



SANS SOUCI AND COPPERHEAD ASSOCIATION

FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019



SANS SOUCI AND COPPERHEAD ASSOCIATION

DECEMBER 31, 2019

CONTENTS

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Fund Balances	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10



REVIEW ENGAGEMENT REPORT

To the Members of

Sans Souci And Copperhead Association

We have reviewed the accompanying financial statements of Sans Souci And Copperhead Association that comprise the statement of financial position as at December 31, 2019, and the related statements of operations, changes in fund balances 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical standards.

A review of the financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, the financial position of Sans Souci And Copperhead Association as at December 31, 2019 and the statements of operations, changes in fund balances and cash flows and cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

A stylized, handwritten-style signature of 'Kreston GTA' in blue ink.

May 21, 2020
Markham, Ontario

Kreston GTA LLP
Licensed Public Accountants



SANS SOUCI AND COPPERHEAD ASSOCIATION

STATEMENT OF FINANCIAL POSITION

Unaudited - See Review Engagement Report

AS AT DECEMBER 31, 2019

	Notes	2019	2018
ASSETS			
Current Assets			
Cash		\$ 14,076	\$ 71,538
Term deposits	3	105,440	103,665
Prepaid expenses		8,435	6,502
		127,951	181,705
Long Term Assets			
Land and buildings	4	265,001	265,001
		\$ 392,952	\$ 446,706
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 9,155	\$ 7,277
Deferred revenues		2,180	-
		11,335	7,277
Fund Balances			
Operating fund		290,578	318,520
Community centre fund		64,503	54,894
Contingency fund		26,536	23,309
Specific reserve fund		-	42,706
		381,617	439,429
		\$ 392,952	\$ 446,706

Approved on Behalf of the Board

 _____ Director

 _____ Director

The accompanying notes are an integral part to these financial statements.

SANS SOUCI AND COPPERHEAD ASSOCIATION

STATEMENT OF CHANGES IN FUND BALANCES

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED DECEMBER 31, 2019

	Operating Fund	Community Centre Fund	Contingency Fund	Specific Reserve Fund	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 318,520	\$ 54,894	\$ 23,309	\$ 42,706	\$439,429	\$ 416,906
Excess of revenues over expenses	(27,942)	9,609	3,227	(42,706)	(57,812)	22,523
BALANCE, END OF YEAR	\$ 290,578	\$ 64,503	\$ 26,536	\$ -	\$ 381,617	\$ 439,429

The accompanying notes are an integral part to these financial statements.



SANS SOUCI AND COPPERHEAD ASSOCIATION

STATEMENT OF OPERATIONS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED DECEMBER 31, 2019

	Operating Fund	Community Centre Fund (Note 2)	Contingency Fund (Note 2)	Specific Reserve Fund (Note 2)	Total 2019	Total 2018
REVENUES						
Membership dues	\$ 68,194	\$ -	\$ -	\$ -	\$ 68,194	\$ 70,408
Sail camp	15,961	-	-	-	15,961	15,700
Tennis operating contributions	13,000	-	-	-	13,000	13,000
Fund specific donations	-	8,549	2,972	-	11,521	10,849
Day camp	7,138	-	-	-	7,138	11,179
Other lease payments	6,000	-	-	-	6,000	10,500
Tennis-community contributions	2,985	-	-	-	2,985	2,892
Advertising	2,605	-	-	-	2,605	14,920
Interest income	244	1,060	255	469	2,028	1,953
Regatta sponsorships	2,000	-	-	-	2,000	-
Merchandise and other	1,171	-	-	-	1,171	2,217
	119,298	9,609	3,227	469	132,603	153,618
EXPENSES						
Property and projects	75,290	-	-	43,175	118,465	32,862
GBA dues and updating mailings	22,945	-	-	-	22,945	21,744
General and administrative	16,598	-	-	-	16,598	26,869
Sail camp	15,615	-	-	-	15,615	15,275
Day camp	9,274	-	-	-	9,274	9,798
Regatta	7,058	-	-	-	7,058	5,199
Other activities	460	-	-	-	460	6,094
Yearbook	-	-	-	-	-	13,254
	147,240	-	-	43,175	190,415	131,095
EXCESS OF REVENUES OVER EXPENSES	\$ (27,942)	\$ 9,609	\$ 3,227	\$ (42,706)	\$ (57,812)	\$ 22,523

The accompanying notes are an integral part to these financial statements.



SANS SOUCI AND COPPERHEAD ASSOCIATION

STATEMENT OF CASH FLOWS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (57,812)	\$ 22,523
Changes in non-cash working capital balances		
Term deposits, net	(1,775)	(2,179)
Prepaid and other assets	(1,933)	1,578
Due to programs	2,180	-
Accounts payable and accrued liabilities	1,878	(38)
Net change in non-cash working capital balances	350	(639)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(57,462)	21,884
CASH, BEGINNING OF YEAR	71,538	49,654
CASH, END OF YEAR	\$ 14,076	\$ 71,538

The accompanying notes are an integral part to these financial statements.

SANS SOUCI AND COPPERHEAD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019

PURPOSE OF ORGANIZATION

The Sans Souci and Copperhead Association (the "Association") is an Ontario corporation without share capital incorporated on January 26, 1927 and is exempt from the payment of income taxes in Canada. The purpose of the Association is to represent and protect the interests of its members who are residents in the Sans Souci area within the Township of the Archipelago. In carrying out this mandate the Board of Directors of the Association liaises with all levels of government and other groups. The Association also maintains property at Sans Souci for the use and enjoyment of its members.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

Revenue Recognition

The Association follows the deferred method of accounting for contributions.

