2015	-	15,297
Redeemable GIC, bearing interest at 0.35%, due January 3, 2015	-	1,023
	<u>\$ 16,381</u>	<u>\$ 16,320</u>

The redeemable GIC's have been provided as security for the Mastercard and the operating line of credit.

DISABLED SAILING ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited - See Notice To Reader)

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Boats and equipments	\$ 211,929	\$ 195,066	\$ 16,863	\$ 22,484
Computer equipment	4,420	4,395	25	36
Docks	15,967	15,967	-	1,597
Leasehold improvements	3,179	397	2,782	-
Storage facilities	14,467	7,233	7,234	7,957
Trailer	61,874	27,222	34,652	37,746
Vehicles	4,000	3,760	240	320
	\$ 315,836	\$ 254,040	\$ 61,796	\$ 70,140

6. BANK INDEBTEDNESS

The Association has an operating line of credit with ATB Financial with a maximum credit limit of \$15,000, which bears interest at prime plus 2.5%. As of December 31, 2015, \$6,290 (2014 - Nil) was outstanding on the facility.

DISABLED SAILING ASSOCIATION OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

7. DEFERRED REVENUE

Deferred revenue represents the unspent balance of casino funds. Disbursement of the casino funds is subject to restrictions established by Alberta Gaming and Liquor Commission ("AGLC"). Approved use of proceeds includes administration (10%), equipment and programs, rent, promotional activities and other assorted items.

	Beginning balance	Funds raised	Revenue recognized in the year	2015	2014
Casino	\$ 72,206	\$ 75,302	\$ 49,865	\$ 97,643	\$ 72,206