

Saint John Aquatic Centre Commission

Financial Statements

Year Ended December 31, 2016



Saint John Aquatic Centre Commission

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INDEPENDENT AUDITORS' REPORT

**To the Directors of
Saint John Aquatic Centre Commission**

We have audited the accompanying financial statements of the **Saint John Aquatic Centre Commission**, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and annual surplus, changes in net debt 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 public sector accounting standards, 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.

Auditors' 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Saint John Aquatic Centre Commission** as at December 31, 2016, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

April 25, 2017

Cumming & Associates

Saint John, NB

Chartered Professional Accountant



Saint John Aquatic Centre Commission
Statement of Financial Position
As at December 31, 2016

	2016	2015
Financial assets		
Current		
Cash and cash equivalents	\$ 23,597	\$ 112,740
Accounts receivable	95,950	74,260
Due from the City of Saint John (Note 6)	22,094	31,647
Due from the Greater Saint John Regional Facilities Commission (Note 5)	<u>101,464</u>	<u>28,131</u>
	243,105	246,778
Long term		
Due from the Greater Saint John Regional Facilities Commission	<u>14,541</u>	<u>101,464</u>
	<u>257,646</u>	<u>348,242</u>
Financial liabilities		
Current		
Accounts payable (Note 4)	188,633	255,290
Deferred revenue	<u>110,620</u>	<u>133,566</u>
	<u>299,253</u>	<u>388,856</u>
Net debt	<u>(41,607)</u>	<u>(40,614)</u>
Non-financial assets		
Inventory (Note 3)	31,399	25,745
Prepaid expenses	<u>10,208</u>	<u>14,869</u>
	<u>41,607</u>	<u>40,614</u>
Accumulated surplus	<u>\$ -</u>	<u>\$ -</u>

On behalf of the Board



Director

Director

(See Accompanying Notes)



Saint John Aquatic Centre Commission
Statement of Operations and Annual Surplus
Year Ended December 31, 2016

	2016	2015
Revenue		
Program activities	<u>\$ 1,745,296</u>	<u>\$ 1,886,046</u>
Expenses		
Programs	1,213,148	1,147,755
Maintenance	981,592	1,025,060
Administration	<u>345,955</u>	<u>448,684</u>
	<u>2,540,695</u>	<u>2,621,499</u>
Operating deficit	(795,399)	(735,453)
The Greater Saint John Regional Facilities Commission subsidy	<u>780,858</u>	<u>633,989</u>
Subsidy deficit due (from) to The Greater Saint John Regional Facilities Commission	(14,541)	(101,464)
Annual surplus	<u>\$ -</u>	<u>\$ -</u>

(See Accompanying Notes)



Saint John Aquatic Centre Commission
Statement of Changes in Net Debt
Year Ended December 31, 2016

	2016	2015
Annual surplus	<u>\$ -</u>	<u>\$ -</u>
(Increase) decrease in inventory	(5,654)	(2,444)
(Increase) decrease in prepaid expenses	<u>4,661</u>	<u>(9,493)</u>
(Increase) decrease in net debt	(993)	(11,937)
Net debt - beginning of year	<u>(40,614)</u>	<u>(28,677)</u>
Net debt - end of year	<u>\$ (41,607)</u>	<u>\$ (40,614)</u>

(See Accompanying Notes)



Saint John Aquatic Centre Commission
Statement of Cash Flows
Year Ended December 31, 2016

	2016	2015
Operating transactions		
Annual surplus	\$ -	\$ -
Change in non-cash assets and liabilities		
Accounts receivable	(21,690)	19,424
Due from the City of Saint John	9,553	135,125
Due to the Greater Saint John Regional Facilities Commission	13,590	(135,453)
Inventory	(5,654)	(2,444)
Prepaid expenses	4,661	(9,493)
Accounts payable	(66,657)	(51,240)
Deferred revenue	(22,946)	(18,274)
Decrease in cash	(89,143)	(62,355)
Cash - beginning of year	112,740	175,095
Cash - end of year	\$ 23,597	\$ 112,740

(See Accompanying Notes)



1. NATURE OF OPERATIONS

The Commission is a not-for-profit organization incorporated in the jurisdiction of the Province of New Brunswick to promote physical fitness for the residents of Saint John and the adjacent communities of Grand Bay - Westfield, Quispamsis and Rothesay. The Commission qualifies as a Municipal Commission and therefore is exempt from income taxes under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared by management in accordance with the Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

Revenue recognition

Revenue is recognized when services have been provided and ultimately collection is reasonably assured at the time of performance. Membership and program revenues are recognized in the period to which the membership and programs apply.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents are recorded at cost, which approximates their market value and are maintained within a financial institution.

