

**ANCASTER INFORMATION CENTRE
AND COMMUNITY SERVICES INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Ancaster Information Centre and Community Services Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Ancaster Information Centre and Community Services Inc., which are comprised of the statement of financial position as at December 31, 2015, and the statements of revenues, expenditures and fund balance - General Fund 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 charitable organizations, the Organization derives revenue from cash transactions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, assets and general fund. It is not practical to quantify the effect on the financial statements.

Qualified Opinion

In our opinion, except for the 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 Ancaster Information Centre and Community Services Inc. as at December 31, 2015, and its financial performance for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Ancaster, Ontario
March 29, 2016

Chartered Accountants
Licensed Public Accountants

(The accompanying notes form an integral part of these financial statements)

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

ASSETS

	2015	2014
CURRENT ASSETS		
Cash	\$ 78,381	\$ 95,878
Accounts receivable	2,856	2,293
Government remittances receivable	2,073	-
Inventory	6,230	-
Prepaid expenses	3,148	2,561
	92,688	100,732
INVESTMENTS (note 3)	113,436	111,569
	\$ 206,124	\$ 212,301

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,630	\$ 13,872
Government remittances payable	-	2,268
Deferred revenue	21,000	30,000
	28,630	46,140

NET ASSETS

UNRESTRICTED GENERAL FUND	157,494	146,161
EARL MARCY ENDOWMENT FUND (note 4)	20,000	20,000
	177,494	166,161
	\$ 206,124	\$ 212,301

Approved by the Board

Director

Director

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
 STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
Revenue		
Fundraising	\$ 160,200	\$ 140,793
Grants	85,532	108,235
Other	49,067	37,091
	<u>294,799</u>	<u>286,119</u>
Expenditures		
Payroll	170,234	153,617
Programs and services	113,232	132,352
	<u>283,466</u>	<u>285,969</u>
EXCESS OF REVENUES OVER EXPENDITURES	11,333	150
GENERAL FUND BALANCE AT BEGINNING OF THE YEAR	146,161	146,011
GENERAL FUND BALANCE AT END OF THE YEAR	<u>\$ 157,494</u>	<u>\$ 146,161</u>

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 11,333	\$ 150
Net changes in working capital balances		
- accounts receivable	(563)	258
- government remittances receivable/payable	(4,341)	(635)
- inventory	(6,230)	-
- prepaid expenses	(587)	(2,561)
- accounts payable and accrued liabilities	(6,242)	9,649
- deferred revenue	(9,000)	15,000
	(26,963)	21,711
	(15,630)	21,861
INVESTING ACTIVITY		
Increase in investments	(1,867)	(1,938)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(17,497)	19,923
CASH AT BEGINNING OF THE YEAR	95,878	75,955
CASH AT END OF THE YEAR	\$ 78,381	\$ 95,878

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Purpose of Organization

Ancaster Information Centre and Community Services Inc. (the "Organization") is a registered charity that links members of the Ancaster community to services, information and volunteer opportunities that enhance the quality of life and the overall well being of the community. Ancaster Information Centre and Community Services Inc. is incorporated under the Canada Corporations Act as a Not-for-Profit Organization and is a Registered Charity under the Income Tax Act.

(b) Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(c) Inventory

Inventory, consisting of gift cards and food vouchers, are valued at the lower of cost and replacement cost, the cost being determined using the specific identification method. Inventory expenses during the year have been included in the program and services expense account.

(d) Capital Assets

All capital assets are charged to expense in the year of acquisition. During the year, the Organization spent nil (2014: \$3,787) on capital expenditures.

(e) General Fund

The General Fund is used for the day-to-day operations of the Organization.

(f) Earl Marcy Endowment Fund

The Earl Marcy Endowment Fund is to be used only in the event that the Organization would be required to shut down operations permanently due to financial difficulties and pay all debts and outstanding balances.

(g) Contributed Services

Volunteers assist the Organization in carrying out its programs. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(h) Revenue Recognition

The Organization follows the deferral method of accounting for recognizing contributions. Fundraising and grant revenue are recognized in the year in which the related expenses are incurred. Fundraising and grant revenue received for expenses to be incurred in future periods are recognized as deferred revenue. Other revenue is recognized when earned.

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(j) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Investments are recorded at cost plus accrued interest.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. CHANGE IN ACCOUNTING POLICIES

During the year, the Organization voluntarily changed its accounting policy for gift card and food voucher inventory. Under the new policy, gift cards and food vouchers on hand at yearend will be recorded in inventory rather than expensed when purchased. This policy provides reliable information since the inventory value is taken from the value of the gift cards and food vouchers on hand. This policy provides more relevant information about the assets of the Organization. The change in accounting policy has been applied in this fiscal year since the inventory value in prior years was immaterial.

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2015

3. INVESTMENTS

	2015	2014
GIC, annual interest rate of 1.6%, matures August 11, 2016	\$ 39,046	\$ 38,431
GIC, annual interest rate of 2.3%, matures June 16, 2016	35,445	34,648
GIC, annual interest rate of 1.3%, matures July 10, 2016	35,445	34,990
Canada Savings Bond - Earl Marcy Endowment Fund with annual interest rate of 2%, matures November 1, 2017	500	500
Canada Savings Bond - Earl Marcy Endowment Fund with annual interest rate of 2%, matures November 1, 2018	3,000	3,000
	<u>\$ 113,436</u>	<u>\$ 111,569</u>

It is the Organization's intention to reinvest all funds upon maturity. As such, all GIC's have been presented as long term investments.

4. EARL MARCY ENDOWMENT FUND

The Earl Marcy Endowment Fund is invested in Canada Savings Bonds with a face value of \$3,500 and \$16,500 of GIC's. Interest earned on Canada Savings Bond was \$70 (2014: \$70). Interest earned on GIC's was \$280 (2014: \$296).

5. RECLASSIFICATION

Certain 2014 comparative amounts were reclassified to conform to the current year's financial statement presentation.

6. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at December 31, 2015.

(a) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

ANCASTER INFORMATION CENTRE AND COMMUNITY SERVICES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

6. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed interest rate investments, which subject the Organization to a fair value risk.