FITNESS NEW BRUNSWICK INC./

CONDITIONNMENT PHYSIQUE NOUVEAU BRUNSWICK INC.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

Shannon & Buffett, LLP
Chartered Professional Accountants

FITNESS NEW BRUNSWICK INC./

CONDITIONNMENT PHYSIQUE NOUVEAU BRUNSWICK INC.

TABLE OF CONTENTS

YEAR ENDED MARCH 31, 2016

PAGE

FINANCIAL STATEMENTS:

Shannon & Buffett, LLP
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HAL C. BUFFETT, CPA, CA   GARRY L. ARMSTRONG, CPA, CA
CLAUDE LEGER, CPA, CA   RON W. SAUNTRY, CPA, CA

September 14, 2016

INDEPENDENT AUDITORS' REPORT

To The Board of Directors

Report on the Financial Statements

We have audited the accompanying financial statements of Fitness New Brunswick Inc., which comprise the statement of financial position as at March 31, 2016, and the statement of operations and changes in net assets and statement of 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 misstatements, 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 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 Fitness New Brunswick Inc. as at March 31, 2016, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The comparative amounts reported for the 2015 year are unaudited but were subject to a review engagement.

Shannon & Buffett LLP
Chartered Professional Accountants

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FITNESS NEW BRUNSWICK INC./

CONDITIONNMENT PHYSIQUE NOUVEAU BRUNSWICK INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

	2016	(Unaudited) 2015
ASSETS		
Current:		
Cash	$ 54,060	$ 66,586
Accounts receivable	6,903	455
	$ 60,963	$ 67,041
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (note 3)	$ 2,202	$ 5,055
Deferred revenues	1,078	1,078
total liabilities	3,280	6,133
NET ASSETS		
Unrestricted	57,683	60,908
	$ 60,963	$ 67,041

See accompanying notes to financial statements.

Approved by the Board:

Director____________________

FITNESS NEW BRUNSWICK INC./

CONDITIONNMENT PHYSIQUE NOUVEAU BRUNSWICK INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

MARCH 31, 2016

	2016	(Unaudited) 2015
Revenue:		
Province of New Brunswick - Grants	$ 65,000	$ 66,500
Certification	15,107	23,788
Membership - CSEP	11,025	10,243
- General	14,011	17,761
Conference	11,758	17,491
Other income	221	3,135
Exam challenges	772	1,235
Evaluation	2,535	2,431
	120,429	142,584
Expenses:		
Salaries and employee benefits	60,003	59,638
Certification	11,833	15,863
Conference	15,128	11,670
Office	12,054	5,951
Rent	9,000	9,000
Telephone and internet	1,767	1,658
Insurance	3,328	5,818
Bank charges	894	1,448
Communication and memberships	1,085	1,736
Meetings	2,559	1,182
Audit/review fees	3,375	2,200
Evaluations	2,628	4,325
	123,654	120,489
Excess (deficiency) of revenues over expenditures	(3,225)	22,095
Net assets, beginning of year	60,908	38,813
Net assets, end of year	$ 57,683	$ 60,908

See accompanying notes to financial statements.

FITNESS NEW BRUNSWICK INC./

CONDITIONNMENT PHYSIQUE NOUVEAU BRUNSWICK INC.

STATEMENT OF CASH FLOWS

MARCH 31, 2016

	2016	(Unaudited) 2015
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenditures	$ (3,225)	$ 22,095
Changes in non-cash working capital:		
- Receivables	(6,448)	5,835
- Accounts payable and accrued liabilities	(2,853)	879
- Deferred revenue	-	(2,458)
	(12,526)	26,351
INCREASE (DECREASE) IN CASH, in the year	(12,526)	26,351
Cash, beginning of year	66,586	40,235
Cash, end of year	$ 54,060	$ 66,586
Represented by:		
Cash	$ 54,060	$ 66,586

See accompanying notes to financial statements.

