

LLOYDMINSTER FACILITIES CORPORATION
FINANCIAL STATEMENTS
INITIAL YEAR ENDED DECEMBER 31, 2011

LLOYDMINSTER FACILITIES CORPORATION

**FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD

LLOYDMINSTER FACILITIES CORPORATION

We have audited the accompanying financial statements of the Lloydminster Facilities Corporation, which comprise the statement of financial position as at December 31, 2011, and the statements of operations and accumulated surplus (deficit), change in net debt and cash flows for the initial 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 generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Lloydminster Facilities Corporation as at December 31, 2011, and the financial performance and cash flows for the initial year then ended in accordance with Canadian generally accepted accounting principles.

Wilkinson Livingstone Stevens LLP

Lloydminster, Alberta
April 9, 2012

Chartered Accountants

LLOYDMINSTER FACILITIES CORPORATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

2011

Financial Assets

Cash	861,426
Accounts receivables	<u>82,202</u>
	<u>943,628</u>

Financial Liabilities

Accounts payable and accrued liabilities	31,689
Due to City of Lloydminster (Note 5)	<u>1,023,265</u>
	<u>1,054,954</u>

Net Financial Assets(111,326)**Non-Financial Assets**

Inventory for consumption	<u>38,630</u>
	<u>38,630</u>

Accumulated Surplus (Page 4)\$ (72,696)**Commitments (Note 4)**

Approved On Behalf Of Board

Director

Director

LLOYDMINSTER FACILITIES CORPORATION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
INITIAL YEAR ENDED DECEMBER 31, 2011

	Budget (Unaudited)	2011
Revenue		
User fees and sales of goods	1,237,305	1,557,192
Investment income	-	813
	<u>1,237,305</u>	<u>1,558,005</u>
Expenditures		
Salaries, wages and benefits	620,130	573,514
Contracted and general services	325,650	358,293
Materials, goods and utilities	251,811	695,228
Bank charges	-	3,666
	<u>1,197,591</u>	<u>1,630,701</u>
Excess (Deficiency) Of Revenue Over Expenditures	39,714	(72,696)
Accumulated Surplus, Beginning of Year		<u>-</u>
Accumulated Surplus, End of Year		<u>\$ (72,696)</u>

LLOYDMINSTER FACILITIES CORPORATION

STATEMENT OF CASH FLOWS
INITIAL YEAR ENDED DECEMBER 31, 2011

	2011
Cash Provided By (Used In):	
Operating Activities	
Excess (deficiency) of revenues over expenditures	(72,696)
Net decrease (increase) in non-cash operating working capital balances:	
Accounts receivables	(82,202)
Inventory for consumption	(38,630)
Accounts payable and accrued liabilities	31,689
Due to City of Lloydminster	<u>1,023,265</u>
	<u>861,426</u>
Increase in cash during the year	861,426
Cash, Beginning of Year	<u>-</u>
Cash At End	<u>\$ 861,426</u>

LLOYDMINSTER FACILITIES CORPORATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
INITIAL YEAR ENDED DECEMBER 31, 2011

	Budget (Unaudited)	2011
Excess (Deficiency) Of Revenue Over Expenditures	39,714	(72,696)
Change in inventory for consumption	<u>-</u>	<u>(38,630)</u>
Increase (Decrease) in Net Financial Assets	39,714	(111,326)
Net Financial Assets, Beginning Of Year	<u>-</u>	<u>-</u>
Net Financial Assets, End Of Year	<u>\$ 39,714</u>	<u>\$ (111,326)</u>

LLOYDMINSTER FACILITIES CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS
INITIAL YEAR ENDED DECEMBER 31, 2011**

1. Purpose of the Organization

The Lloydminster Facilities Corporation operates the Lloydminster Golf and Curling Club. Lloydminster Facilities Corporation was incorporated under the provisions of the Non-Profit Corporations Act of Saskatchewan on October 28, 2010.

2. Principal Accounting Policies

The financial statements of the Lloydminster Facilities Corporation (the "Corporation") are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are summarized as follows:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as accounts receivable and accounts payable and accrued liabilities. These estimates and assumptions are based on the Corporation's best information and judgment and may differ significantly from actual results.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized in the period the goods and services are acquired and a liability is incurred as transfers are due.

c) Revenue Recognition

User fees and sales of goods are recognized when goods or services are provided to the purchaser at the point of sale.

d) Inventories

Inventories are valued at the lower of cost or net realizable value as estimated by management. Cost is determined by using a first in, first out method.

LLOYDMINSTER FACILITIES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
INITIAL YEAR ENDED DECEMBER 31, 2011**3. Financial Instruments, Credit Risk and Fair Value**

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to the City of Lloydminster accounts.

Credit risk

The Corporation is exposed to credit risk on receivables from customers. Credit risk is considered to be minimal due to the nature of the Corporation's operations.

Fair value

The stated value for accrued income and expenses and certain other assets and liabilities approximate their fair value due to their short term maturity.

Fair value of those financial instruments which have no specific terms of maturity nor interest and those financial instruments for which a reasonable estimate of fair value could not be made without incurring excessive cost, have not been determined.

4. Commitments

The Corporation has entered into an agreement to lease equipment for a period up to October 31, 2013. Future minimum payments under operating lease follow:

2012	28,380
2013	<u>19,500</u>
	<u>\$ 47,880</u>

5. Related parties

The following is a summary of the Corporation's related party transactions:

The City of Lloydminster exercises control over the Corporation by virtue that City Council appoints and has representation on the Corporation's board. Also, the Corporation's ongoing operations depend on continued funding from the City of Lloydminster. The City of Lloydminster also performs accounting services for the Corporation.

Related party transactions

	2011
Due to City of Lloydminster	\$ 1,023,265

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Advances from a related party company is non-interest bearing and has no set repayment terms.

6. Approval of Financial Statements

The Board and Management have approved these financial statements.