
THE PAS WELLNESS CENTRE
FINANCIAL STATEMENTS

DECEMBER 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors
The Town of The Pas

We have audited the accompanying financial statements of The Pas Wellness Centre, which comprise the statement of financial position as at December 31, 2013, and the statements of operations and deficit 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 for government not-for-profit organizations, including the 4200 series of 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 of 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 auditors' 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 Pas Wellness Centre as at December 31, 2013, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards.

Collins Barrow HMA LLP
CHARTERED ACCOUNTANTS

The Pas, Manitoba
October 15, 2014

THE PAS WELLNESS CENTRE

STATEMENT 1

STATEMENT OF FINANCIAL POSITION

DECEMBER 31

2013 2012

LIABILITIES

CURRENT

Accounts payable and accrued liabilities
Deferred revenue

\$ **23,862** \$ 34,722
40,978 43,706
64,840 78,428

DUE TO TOWN OF THE PAS

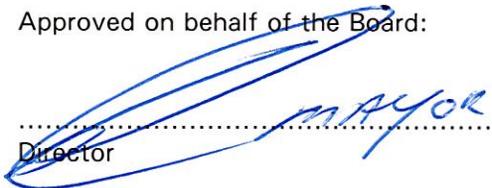
254,479 129,018
319,319 207,446

NET ASSETS

DEFICIT

(319,319) (207,446)
\$ - \$ -

Approved on behalf of the Board:


.....
Director


.....
Director

THE PAS WELLNESS CENTRE

STATEMENT 2

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED DECEMBER 31

	2013	2012
REVENUE		
Grants		
Town of The Pas	\$ 166,550	\$ 145,032
Rural Municipality of Kelsey	5,500	5,500
Government of Canada	22,040	115,018
Province of Manitoba	555	
Other	<u>6,492</u>	<u>-</u>
	<u>201,137</u>	<u>265,550</u>
Memberships and user fees	277,459	266,633
Training services	47,030	51,610
Exercise classes	9,648	6,582
Other	<u>5,513</u>	<u>3,165</u>
	<u>339,650</u>	<u>327,990</u>
	<u>540,787</u>	<u>593,540</u>
EXPENDITURES		
Advertising	2,677	2,735
Cleaning contract and materials	11,029	10,438
Equipment rental	2,465	3,598
Event supplies and equipment	15,123	9,583
Insurance	13,555	12,378
Materials	3,732	8,363
Miscellaneous and other	24	1,216
Office	2,157	1,523
Outside contracts	6,978	8,667
Professional fees	1,899	1,873
Program costs	29,325	91,775
Property taxes	2,880	
Repairs and maintenance	17,628	7,093
Salaries, wages and benefits		
- Consultants	61,344	53,248
- Director and Assistant Director	67,615	69,590
- Facility Monitors	126,528	100,058
- Front Desk	125,956	105,092
- Other	119,089	108,106
Special projects	2,819	
Telephone	2,345	2,919
Travel and training	6,522	10,425
Utilities	<u>30,970</u>	<u>28,904</u>
	<u>652,660</u>	<u>637,584</u>
EXCESS OF EXPENDITURES OVER REVENUE	(111,873)	(44,044)
DEFICIT, <i>beginning of year</i>	<u>(207,446)</u>	<u>(163,402)</u>
DEFICIT, <i>end of year</i>	<u>\$(319,319)</u>	<u>\$(207,446)</u>

THE PAS WELLNESS CENTRE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Pas Wellness Centre (the Centre) have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board. ("PSAB for Government NPOs")

REVENUE RECOGNITION

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received for the purchase of capital assets are credited against the acquisition cost of such assets.

Revenues other than contributions are recognized when they are earned.

CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are normally purchased by the Centre and would be paid for if not donated.

USE OF ESTIMATES

The preparation of financial statements in accordance with PSAB for Government NPO's requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

FINANCIAL INSTRUMENTS

The financial instruments of the Centre consist of accounts payable and accrued liabilities. The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

Fair Value

These financial instruments are initially measured at cost and are subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Transaction costs are expensed as incurred.

When a decline in fair value occurs which is determined by the Centre to be other than of a temporary nature, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

THE PAS WELLNESS CENTRE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

Amortized Cost

Financial instruments in this category are initially measured at cost and are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the carrying value of the financial instrument.

If an impairment loss is determined by the Centre and there is no realistic prospect of recovery the financial asset(s) are written down to net recoverable value with the writedown being recognized in the statement of operations.

2. RELATED PARTIES

The Centre is related to the Town of The Pas and its organizations. The Centre enters into transactions with these related parties in the normal course of business and these transactions are measured at the exchange amount.

The Centre operates in real property owned by the Town of The Pas and while the Centre maintains responsibility for most facility operating costs no base rent amount has been recorded in the financial statements.

Included within repairs and maintenance expense is a charge of \$7,810 (2012- \$2,985) levied by The Town of The Pas for an allocation to an equipment reserve account.

3. ECONOMIC DEPENDENCE

The Pas Wellness Centre receives a significant portion of its revenue from government grants, operates in facilities owned by the Town of The Pas and is substantially financed by the Town of The Pas. In order for the Centre to remain a going concern adequate government support must be maintained and / or new sources of revenue obtained.

4. CAPITAL MANAGEMENT

The Centre's capital is comprised of amounts due to the Town of The Pas. The Centre's objective in managing capital is to maintain sufficient financial resources to cover the cost of its operations. The Centre manages its capital through creation, implementation and monitoring of an annual budget.