Inventory

Inventory for resale is valued at the lower of cost and net replacement cost with cost being determined on the first in, first out basis. Chemicals and cleaning supplies are recorded at cost.

Saint John Aquatic Centre Commission
Notes to Financial Statements (Continued)
Year Ended December 31, 2016

3. INVENTORY

	2016		2015
Chemicals and cleaning supplies	\$ 18,598	\$	16,506
Resale	9,201		5,886
Other	3,600		3,353
	<u>31,399</u>		<u>25,745</u>
	\$	\$	25,745

4. ACCOUNTS PAYABLE

	2016		2015
Accounts payable - trade	\$ 72,664	\$	72,793
Severance payable	40,170		121,778
Wages payable	28,950		21,131
Accrued sick leave	23,236		23,236
Payroll remittances payable	15,092		11,103
Vacation payable	8,521		5,249
	<u>188,633</u>		<u>255,290</u>
	\$	\$	255,290

5. GREATER SAINT JOHN REGIONAL FACILITIES COMMISSION

The Greater Saint John Regional Facilities Commission (GSJRFC) was formed in 1998 by provincial legislation and consists of representatives from the City of Saint John and the towns of Rothesay, Quispamsis and Grand Bay-Westfield. The GSJRFC has the obligation to finance all the net operating expenditures of the Saint John Aquatic Centre Commission. Net operating deficits or surplus are recorded as due from or to the GSJRFC, to be received or paid within the second year after the deficit or surplus was incurred.

Accrued annual operating surplus or deficits consist of:

	2016		2015
Balance - beginning of year	\$ (129,595)	\$	5,858
Repayment during the year	(28,131)		(33,989)
Current year's (receivable) refundable subsidy	(101,464)		(28,131)
Long term payable (receivable)	(14,541)		(101,464)
Balance - end of year	<u>(116,005)</u>		<u>(129,595)</u>
	\$	\$	(129,595)

6. RELATED PARTY TRANSACTIONS

The Commission enters into transactions with the City of Saint John and adjacent communities during the year. All 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.

During the year, the following amounts were received from or paid to the City of Saint John:

Included in revenue:	2016	2015
Beach grant	\$ 169,003	\$ 176,441
Parking revenue	27,925	22,927
Contract revenue - pedway maintenance	12,000	12,000

Included in expenses:

Water & sewer	\$ 48,161	\$ 48,671
Insurance	25,593	-
Computer lease and maintenance agreement	10,470	8,929

During the year, the following amounts were received from the Town of Quispamsis:

Beach grant	\$ 53,704	\$ 52,598
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The balance accrued at year end relates to revenues and the purchase and reimbursement of capital items, is non-interest bearing and is anticipated to be received in the current period.

	2016	2015
Due from the City of Saint John	\$ 22,094	\$ 31,647

7. PHYSICAL PREMISES

The facility in which the Commission operates is owned by the City of Saint John. The Commission does not pay rent, however, it is responsible for the operating costs of the facility.

Saint John Aquatic Centre Commission
Schedule of Operating Revenue and Expenses
Year Ended December 31, 2016

	2016 Budget (Unaudited)	2016 Actual	2015 Actual
Revenue			
Instructional programs	\$ 460,000	\$ 450,666	\$ 518,212
Membership	531,500	447,645	471,206
Facility rental	350,020	332,838	386,108
Beach grants	229,039	222,708	229,040
Service rentals	117,868	114,932	115,671
Massage therapy	85,000	97,865	72,934
Aquatic camps	55,000	45,220	60,856
Product sales	35,000	33,422	32,019
	<u>1,863,427</u>	<u>1,745,296</u>	1,886,046
Programs			
Wages	1,097,280	1,043,113	1,002,346
Supplies	97,350	88,256	76,368
Advertising	68,160	81,779	69,041
	<u>1,262,790</u>	<u>1,213,148</u>	1,147,755
Maintenance			
Utilities	442,000	356,348	393,220
Wages	367,825	351,029	361,159
Maintenance	182,500	154,413	168,250
Supplies	68,200	64,574	69,060
Sub-contract	26,000	31,228	24,442
Project manager	-	24,000	-
Equipment	-	-	8,929
	<u>1,086,525</u>	<u>981,592</u>	1,025,060
Administration			
Wages	178,652	191,582	170,071
Severance	-	-	141,315
Office	26,960	49,106	38,730
Insurance	36,000	25,593	33,718
Credit card and processing charges	25,000	25,584	22,433
Professional fees	13,500	15,660	13,477
Telephone	15,000	14,518	12,642
Property taxes	10,000	8,947	9,048
Equipment rent	12,000	9,965	3,762
Bad debts	5,000	5,000	3,488
	<u>322,112</u>	<u>345,955</u>	448,684
	\$	\$	\$

