

**Saint John Aquatic Centre Commission**

**Financial Statements**

**Year Ended December 31, 2015**



# Saint John Aquatic Centre Commission

Contents	Page
<b>Independent Auditors' Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Operations and Annual Surplus	3
Statement of Changes in Net Debt	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
Schedule of Operating Revenue and Expenses	9



## **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, 2015, 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, 2015, 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.

*Cumming & Associates*

Saint John, NB

Chartered Professional Accountants

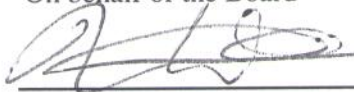


## Statement of Financial Position

As at December 31, 2015

	2015	2014
<b>Financial assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 112,740	\$ 175,095
Accounts receivable	74,260	93,684
Due from the City of Saint John (Note 6)	31,647	166,772
Due from the Greater Saint John Regional Facilities Commission (Note 5)	<u>28,131</u>	<u>-</u>
	246,778	435,551
<b>Long term</b>		
Due from the Greater Saint John Regional Facilities Commission (Note 5)	<u>101,464</u>	<u>8,131</u>
	<u>348,242</u>	<u>443,682</u>
<b>Financial liabilities</b>		
<b>Current</b>		
Accounts payable (Note 4)	255,290	306,530
Deferred revenue	133,566	151,840
Due to the Greater Saint John Regional Facilities Commission (Note 5)	<u>-</u>	<u>13,989</u>
	<u>388,856</u>	<u>472,359</u>
<b>Net debt</b>	<u>(40,614)</u>	<u>(28,677)</u>
<b>Non-financial assets</b>		
Inventory (Note 3)	25,745	23,301
Prepaid expenses	<u>14,869</u>	<u>5,376</u>
	<u>40,614</u>	<u>28,677</u>
<b>Accumulated surplus</b>	<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, 2015**

	2015	2014
<b>Revenue</b>		
Program activities	<u>\$ 1,886,046</u>	<u>\$ 1,836,828</u>
<b>Expenses</b>		
Programs	1,147,755	1,119,491
Maintenance	1,025,060	1,012,064
Administration	<u>448,684</u>	<u>283,185</u>
	<u>2,621,499</u>	<u>2,414,740</u>
<b>Operating deficit</b>	(735,453)	(577,912)
<b>The Greater Saint John Regional Facilities Commission subsidy</b>	<u>633,989</u>	<u>573,107</u>
	(101,464)	(4,805)
Provision for increase in employee illness liability	-	(3,326)
<b>Subsidy deficit due from The Greater Saint John Regional Facilities Commission</b>	<u>101,464</u>	<u>8,131</u>
<b>Annual surplus</b>	<u>\$ -</u>	<u>\$ -</u>

(See Accompanying Notes)



**Saint John Aquatic Centre Commission**  
**Statement of Changes in Net Debt**  
**Year Ended December 31, 2015**

	2015	2014
<b>Annual surplus</b>	<u>\$ -</u>	<u>\$ -</u>
(Increase) decrease in inventory	(2,444)	1,541
(Increase) decrease in prepaid expenses	<u>(9,493)</u>	<u>(1,096)</u>
<b>(Increase) decrease in net debt</b>	<b>(11,937)</b>	445
<b>Net debt - beginning of year</b>	<u>(28,677)</u>	<u>(29,122)</u>
<b>Net debt - end of year</b>	<u>\$ (40,614)</u>	<u>\$ (28,677)</u>

*(See Accompanying Notes)*



**Saint John Aquatic Centre Commission**  
**Statement of Cash Flows**  
**Year Ended December 31, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual surplus	\$ -	\$ -
<b>Change in non-cash assets and liabilities</b>		
Accounts receivable	19,424	(1,604)
Due from the City of Saint John	135,125	(95,611)
Due to the Greater Saint John Regional Facilities Commission	(135,453)	(105,233)
Inventory	(2,444)	1,541
Prepaid expenses	(9,493)	(1,096)
Accounts payable	(51,240)	122,570
Deferred revenue	(18,274)	9,623
<b>Decrease in cash</b>	<b>(62,355)</b>	<b>(69,810)</b>
<b>Cash - beginning of year</b>	<b>175,095</b>	<b>244,905</b>
<b>Cash - end of year</b>	<b>\$ 112,740</b>	<b>\$ 175,095</b>

*(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, 2015**

**3. INVENTORY**

	2015		2014
Chemicals and cleaning supplies	\$ 16,506	\$	13,527
Resale	5,886		6,020
Other	3,353		3,754
	<u>\$ 25,745</u>	\$	<u>23,301</u>

**4. ACCOUNTS PAYABLE**

	2015		2014
Accounts payable - trade	\$ 72,793	\$	222,526
Severance payable (Note 9)	121,778		-
Wages payable	21,131		43,205
Accrued sick leave	23,236		23,326
Payroll remittances payable	11,103		11,328
Vacation payable	5,249		6,145
	<u>\$ 255,290</u>	\$	<u>306,530</u>

**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:

	2015		2014
Balance - beginning of year	\$ 5,858	\$	111,091
Repayment during the year	<u>(33,989)</u>		<u>(97,102)</u>
Current year's (receivable) refundable subsidy	(28,131)		13,989
Long term (receivable)	<u>(101,464)</u>		<u>(8,131)</u>
Balance - end of year	<u>\$ (129,595)</u>	\$	<u>5,858</u>

**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:	2015	2014
Beach grant	\$ 176,441	\$ 155,407
Parking revenue	22,927	24,407
Contract revenue - pedway maintenance	<u>12,000</u>	<u>12,000</u>

Included in expenses:

Water & sewer	\$ 48,671	\$ 38,783
Computer maintenance agreement	<u>8,929</u>	<u>8,832</u>

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

Beach grant	<u>\$ 52,598</u>	<u>\$ 44,973</u>
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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.

	2015	2014
Due from the City of Saint John	<u>\$ 31,647</u>	<u>\$ 166,772</u>

**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. SEVERANCE LIABILITY**

The Commission and a long term employee have negotiated a severance settlement of \$141,315 payable in bi-weekly instalments of \$3,386 to June 2017, resulting from the termination of a management position.