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Financial statements of  
Saint John Aquatic Centre  
Commission

December 31, 2023

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## Independent Auditor's Report

To the Commissioners of  
Saint John Aquatic Centre Commission

### Report on the Audit of the Financial Statements<sup>i</sup>

#### Opinion

We have audited the financial statements of the Saint John Aquatic Centre Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and annual deficit, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2023, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.<sup>ii iii</sup>

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*


Chartered Professional Accountants  
Saint John, New Brunswick  
March 19, 2024


**Saint John Aquatic Centre Commission**  
**Statement of financial position**  
As at December 31, 2023

	Notes	2023 \$	2022 \$
<b>Financial assets</b>			
Cash		291,334	11,802
Accounts receivable		68,403	119,969
Due from the Fundy Regional Service Commission	5	—	191,533
		<b>359,737</b>	<b>323,304</b>
<b>Liabilities</b>			
Due to the Fundy Regional Service Commission	5	31,080	—
Accounts payable	4	188,190	208,367
Deferred revenue		189,208	157,186
		<b>408,478</b>	<b>365,553</b>
Net debt		<b>(48,740)</b>	<b>(42,249)</b>
<b>Non-financial assets</b>			
Inventories	3	20,270	13,916
Prepaid expenses		20,193	19,097
Capital assets	8	7,814	9,236
		<b>48,277</b>	<b>42,249</b>
<b>Accumulated deficit</b>		<b>—</b>	<b>—</b>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

  
\_\_\_\_\_, Commissioner

  
\_\_\_\_\_, Commissioner

**Saint John Aquatic Centre Commission**  
**Statement of operations and annual deficit**  
Year ended December 31, 2023

	Notes	<b>2023</b>	2022
		\$	\$
<b>Revenue</b>			
Program activities	6, Schedule 1	<b>2,102,022</b>	2,025,714
<b>Expenses</b>			
Programs	6, Schedule 1	<b>1,526,457</b>	1,389,559
Maintenance		<b>843,096</b>	783,178
Administration		<b>518,384</b>	447,356
Interest on interim financing		—	(1,773)
		<b>2,887,937</b>	2,618,320
Net expenditures before undernoted items		<b>(785,915)</b>	(592,606)
<b>Contributions from Fundy Regional Regional Commission</b>			
Approved annual contribution		<b>794,280</b>	615,221
Operating surplus		<b>8,365</b>	22,615
Fundy Regional Service Commission deficit funding	5	<b>(8,365)</b>	(22,615)
<b>Annual surplus</b>		<b>—</b>	—

The accompanying notes are an integral part of the financial statements.

**Saint John Aquatic Centre Commission**  
**Statement of changes in net debt**  
Year ended December 31, 2023

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	<b>2023</b>	2022
	\$	\$
<b>Annual deficit</b>	<u>—</u>	<u>—</u>
Decrease (increase) in inventories	<b>(6,354)</b>	(775)
Increase in prepaid expenses	<b>(1,096)</b>	(179)
Decrease (increase) in net debt	<b>(7,450)</b>	(954)
Decrease in capital assets	<b>1,421</b>	13,140
Net debt, beginning of year	<b>(42,249)</b>	(54,435)
<b>Net debt, end of year</b>	<b>(48,278)</b>	(42,249)

The accompanying notes are an integral part of the financial statements.

**Saint John Aquatic Centre Commission**  
**Statement of cash flows**  
Year ended December 31, 2023

	<b>2023</b>	2022
	\$	\$
<b>Operating transactions</b>		
Annual deficit	—	—
Items not affecting cash		
Amortization	<b>1,421</b>	13,140
	<b>1,421</b>	13,140
Change in non-cash operating working capital		
Accounts receivable	<b>51,566</b>	(24,585)
Due from the Fundy Regional Service Commission	<b>191,533</b>	415,108
Due to the Fundy Regional Service Commission	<b>31,080</b>	(49,537)
Inventories	<b>(6,354)</b>	(775)
Prepaid expenses	<b>(1,096)</b>	(179)
Accounts payable	<b>(20,639)</b>	35,620
Bank indebtedness	—	(46,652)
Canada Emergency Wage Subsidy payable	—	(324,519)
Deferred revenue	<b>32,022</b>	(7,774)
	<b>279,532</b>	9,847
<b>Financing transactions</b>		
City of Saint John - Interim financing repayment	—	—
Capital lease payments	—	—
	—	—
(Decrease) increase in cash	<b>279,532</b>	9,847
Cash, beginning of year	<b>11,802</b>	1,955
<b>Cash, end of year</b>	<b>291,334</b>	11,802

The accompanying notes are an integral part of the financial statements.



## **Saint John Aquatic Center Commission**

### **Notes to the financial statements**

December 31, 2023

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#### **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 Hampton, Fundy-St. Martin's, Fundy rural district, Grand Bay – Westfield, Quispamsis and Rothesay (the "FSRC"). The Commission qualifies as a Municipal Commission and therefore is exempt from income taxes under the Income Tax Act.

#### **2. Summary of significant accountant 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 of Canada.

##### *Cash*

Cash and cash equivalents consist of cash on hand, and bank balances.

##### *Inventories*

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.

##### *Capital assets*

Capital assets are recorded at cost. Amortization is provided annually over a 10-year period using the straight-line method to write-off the assets over their estimated useful life.

