

Financial Statements of

CANADIAN SPORT CENTRE ATLANTIC

March 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Canadian Sport Centre Atlantic

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We have audited the accompanying financial statements of Canadian Sport Centre Atlantic, which comprise the statement of financial position as at March 31, 2014, and the statement of revenue and expenses, changes in net assets 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

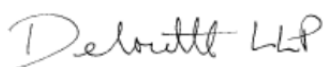
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 unqualified audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Sport Centre Atlantic as at March 31, 2014 and the results of its operations, and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.



Halifax, Nova Scotia
May 30, 2014

CANADIAN SPORT CENTRE ATLANTIC

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CANADIAN SPORT CENTRE ATLANTIC

Statement of Financial Position

As at March 31, 2014

	2014	2013
	\$	\$
ASSETS		
Current assets		
Cash (Note 3)	51,040	98,648
Accounts receivable (Note 5)	167,001	302,730
Government remittances receivable	12,609	10,877
Prepaid expenses	40,967	45,888
	271,617	458,143
Capital assets (Note 4)	190,051	230,891
	461,668	689,034
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	191,277	80,198
Deferred revenue (Note 5)	11,505	232,622
	202,782	312,820
Deferred capital grants (Note 6)	6,996	30,659
	209,778	343,479
NET ASSETS		
Unrestricted	68,836	145,324
Investment in capital assets	183,054	200,231
	251,890	345,555
	461,668	689,034

CANADIAN SPORT CENTRE ATLANTIC

Statement of Revenue and Expenses

Year ended March 31, 2014

	2014	2013
	\$	\$
Revenue		
Sport Canada	339,900	339,900
Coaching Association of Canada	50,000	50,000
Atlantic coaching field office		
New Brunswick	8,000	8,000
Nova Scotia	7,959	7,959
Newfoundland and Labrador	7,959	7,959
Prince Edward Island	6,123	6,123
Atlantic high performance sport strategy		
New Brunswick	235,000	184,000
Nova Scotia	50,000	77,500
Newfoundland and Labrador	25,000	25,000
Salary contributions	223,180	255,522
Sport Canada - Own The Podium (Schedule 1)	200,260	277,978
Other revenue	215,197	254,551
Support 4 Sport - Programs	208,400	188,400
Corporate sponsorship	121,055	3,680
Sport Canada training	100,000	103,000
Sport Canada Nova Scotia	85,000	85,000
Support 4 Sport - Sport science	80,000	80,000
Support 4 Sport - Coaching Salary Funding	60,000	65,000
Sport Canada New Brunswick	40,000	40,000
National Coaching Institute	33,056	14,981
Amortization of deferred capital grants	23,663	23,664
Atlantic coaches seminar	22,895	175
Sport Canada Newfoundland and Labrador	20,000	20,000
Canadian paralympic committee	20,000	20,000
Sport Canada Prince Edward Island	5,000	5,000
	2,187,647	2,143,392
Expenses		
Administrative (Schedule 2)	1,639,604	1,500,308
Athlete service (Schedule 5)	344,401	263,876
Training group (Schedule 4)	203,085	107,861
Coaching (Schedule 3)	47,084	25,776
Athletic high performance sport strategy (Schedule 6)	42,810	111,769
Sport Canada - Own The Podium (Schedule 7)	4,328	82,222
	2,281,312	2,091,812
Excess of (expenses over revenue) revenue over expenses	\$ (93,665)	\$ 51,580

CANADIAN SPORT CENTRE ATLANTIC
Statements of Changes in Net Assets
Year ended March 31, 2014

	<u>Unrestricted</u>	<u>Investment in capital assets</u>	<u>Total 2014</u>	<u>Total 2013</u>
	\$	\$	\$	\$
Balance, beginning of year	145,324	200,231	345,555	293,975
Excess of (expenses over revenue) revenue over expenses	(76,488)	(17,177)	(93,665)	51,580
Balance, end of year	68,836	183,054	251,890	345,555

