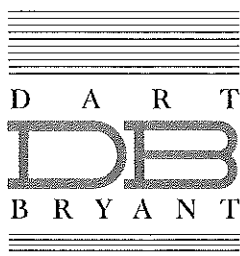


CONFEDERATION PARK 55+ ACTIVITY CENTRE
Financial Statements
Year Ended December 31, 2017



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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, 2017 and the statements of operations and changes in net assets 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

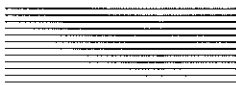
In common with many not-for-profit organizations, Confederation Park 55+ Activity Centre derives revenue from donations, fundraising activities and various functions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited 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 donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

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, 2017 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.

March 12, 2018

Chartered Professional Accountants




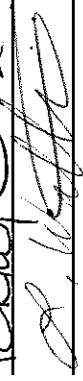
CONFEDERATION PARK 55+ ACTIVITY CENTRE
Statement of Financial Position
December 31, 2017

	Operating Fund 2017	Sustainability & Capital Fund 2017	Casino Fund 2017	Total 2017	Total 2016
ASSETS					
CURRENT					
Cash and term deposits (Note 4)	\$ 70,091	\$ 448,991	\$ 40,713	\$ 559,795	\$ 579,714
Accounts receivable	9,696	-	-	9,696	5,190
Goods and services tax recoverable	2,564	-	-	2,564	1,802
Prepaid expenses	3,240	-	-	3,240	3,240
	\$ 85,591	\$ 448,991	\$ 40,713	\$ 575,295	\$ 589,946
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	\$ 10,029	\$ -	\$ -	\$ 10,029	\$ 11,550
Deferred revenue - memberships and registrations	25,782	-	-	25,782	28,459
Deferred Contributions (Note 5)	49,781	-	-	49,781	85,837
	85,592	-	-	85,592	125,846
NET ASSETS				489,704	464,100
Internally restricted	-	448,991	40,713	575,296	589,946
	\$ 85,592	\$ 448,991	\$ 40,713	\$ 575,296	\$ 589,946

LEASE COMMITMENTS (Note 6)

On behalf of the Board

 Director

 Director

CONFEDERATION PARK 55+ ACTIVITY CENTRE
Statement of Operations and Changes in Net Assets
Year Ended December 31, 2017

	Operating Fund	Sustainability & Capital Fund	Casino Fund	2017	2016
REVENUES					
Family and Community Support Services (FCSS) funding	\$ 208,123	\$ -	\$ -	\$ 208,123	\$ 207,376
Government grants	18,110	-	-	18,110	25,000
Memberships	19,920	-	-	19,920	21,470
President's appeal	12,497	-	-	12,497	8,836
Fundraising and other functions	48,713	-	35,955	84,668	99,442
Class registrations	72,839	-	-	72,839	81,093
Donations and contributions	19,168	-	12,650	31,818	15,345
Interest and investment income	1,632	-	-	1,632	1,735
Facility rental	54,170	-	-	54,170	54,299
Other income	1,303	-	-	1,303	2,059
	456,475	-	48,605	505,080	516,655
EXPENSES					
Salaries and benefits	187,914	-	-	187,914	169,681
Repairs and maintenance	82,357	-	25,749	108,106	81,737
Utilities & rent	42,430	-	-	42,430	52,322
Class instruction	49,434	-	-	49,434	45,401
Professional services	21,532	-	-	21,532	21,276
Fundraising and other functions	17,279	-	2,225	19,504	20,243
Office	16,847	-	4,256	21,103	17,019
Transportation	800	-	12,685	13,485	13,834
Insurance	3,183	-	-	3,183	6,380
Copier and supplies	5,360	-	-	5,360	5,789
Telephone	5,119	-	-	5,119	5,364
Janitorial	2,306	-	-	2,306	1,946
	434,561	-	44,915	479,476	440,992
	21,914	-	3,690	25,604	75,663
OPERATING EXCESS					
OPERATIONS ALLOCATION					
Operations allocation - salaries	16,966	-	(16,966)	-	-
Operations allocation - rent and utilities	5,734	-	(5,734)	-	-
	22,700	-	(22,700)	-	-
	44,614	-	(19,010)	25,604	75,663
EXCESS OF OPERATIONS AFTER TRANSFERS					
FUND BALANCES, beginning of year	-	394,741	69,359	464,100	388,437
Fund balances transfers	(44,614)	54,250	(9,636)	-	-
NET ASSETS - END OF YEAR	\$ -	\$ 448,991	\$ 40,713	\$ 489,704	\$ 464,100

CONFEDERATION PARK 55+ ACTIVITY CENTRE
Statement of Cash Flows
Year Ended December 31, 2017

	Operating Fund	Sustainability & Capital Fund	Casino Fund	Total 2016	Total 2015
OPERATING ACTIVITIES					
Excess of Revenues Over Expenses	\$ 44,614	\$ -	\$ (19,010)	\$ 25,604	\$ 75,664
Item not affecting cash:					
Interfund balance transfers	(44,614)	54,249	(9,635)	-	-
	-	54,249	(28,645)	25,604	75,664
Changes in non-cash working capital:					
Accounts receivable & prepaid	(4,507)	-	-	(4,507)	2,873
Accounts payable	(1,521)	-	-	(1,521)	1,277
Deferred Revenue - memberships and registrations	(2,677)	-	-	(2,677)	1,013
Prepaid expenses	-	-	-	-	(3,240)
Goods and services tax receivable	(762)	-	-	(762)	79
Employee deductions payable	-	-	-	-	(2,957)
Deferred Contributions - FCSS	(100)	-	-	(100)	7,313
Deferred Contributions - Casino	-	-	(35,955)	(35,955)	28,777
	(9,567)	-	(35,955)	(45,522)	35,135
INCREASE (DECREASE) IN CASH FLOW	(9,567)	54,249	(64,600)	(19,918)	110,799
Cash - beginning of year	79,659	394,742	105,313	579,714	468,915
CASH - END OF YEAR (Note 4)	\$ 70,092	\$ 448,991	\$ 40,713	\$ 559,796	\$ 579,714

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2017

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

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.

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

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.

Casino Fund

- to record all funds received and disbursed from casino for supported events.

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.

(continues)

CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2017

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

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, membership fees and facility rental 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 313 (2016: 294) volunteers contribute about 14,535 (2016: 14,228) 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.

During the year, the Centre received \$0 (2016: \$0) gifts in kind.

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.

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CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and GIC's, 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. CASH

	<u>2017</u>	<u>2016</u>
Cash	\$ 281,698	\$ 327,979
Term deposits and GIC's - fund development	<u>278,097</u>	<u>251,735</u>
	<u>\$ 559,795</u>	<u>\$ 579,714</u>

5. 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	\$ 49,781	\$ 208,123	\$ (208,123)	\$ 49,781
Casino funds	35,955	-	(35,955)	-
Other	101	240	341	-
	<u>\$ 85,837</u>	<u>\$ 208,363</u>	<u>\$ (244,419)</u>	<u>\$ 49,781</u>

6. LEASE COMMITMENTS

The Centre leases premises under a long term lease that expires on March 31, 2026. Under the lease, the Centre is required to pay its share of the premise's utilities, property taxes, maintenance, capital improvements and other related costs on a pro-rata basis, which is currently at \$5,734 per month.

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

2018	<u>\$ 343</u>
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