

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Financial Statements

Year Ended December 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Confederation Park 55+ Activity Centre

We have audited the accompanying financial statements of Confederation Park 55+ Activity Centre, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues, expenditures and fund balances and 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.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Confederation Park 55+ Activity Centre derives revenue from donations and fundraising and various functions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Confederation Park 55+ Activity Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising and various functions revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2015, current assets and net assets as at December 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Confederation Park 55+ Activity Centre as at December 31, 2015 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.

February 16, 2016


Chartered Accountants

CONFEDERATION PARK 55+ ACTIVITY CENTRE

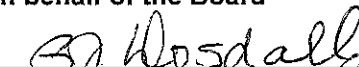

Statement of Financial Position

December 31, 2015

	Operating Fund 2015	Sustainability & Capital Fund 2015	T&C Fund 2015	Total 2015	Total 2014
ASSETS					
CURRENT					
Cash	\$ 73,301	\$ 168,438	\$ 7,177	\$ 248,916	\$ 282,651
Term deposits and GIC's	-	220,000	-	220,000	175,000
Accounts receivable & prepaid	8,062	-	-	8,062	8,162
Goods and services tax recoverable	1,881	-	-	1,881	1,343
	<u>\$ 83,244</u>	<u>\$ 388,438</u>	<u>\$ 7,177</u>	<u>\$ 478,859</u>	<u>\$ 467,156</u>
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	\$ 10,273	\$ -	\$ -	\$ 10,273	\$ 9,367
Employee deductions payable	2,957	-	-	2,957	2,907
Deferred Revenue - memberships and registrations	27,446	-	-	27,446	21,355
Deferred Contributions (Note 4)	42,568	-	7,177	49,745	100,033
	83,244	-	7,177	90,421	133,662
FUND BALANCES	<u>-</u>	<u>388,438</u>	<u>-</u>	<u>388,438</u>	<u>333,494</u>
	<u>\$ 83,244</u>	<u>\$ 388,438</u>	<u>\$ 7,177</u>	<u>\$ 478,859</u>	<u>\$ 467,156</u>

LEASE COMMITMENTS (Note 5)

On behalf of the Board

 Director
 Director

CONFEDERATION PARK 55+ ACTIVITY CENTRE
Statement of Revenues, Expenditures and Fund Balances
Year Ended December 31, 2015

	Operating Fund	Sustainability & Capital Fund	T&C Fund	Total 2015	Total 2014
REVENUES					
Family and Community Support Services (FCSS) funding	\$ 169,870	\$ -	\$ -	\$ 169,870	\$ 169,870
Government grants	-	-	-	-	15,948
Memberships	19,975	-	-	19,975	19,550
President's appeal	8,350	-	-	8,350	7,605
Fundraising and other functions	67,592	-	42,466	110,058	122,188
Class registrations	59,414	-	-	59,414	53,842
Donations and contributions	20,657	-	9,415	30,072	19,439
Interest and investment income	1,750	-	-	1,750	-
Facility rental	57,750	-	-	57,750	56,687
Other income	1,591	-	-	1,591	1,371
	<u>406,949</u>	<u>-</u>	<u>51,881</u>	<u>458,830</u>	<u>466,500</u>
EXPENSES					
Salaries and benefits	158,019	-	286	158,305	147,759
Transportation	1,017	-	13,333	14,350	14,897
Office	12,495	-	4,585	17,080	13,686
Copier and supplies	5,328	-	-	5,328	4,952
Janitorial	2,891	-	-	2,891	2,463
Fundraising and other functions	20,647	-	1,350	21,997	26,121
Class instruction	36,199	-	-	36,199	34,852
Telephone	4,775	-	-	4,775	4,543
Utilities & rent	54,024	-	-	54,024	56,442
Repairs and maintenance	63,453	-	-	63,453	61,453
Insurance	7,321	-	-	7,321	6,556
Professional services	18,163	-	-	18,163	18,894
	<u>384,332</u>	<u>-</u>	<u>19,554</u>	<u>403,886</u>	<u>392,618</u>
OPERATING EXCESS (DEFICIENCY)	<u>22,617</u>	<u>-</u>	<u>32,327</u>	<u>54,944</u>	<u>73,882</u>
OPERATIONS ALLOCATION					
Operations allocation - salaries	16,752	-	(16,752)	-	-
Operations allocation - rent and utilities	5,734	-	(5,734)	-	-
	<u>22,486</u>	<u>-</u>	<u>(22,486)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AFTER TRANSFERS	<u>45,103</u>	<u>-</u>	<u>9,841</u>	<u>54,944</u>	<u>73,882</u>
FUND BALANCES, beginning of year	-	333,494	-	333,494	259,612
Fund balance transfers	(45,103)	54,944	(9,841)	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 388,438</u>	<u>\$ -</u>	<u>\$ 388,438</u>	<u>\$ 333,494</u>

