

Financial Statements of

**McDonalds Corners/Elphin Recreation & Arts**

for the year ended December 31, 2017

# McDonalds Corners/Elphin Recreation & Arts

Financial Statements for the year ended December 31, 2017

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NOTICE TO READER

I have prepared the statement of financial position of McDonalds Corners/Elphin Recreation & Arts for the year ended December 31, 2017 and the statement of operations for the year then ended from information provided by management.

I have not conducted an audit and consequently do not express an audit opinion on these statements. Readers are cautioned that these statements may not be appropriate for their purposes.

In Balance Inc.

In Balance Inc.  
McDonalds Corners, ON

5 February 2018

# McDonalds Corners/Elphin Recreation & Arts

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

(unaudited - see Notice to Reader)

|  | <u>2017</u>      | <u>2016</u>      |
|--|------------------|------------------|
| <u>ASSETS</u>                          |                  |                  |
| CURRENT                                |                  |                  |
| Cash and bank                          | \$ 15,737        | \$ 18,813        |
| Term deposits                          | 35,776           | 35,180           |
| Accounts receivable                    | 687              | 553              |
| Prepaid expenses                       | <u>970</u>       | <u>932</u>       |
|  | <u>\$ 53,170</u> | <u>\$ 55,478</u> |
| <u>LIABILITIES</u>                     |                  |                  |
| CURRENT LIABILITIES                    |                  |                  |
| Accounts payable & accrued liabilities | \$ 3,546         | \$ 2,741         |
| Deferred revenues (note 4)             | <u>3,652</u>     | <u>2,302</u>     |
|  | <u>7,198</u>     | <u>5,043</u>     |
| <u>NET ASSETS</u>                      |                  |                  |
| Restricted funds (note 5)              | -                | 8,000            |
| Unrestricted funds                     | <u>45,972</u>    | <u>42,435</u>    |
|  | <u>45,972</u>    | <u>50,435</u>    |
|  | <u>\$ 53,170</u> | <u>\$ 55,478</u> |

# McDonalds Corners/Elphin Recreation & Arts

## STATEMENT OF OPERATIONS

for the year ended 31 December 2017

(unaudited - see Notice to Reader)

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|   | <u>2017</u>       | <u>2016</u>      |
|---|-------------------|------------------|
| <b>REVENUE</b>                                |                   |                  |
| Government funding                            | \$ 1,894          | \$ 1,865         |
| Foundation grants                             | 3,420             | 312              |
| Sales, fees and fundraising                   | 24,411            | 31,439           |
| Memberships                                   | 4,440             | 4,755            |
| Donations                                     | 3,675             | 8,924            |
| Investment income                             | 595               | 1,338            |
|   | <u>\$ 38,435</u>  | <u>\$ 48,633</u> |
| <b>EXPENSES</b>                               |                   |                  |
| Administrator                                 | \$ 8,791          | \$ 6,583         |
| Advertising and promotion                     | 1,747             | 1,898            |
| Artists expenses                              | 9,708             | 13,094           |
| Interest and bank charges                     | 78                | 17               |
| Liability insurance                           | 2,412             | 1,925            |
| Office and general expenses                   | 2,317             | 2,148            |
| Professional fees                             | 2,010             | 1,897            |
| Program expenses                              | 6,154             | 5,778            |
| Repairs and maintenance                       | 6,235             | 5,854            |
| Travel  | 573               | 675              |
| Utilities                                     | 2,873             | 3,442            |
|   | <u>\$ 42,898</u>  | <u>\$ 43,311</u> |
| <b>Net Surplus (Deficit) from Operations</b>  | <b>\$ (4,463)</b> | <b>\$ 5,322</b>  |
| Unrestricted funds balance, beginning of year | 42,435            | 37,113           |
| Restricted funds transferred                  | <u>8,000</u>      | <u>-</u>         |
| Unrestricted funds balance, end of year       | <u>\$ 45,972</u>  | <u>\$ 42,435</u> |

# McDonalds Corners/Elphin Recreation & Arts

## STATEMENT OF CASH FLOWS

for the year ended December 31, 2017

(unaudited - see Notice to Reader)

|   | 2017             | 2016             |
|---|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>         |                  |                  |
| Net surplus (deficit) from operations               | \$ (4,463)       | \$ 5,322         |
| <b>Changes in non-cash Working Capital Balances</b> |                  |                  |
| Term deposits                                       | (596)            | (1,180)          |
| Accounts receivable                                 | (134)            | (138)            |
| Prepaid expenses                                    | (38)             | (26)             |
| Accounts payable and accrued liabilities            | 805              | (222)            |
| Deferred revenues                                   | <u>1,350</u>     | <u>(642)</u>     |
| <b>Increase (decrease) in Cash</b>                  | (3,076)          | 3,114            |
| <b>Cash, beginning of year</b>                      | <u>18,813</u>    | <u>15,699</u>    |
| <b>Cash, end of year</b>                            | <u>\$ 15,737</u> | <u>\$ 18,813</u> |

# McDonalds Corners/Elphin Recreation & Arts

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

(unaudited - see Notice to Reader)

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### 1. PURPOSE OF ORGANIZATION

McDonalds Corners/Elphin Recreation & Arts (MERA)'s mandate is to encourage, develop and organize cultural and recreational activities for people of all ages to enhance the well being, health and connectivity of the community. MERA is a non-profit organization and a registered charity incorporated under a Letter of Patent in the province of Ontario.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Revenue Recognition

The organization follows the deferral method of accounting for revenues and expenditures. Any funding revenues received in excess of expenditures are recorded as deferred revenue and are only recognized as revenue when the corresponding expenditures are subsequently made.

#### Contributed Goods and Services

Volunteers contribute a substantial number of hours each year to assist the organization in carrying out its activities. Because of the difficulty in documenting the fair value, contributions of such services are not recognized in the financial statements. Contributed goods are valued at their fair market value and recorded in the financial statements.

#### Equipment and Renovations

Equipment purchases and renovations are not capitalized, but are reported as expenditures in the year in which they are incurred.

### 3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, term deposits, accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair market value of these instruments reasonably approximates their carrying value.

# McDonalds Corners/Elphin Recreation & Arts

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

(unaudited - see Notice to Reader)

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### 4. DEFERRED REVENUES

Deferred revenues represent funds received for a specific purpose in the current or a prior fiscal year that were not used during the year, or funds that were received in the current or a prior fiscal year that are not intended for use until a subsequent fiscal year.

|  | <u>2017</u>     | <u>2016</u>     |
|--|-----------------|-----------------|
| Basketry Network                         | \$ 1,993        | \$ 1,993        |
| Bursary fund                             | 49              | 49              |
| Membership fees prepaid                  | 1,610           | 140             |
| Prepayment on following years activities | <u>-</u>        | <u>120</u>      |
|  | <u>\$ 3,652</u> | <u>\$ 2,302</u> |

### 5. RESTRICTED FUNDS

MERA's board of directors resolved in 2017 to remove the restriction previously placed on unrestricted net assets for emergency purposes and a door for the pottery studio.