The Organization:

Fitness New Brunswick Inc./Conditionnment Physique Nouveau Brunswick Inc. is a non-profit organization that develops and promotes certification in fitness while being an advocate for active living and physical activity. It is exempt from corporate taxes under the Income Tax Act.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting principles for not-for-profit organizations and includes the following significant accounting principles:

(a) Revenue recognition -

Revenue is recognized when services have been provided and collection is reasonably assured. Membership revenue is recognized in the period to which the membership applies.

(b) Use of estimates -

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations require 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 revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

(c) Cash -

Cash is defined as cash on hand and cash on deposit with financial institutions.

(d) Capital assets -

Capital assets are expensed in the year of acquisition.

(e) Financial instruments -

(i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs.

1. Significant accounting policies (continued):

(d) Financial instruments (continued) -

(i) Measurement of financial instruments (continued)

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations in the period incurred.

(ii) Impairment

At the end of each reporting period the Organization assesses whether there are any indications that the financial asset measured at amortized cost may be impaired.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future in cash flows from the financial asset. Where there is a significant adverse change, the carrying amount of the asset is reduced and the impairment loss is recognized in the statement of operations.

(iii) Transaction costs

Transaction costs are recognized in the statement of operations in the period incurred, except for the financial instruments that will be subsequently measured at amortized costs.

2. Capital management:

The Organization's objective when managing capital consisting of net assets is to safeguard its ability to continue as a going concern so that it can continue to provide benefits for its members.

The Organization manages its capital and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital, the Organization may increase contributions by seeking additional sources of funding by undertaking other activities as deemed appropriate under specific circumstances. The Organization is not subject to externally imposed capital requirements.

3. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities is comprised of the following as at March 31, 2016:

	2016	2015
Trade accounts and accruals	$ 3,600	$ 2,505
Net HST remittances (receivable)	(2,585)	812
Employee remittances	1,187	1,738
	$ 2,202	$ 5,055

4. Lease commitments:

The Organization leases office space from UNB for monthly payments of $750. The lease expires June, 2017.

In addition, the Organization leases equipment at a quarterly payment of $136 plus HST. The lease expires August, 2017.

5. Capital assets:

During the year, capital assets of $ nil were expensed in the financial statements.

6. Allocation of expenses:

Expenses are charged to activities and programs on a direct costing basis according to the program that they are attributed to. Administration expenses and wages and employee benefits are accounted for and reported separately on the statement of operations.

7. Economic dependence:

The Organization derives a significant portion of its revenue under funding arrangements with the Province of New Brunswick.

8. Financial instruments:

The Organization is exposed to the following various risks though its financial instruments:

Credit risk -

Credit risk is the risk that a party may default on their financial obligations to the Organization, or if there is a concentration of transactions carried out with the same party or a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss.

The maximum exposure that the Organization has to credit risk as at March 31 is as follows:

	2016	2015
Cash	$ 54,060	$ 66,586
Accounts receivable	6,903	455
	$ 60,963	$ 67,041

Credit risk in cash is minimized by depositing cash in major Canadian financial institutions. Management minimizes credit risks in accounts receivable by dealing with selected known members and affiliates of the Organization and close monitoring of accounts receivable balances. Management believes that overall credit risk is minimal.

Liquidity risk -

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The Organization meets its liquidity requirements by preparing an annual budget for operations, holding assets that can be readily converted into cash. In addition, a significant portion of memberships and other fees are received in advance of the periods operations.

8. Financial instruments (continued):

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 is comprised of currency risk, interest rate risk and other price risk. The Organization has no significant market risk.

Other price risk -

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risks or interest risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting similar instruments traded in the market.

The Organization is not presently exposed to any significant price risks on its financial instruments.

Changes in risk -

There have been no changes in the Organization's risk exposure from the prior year.

9. Prior years comparative amounts:

The comparative amounts reported for the 2015 year are unaudited but were subject to a review engagement.

Certain comparative amounts have been reclassified to be consistent with the presentation adopted for 2016.