Revenues from contributions, membership and annual dues and fundraising activities are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collectability is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from investments is recognized when earned.

Revenue from rentals is recognized according to the terms of the lease and when collectability is reasonably assured.

Revenue from merchandise sales is recognized at the point of sale.

Revenue from advertising is recognized when earned and when collectability is reasonably assured.

Revenue from services is recognized when the service is provided and when collectability is reasonably assured.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. The majority of the cost represents land as described in note 4, and as such is not amortized but tested for impairment if indicators of impairment exist.

SANS SOUCI AND COPPERHEAD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amount of revenues and expenses for the period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known. Significant financial statement items that require the use of estimates include accrued liabilities.

Financial Instruments Measurement

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and term deposits. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Contributed Services

In its day-to-day operations, the Association uses the services of many volunteers. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

2. DESCRIPTION OF FUNDS

Specific Reserve Fund

The Specific Reserve Fund relates to marina sale and repayment of debenture to the Association. Expenditures from the Specific Reserve Fund require the approval of two-thirds of the board of directors and two-thirds of the membership. The monies in the fund were used towards the demolition of the Dockhouse and the disposal of the south docks following approval by the members at the Annual General Meeting held on July 27, 2019.

Community Centre Fund

The Community Centre Fund is to provide capital for improvements to the Association's infrastructure located on its property at Frying Pan Island. This includes the periodic rehabilitation, renewal and/or replacement of docks, decks, buildings and other infrastructure. It excludes repairs and maintenance expenditures that are funded out of the general operating fund. These funds have been donated directly to the Association by its members and are separate from the funds raised for a new building that are held by the Township of the Archipelago (see Note 7).

SANS SOUCI AND COPPERHEAD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019

2. DESCRIPTION OF FUNDS (Continued)

Contingency Fund

The Contingency Fund consists of voluntary contributions from members. It is used for legal, political and other non-recurring expenses.

3. TERM DEPOSITS

The term deposits represent Guaranteed Investment Certificates ("GICs") held with TD Canada Trust which bear interest rates between 1.20% to 1.90% and terms ranging from 13 to 15 months. These GICs are held for each fund as follows:

	2019	2018
Operating Fund, no restrictions on use	\$ 26,051	\$ 25,591
Contingency Fund, used for legal, political and other non-recurring expenses	27,138	26,816
Community Centre Fund, used for capital for improvements to the Association's infrastructure located on its property at Frying Pan Island	52,251	51,258
	\$ 105,440	\$ 103,665

4. CAPITAL ASSETS

Land and buildings as at December 31, 2019 and 2018 are as follows:

Land	\$	265,000
Other land, buildings and docks		1
	\$	265,001

5. CONTINGENT LIABILITY

If all or part of the land described in note 4, purchased in 2000, is sold prior to December 31, 2020 then a pro rata share of the sale proceeds will be distributed to the members of the Association who contributed the funds to purchase the Land.

SANS SOUCI AND COPPERHEAD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019

6. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the reporting date, December 31, 2019.

Interest rate risk

The term deposits are not exposed to any significant interest rate risk. The interest rate obtained by the Association moves from 1.20% to 2.00% depending on the length of the investment.

Other risks

It is management's opinion that the Association is not exposed to significant market, foreign currency or liquidity risks arising from these financial instruments. The extent of the Associations' exposure to risk did not change during the year.

7. BUILDING FUND

The Association is considering constructing a new building on its property. A committee has been set up to gauge support for this project and to collect pledges. The goal is to raise approximately \$1 million, with \$700,000 to be used for construction and the balance of \$300,000 to be a fund for future maintenance costs. As this building is to be used as a community centre, the Association is working with the Township of the Archipelago (the "Township") and the American Fund for Charities to obtain charitable receipts for donors. The project would require final approval by the Board of the Association after the funds have been raised or committed and before construction can begin. The Township will have to ensure the funds they hold are being used for community purposes before they will transfer them to the Association.

As at December 31, 2019, \$72,254 (2018 - \$72,254) was held by the Township.

8. SPORT COURT

In 2018, the Association entered into a contract with Chantler Barging Ltd. to construct two multi-purpose sport courts on its property at Frying Pan Island. A total of \$192,228 had been collected on the Association's behalf by the Township of the Archipelago through which the funds were donated by members of the community for this project. As at December 31, 2018, the sport courts were completed at a final cost of \$188,710 leaving a balance of \$4,218 to be used against expenses related to the courts.

9. COMPARATIVE FIGURES

Certain figures in the 2018 financial statements have been reclassified to conform with the basis of presentation used in 2019.



SANS SOUCI AND COPPERHEAD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

DECEMBER 31, 2019

10. SUBSEQUENT EVENT

The recent outbreak of the novel strain of coronavirus (“COVID-19”) and the corresponding emergency measures implemented by the federal and provincial governments has had a significant impact on the private sector, including unprecedented business, employment and economic disruptions. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Association’s operations or financial results; however, the impact could be material. Also, although an estimate of the potential loss in revenues cannot be made, management believes that the Association has sufficient reserves to continue as a going concern if certain revenue generating activities are unable to be rescheduled during the fiscal year ended 2020.