

Fusion Halifax Networking Association

Unaudited – Refer to Treasurer's Report



FUSION HFX

Fusion Halifax Networking Society

Financial Statements

For the Year ending August 31, 2016

Unaudited

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TREASURER'S REPORT

The balance sheet of **Fusion Halifax Networking Association** [the "Association"] as at August 31, 2016 and the statement of revenue, expenses and net assets, and statement of cash flows have been prepared by the Treasurer in accordance with Canadian accounting standards for not-for-profit organizations and the integrity and objectivity of these financial statements are the Treasurer's responsibility. The Treasurer is also responsible for all the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The Board of Directors [the "Board"] is responsible for ensuring that the Treasurer fulfills their responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis.

An audit or review has not been performed with respect to these financial statements and, accordingly, no assurance has been expressed thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

On behalf of Fusion Halifax Networking Association:

Matthew Burke

Treasurer

November 16, 2016.

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Balance Sheet

Assets	<u>2015-16</u>	<u>2014-15</u>
Current		
Cash	16,861	9520
Accounts Receivable	1000	585
Net Assets		
Unrestricted	17,861	10,105
	17,861	10,105

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Income Statement

Income	<u>2015-16</u>	<u>2014-15</u>
Sponsorship & Event Registration (See Note 3)	25841	29,975
ALF Tickets (See Note 3)	5540	—
Goods & Services In-Kind (See Note 4)	22621	12,600
Other	227	135
Total Income	<u>54,229</u>	<u>42,710</u>
Expenses		
<i>Programs & events (See Note 5)</i>		
Food & beverage	2060	6,460
Printing	2644	467
Meeting & event space	20706	1,925
Event Advertising	11498	2,245
Guest Speaker Costs	828	1,086
Miscellaneous	677	1,836
Audio / visual	2956	2,571
<i>Organizational Effectiveness (See Note 6)</i>		
Board Meetings & Notices	1810	7,544
Website Re-development	23	10,750
Directors' Liability Insurance	1350	1,970
Miscellaneous Dues & Fees	694	614
Professional Fees	0	1,800
Bad Debt Expense	0	5,000
Travel	0	871
Bank Charges	33	30
Marketing & Communications	609	1,901
Total Expenses	<u>45,888</u>	<u>47,071</u>
(Deficiency) excess of revenue over expenses for the year	8,341	-4,361
Net assets, beginning of year	9520	14,466
Net assets, end of year	<u>17,861</u>	<u>10,105</u>

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Cash Flow Statement

For year ended August 31

	2015-16	2014-15
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	8,341	-4,361
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	-1,000	4,415
Decrease in prepaid expenses	—	741
Cash provided by (used in) operating activities	7,341	795
Net change in cash during the year	7,341	795
Cash, beginning of year	9,520	8,725
Cash, end of year	16,861	9,520

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Notes to the Financial Statements

1. NATURE OF OPERATIONS

The Fusion Halifax Networking Association [the “Association”] is registered as a Society under the *Nova Scotia Societies Act* and, as such, is not taxable under the *Income Tax Act (Canada)*. The Association is also known as its market facing brand name, Fusion Halifax. The Association is a representative community organization whose primary objective is to engage the targeted demographic in Halifax to create a strong city and region that will continue to be a desirable location to live and work, through networking and Action Teams in key identified areas.

All amounts in the financial statements are expressed in Canadian dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – *Accounting Standards for Not-for-Profit Organizations*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described hereafter.

Cash

Cash includes cash on hand and balances held at financial institutions.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year during which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Cont’d]

Goods and services received in-kind

Revenue and offsetting expenses from goods and services received in-kind are recorded at fair market value. Fair market value is determined by the value identified on the invoice or written documentation provided directly by the supplier or the market value of a comparable product or service. In-kind revenue is the fair market value of products or services provided by suppliers that the Association would otherwise pay for with cash.

In-kind revenue for the year ended August 31, 2016, totaling \$0.00 [2015 – \$12,600], is offset in the expense categories as follows:

	2016	2015
	\$	\$
Food and beverages	541	—
Meeting and event space	11,340	—
Event advertising	10,000	—
Audio and visual	—	—
Printing	50	—
Board meetings and notices	—	5,800
Website re-development	—	5,000
Professional fees	—	1,800
Guest Speaker Costs	690	—
	<u>22,621</u>	<u>\$12,600</u>

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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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3. Sponsorship & Event Registration

The association gets much of its income through direct sponsorship of specific events. This fiscal year we started charging a small admission fee to a few events. This income was not material enough to disclose separately. However, the Atlantic Leadership forum was the first conference put on by The Association and is one of the first events the Association has charged an entry fee for. It was a successful event whose ticket sales were material enough that they should be disclosed separately.

4. PROGRAMS AND EVENTS

The Association is divided into seven Action Teams in key identified areas which hold regular meetings and organize and execute events throughout the year. Expenses in the Statement of Revenue, Expenses and Net Assets classified as Programs and Events expenses directly relate to these activities and are categorized by Action Team as follows, which includes both cash and in-kind expenses:

	2016	2015
	\$	\$
Urban Development Action Team [“UDAT”]	11,338	13,582
People Factor Action Team [“PFAT”]	-	813
Immigration and Diversity [“ImDiv”]	-	1,069
Arts and Culture	30	155
Entrepreneurship	-	570
Health and Wellness	-	—
Sustainability	113	401
Atlantic Leadership Forum	3,914	—
General Fusion Events	3,352	—
	18,747	\$16,590

The expenses incurred by the Association for Printing in the 2015-16 year are higher than they were in prior years. This is primarily due to the costs associated with securing event space for Vivacity 2015 and The Atlantic Leadership Forum.

5. ORGANIZATIONAL EFFECTIVENESS

Organizational Effectiveness are those expenses which the Association has incurred related to the overhead and supporting functions of the Association, its Board and Executive Committee, which includes both cash and in-kind expenses [note 2].

	2016	2015
	\$	\$
Annual General Meeting (AGM)	656	542
Board Orientation and Mid-year check-in	367	585
Board Appreciation	793	340
Miscellaneous meetings and events	518	277
	2334	\$1,744

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6. FINANCIAL INSTRUMENTS

Risks and uncertainties

The Association is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Association's risk management process are to ensure that risks are properly identified and the capital base is adequate in relation to these risks. The principal financial risks to which the Association is exposed are described below:

Credit risk

The Association does not have significant exposure to any individual sponsor. The Association reviews new sponsor's financial condition and credit history before extending credit and performs a continuous evaluation of accounts receivable and records an allowance for doubtful accounts as required. The Association considers there to be no significant credit risk as at August 31, 2016.

Liquidity risk

The Association is exposed to minimal liquidity risk as it does not anticipate any significant difficulties in meeting its financial liabilities.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year financial statement presentation.