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Statement of Cash Flows

Year Ended December 31, 2015

	Operating Fund 2015	Sustainability & Capital Fund 2015	T&C Fund 2015	Total 2015	Total 2014
OPERATING ACTIVITIES					
Excess of revenues over expenses after transfers	\$ 45,103	\$ -	\$ 9,841	\$ 54,944	\$ 73,882
Items not affecting cash:					
Interfund balance transfers	(45,103)	54,944	(9,841)	-	-
	-	54,944	-	54,944	73,882
Changes in non-cash working capital:					
Accounts receivable & prepaid	101	-	-	101	(8,163)
Accounts payable	905	-	-	905	(3,873)
Deferred Revenue - memberships and registrations	6,091	-	-	6,091	9,835
Goods and services tax payable	(538)	-	-	(538)	1,012
Employee deductions payable	50	-	-	50	2,907
Deferred Contributions - FCSS	(7,822)	-	-	(7,822)	7,821
Deferred Contributions - Casino	-	-	(42,466)	(42,466)	21,211
	(1,213)	-	(42,466)	(43,679)	30,750
INCREASE (DECREASE) IN CASH FLOW	(1,213)	54,944	(42,466)	11,265	104,632
Cash - beginning of year	74,514	333,494	49,643	457,651	353,019
CASH - END OF YEAR	\$ 73,301	\$ 388,438	\$ 7,177	\$ 468,916	\$ 457,651
CASH CONSISTS OF:					
Cash	\$ 73,301	\$ 168,438	\$ 7,177	\$ 248,916	\$ 282,651
Term deposits and GIC's	-	220,000	-	220,000	175,000
	\$ 73,301	\$ 388,438	\$ 7,177	\$ 468,916	\$ 457,651

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

1. OVERVIEW

Confederation Park 55+ Activity Centre is a registered society and charity formed to provide educational, recreational, outreach support programs and special services to members of the community 55 years of age and older to help them maintain an independent life style.

These financial statements include the operations and resources of the Operating, Sustainability & Capital and Taxi Funds only and do not include the operations and resources of any self sufficient but directly controlled Clubs or Committees of the Centre, except for contributions received from these clubs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Centre follows Canadian accounting standards for not for profit organizations the more significant being:

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The continued operation of the Centre is dependent on the continued support of government and interested individuals and groups.

Fund Accounting

Fund accounting is used to ensure the observance of the purposes, limitations, and restrictions on the use of resources made available to the organization as specified by the donors, contributors, and the Board.

The funds are summarized for reporting as follows:

Operating Fund

- to handle all general fund raising events, general Centre functions, class instruction and support of all other committees and clubs which are in place. It includes government grants relating to budgeted salaries, benefits, rent and utilities. Any deficits are funded by the Sustainability & Capital Fund.

Sustainability & Capital Fund

- to record all funds received and disbursed for property and equipment acquisition and is used to fund any Operating Fund deficits. Bequests with no specific direction are recorded in this fund as well. The Sustainability & Capital Fund is limited to \$500,000.

Tea & Conversation Fund

- to record all funds received and disbursed relating to the tea and conversation events and related travel.

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CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are term deposits and GIC's with original maturities less than one year or having the capacity of prompt liquidation.

Property and equipment

Property and equipment is recorded at cost. Amortization computed over the estimated useful life of the asset or over the life of the lease, as applicable, using the straight-line method.

Purchases more than \$5,000 with a life greater than three years and that are new to the Centre are capitalized. All other purchases are expensed as incurred. Contributed assets are recorded at their estimated fair value at their date of contribution.

Deferred Revenue

Class registration fees and membership fees received in advance are recorded as deferred revenue until the class or term is completed.

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Until then, they are recorded as deferred contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fund raising and other function revenue is recorded as received. Investment income is accrued as earned. Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributions from the following clubs are reported net as contributions when received as opposed to the consolidation of the clubs activities as the individual club activity is not considered material to these statements; Camera Club, Confederation Park Seniors Choir and Old Time Gliders Club.

Contributed Goods & Services

Management estimates that 311 (2014: 290) volunteers contribute about 15,933 (2014: 16,176) hours per year to assist the Centre in carrying out its service delivery and support activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The Centre received \$0 (2014: \$0) gifts in kind.

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CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

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

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Fundraising Activities

Fundraising revenues and expenses are recorded specifically in the Operating Fund. No salary costs have been allocated to the fundraising costs.

3. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments, which comprise cash, term deposits, account receivable and accounts payable, and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant liquidity, market or interest rate risks arising from these financial instruments.

4. DEFERRED CONTRIBUTIONS

Certain contributions received are externally restricted and are recorded as deferred contributions until funds are expended at which time they are transferred to revenue to match the expense. A summary of the activity follows.

	Opening balances	Restricted contributions	To revenue to match expense	Ending balances
FCSS	\$ 42,568	\$ 169,870	\$ (169,870)	\$ 42,568
Casino funds	49,643	-	(42,466)	7,177
Government grants	7,822	-	(7,822)	-
	<u>\$ 100,033</u>	<u>\$ 169,870</u>	<u>\$ (220,158)</u>	<u>\$ 49,745</u>

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

5. LEASE COMMITMENTS

The Centre leases premises under a long term lease that expires on December 31, 2026. Under the lease, the Centre is required to pay a rent which is currently \$5,733.85 per month. This includes the Centre's proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises.

The Centre also has a photocopier lease. Future minimum lease payments as at year end are as follows:

2016	\$	2,741
2017		2,741
2018		343
		<hr/>
	\$	<u>5,825</u>