##### *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.

Approved contributions from the Fundy Region Service Commission ("FRSC") are recognized in the period to which they relate. Deficit funding from the FRSC is recognized in the period a deficit is incurred.

##### *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. Deferred revenue represents funds received in the current period that are designated for a subsequent period. Key components of the financial statements requiring management to make estimates includes provision for doubtful accounts in respect of receivables, the cost and net realizable value of inventories, accrued liabilities and the useful life and impairment of capital asset. Actual results may differ from those estimates.

##### *Adoption of new accounting standards*

Effective April 1, 2022, the Commission has adopted the newly issued accounting standard, Asset retirement obligations under PSAS Section 3280 ("Section 3280"), which provided

## Saint John Aquatic Center Commission

### Notes to the financial statements

December 31, 2023

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#### 2. Summary of significant accountant policies (continued)

##### *Adoption of new accounting standards (continued)*

guidance relating to the accounting for asset retirement obligations associated with the retirement of tangible capital assets.

The application of this amendment does not have an impact on the Commission's financial statements.

#### 3. Inventories

	2023	2022
	\$	\$
Chemicals and cleaning supplies	15,757	10,559
Resale	4,513	3,357
	<u>20,270</u>	<u>13,916</u>

#### 4. Accounts payable

	2023	2022
	\$	\$
Accounts payable - trade	98,190	99,784
Accrued sick leave	57,917	44,293
Wages payable	5,380	38,965
Payroll remittances payable	14,394	17,495
Vacation payable	12,309	7,830
	<u>188,190</u>	<u>208,367</u>

#### 5. Fundy Regional Service Commission

The FRSC has the obligation to finance all the net operating expenditures of the Saint John Aquatic Center Commission. Net operating and capital deficits or surpluses are recorded as due from or to the FRSC, to be received or paid within the second year after the deficit or surplus was incurred.

Amounts due from the FRSC to fund accrued annual operating deficit or surplus consist of:

	2023	2022
	\$	\$
2023 surplus	8,465	—
2022 surplus	22,615	22,615
2021 deficit	—	(214,148)
Due from FRSC, end of year	<u>31,080</u>	<u>(191,533)</u>

Effective January 1, 2023, the Greater Saint John Regional Facilities Commission is abolished and the Fundy Regional Service Commission is entitled to all its records, property and assets, not including real property, used in operations.

**Saint John Aquatic Center Commission**  
**Notes to the financial statements**  
December 31, 2023

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**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:

	<b>2023</b>	2022
	\$	\$
Included in revenue		
Beach grant	<b>195,500</b>	176,984
Parking revenue	<b>20,000</b>	18,410
Contract revenue - Pedway maintenance	<b>12,000</b>	12,000
Included in expenses		
Water & sewer	<b>35,497</b>	32,120
Insurance	<b>44,310</b>	40,120
During the year, the following amounts were received from the Town of Quispamsis		
Lifeguard & Swimming Instruction Services	<b>168,000</b>	160,000
Beach grant	<b>69,500</b>	62,806
Splash pad	<b>17,400</b>	—

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.

**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.

**8. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2023 Net book value</b>	2022 Net book value
	\$	\$	\$	\$
Equipment	<b>189,965</b>	<b>182,151</b>	<b>7,814</b>	9,236

**9. Comparative figures**

Certain figures for 2022 have been reclassified to conform to the presentation adopted in 2023.

**Saint John Aquatic Centre Commission**  
**Schedule of operating revenue and expenses**  
Year ended December 31, 2023

	<b>2023</b>	2022
	<b>Actual</b>	Actual
	\$	\$
<b>Revenue</b>		
Facility rental	<b>483,693</b>	403,607
Beach contracts	<b>450,400</b>	399,790
Membership	<b>447,898</b>	378,662
Instructional programs	<b>348,697</b>	299,760
Service rentals	<b>151,989</b>	124,147
Government assistance and grants	<b>144,158</b>	51,926
Massage therapy	<b>39,613</b>	41,760
Product sales	<b>31,199</b>	17,797
Aquatic camps	<b>3,705</b>	50,066
Donations	<b>208</b>	8,199
Covid Relief	—	250,000
	<b>2,101,660</b>	2,025,714
<b>Programs</b>		
Wages	<b>1,357,193</b>	1,227,027
Supplies	<b>102,933</b>	88,054
Marketing	<b>64,910</b>	61,338
Amortization	<b>1,421</b>	13,140
	<b>1,526,457</b>	1,389,559
<b>Maintenance</b>		
Utilities	<b>348,099</b>	352,126
Wages	<b>308,987</b>	281,739
Maintenance	<b>99,850</b>	62,264
Supplies	<b>64,698</b>	59,770
Sub-contract	<b>21,462</b>	27,279
	<b>843,096</b>	783,178
<b>Administration</b>		
Wages	<b>365,980</b>	296,104
Office	<b>49,400</b>	39,087
Insurance	<b>44,310</b>	40,120
Credit card and processing charges	<b>19,905</b>	18,370
Telephone	<b>16,677</b>	16,431
Property taxes	<b>9,104</b>	8,834
Professional fees	<b>5,032</b>	16,556
Bad debts	<b>4,868</b>	10,877
Equipment	<b>3,023</b>	—
Board Governance	<b>85</b>	977
Interest on long-term debt	—	—
	<b>518,384</b>	447,356
<b>Interest on interim financing</b>		
Interest on interim financing	—	(1,773)