CANADIAN SPORT CENTRE ATLANTIC

Statements of Cash Flows

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Operating activities		
Excess of (expenses over revenue) revenue over expenses	(93,665)	51,580
Items not affecting cash:		
Amortization of capital assets	57,380	61,496
Amortization of deferred capital grants	(23,663)	(23,664)
Changes in non-cash working capital items:		
Accounts receivable	135,729	(110,858)
Government remittances receivable	(1,732)	45,564
Prepaid expenses	4,921	(21,869)
Accounts payable and accrued liabilities	111,079	(89,424)
Deferred revenue	(221,117)	114,665
	<u>(31,068)</u>	<u>27,490</u>
Investing activities		
Additions to capital assets	(16,540)	(17,742)
	-	
Net cash (outflow) inflow	(47,608)	9,748
Cash, beginning of year	98,648	88,900
Cash, end of year	51,040	98,648

CANADIAN SPORT CENTRE ATLANTIC

Notes to the Financial Statements

March 31, 2014

1. DESCRIPTION OF ORGANIZATION

The Canadian Sport Centre Atlantic (the “Centre”) features a partnership of Sport Canada, the Canadian Olympic Association, the Coaching Association of Canada and the governments of New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island. The Centre is a not-for-profit organization that uses funding from different levels of government and other funding partners to help fund the needs of Atlantic Canadian athletes and athletic programs.

The Centre’s mission statement is the following:

“To provide a world-class, multi-sport daily training environment for athletes and coaches through expert leadership, services and programs.”

2. ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash is comprised of balances on deposit with a financial institution.

Financial instruments

The Centre’s financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Financial assets and financial liabilities are initially recognized at fair value when the Centre becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for cash which is measured at fair value. .

Capital assets

Purchases of equipment, computer equipment are capitalized in the year of purchase in the statement of financial position. Capital assets are recorded at cost. Amortization is based on their estimated useful life using the following methods and rates:

Equipment	20% declining balance
Computer equipment	30% declining balance

Revenue recognition

The Centre uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Endowment contributions are reported as direct increases in net assets. Unrestricted contributions are reported as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

CANADIAN SPORT CENTRE ATLANTIC

Notes to the Financial Statements

March 31, 2014

2. ACCOUNTING POLICIES (continued)

Contributed materials and services

Contributions of materials and services have not been recorded in the financial statements because the fair value cannot be reasonably estimated.

Use of accounting 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The areas that are most subject to estimation and judgment in the Centre's financial statements include the amortization periods for capital assets, accrued liabilities, and the allowance for doubtful accounts. Actual results could differ from those estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

3. CASH

Included in cash and cash equivalents is \$11,505 (2013 - \$48,148) in restricted cash held in trust for an athlete pursuant to a Promotional Agreement. The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

4. CAPITAL ASSETS

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 503,260	\$ 336,442	\$ 166,818	\$ 192,308
Computer equipment	154,914	131,681	23,233	38,583
	<u>\$ 658,174</u>	<u>\$ 468,123</u>	<u>\$ 190,051</u>	<u>\$ 230,891</u>

5. DEFERRED REVENUE

	2014	2013
Athlete Promotional Agreement	\$ 11,505	\$ 48,148
Other funds	-	184,474
	<u>\$ 11,505</u>	<u>\$ 232,622</u>

In addition to the \$11,505 deferred, \$226,251 has been received and disbursed in accordance with the Athlete Promotional Agreement during the year ending March 31, 2014.

CANADIAN SPORT CENTRE ATLANTIC

Notes to the Financial Statements

March 31, 2014

6. DEFERRED CAPITAL GRANTS

In the 2005 fiscal year, the Centre received a grant of \$988,050 from Sport Canada towards the costs associated with National Sport Science, Sport Medicine and Equipment across the country. \$190,000 of this amount was applied to equipment purchases and the amount was fully amortized during the year.

	<u>2014</u>		<u>2013</u>
National Sport Science program	-	\$	19,000
Other capital deferred	6,996		11,659
	\$ 6,996	\$	30,659

7. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short-term maturity.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations as they become due. The Centre is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs. Given the Centre's currently available liquid resources, from both financial assets and on-going operations, as compared to its contractual obligations, management assesses the Centre's liquidity risk to be low.

Credit risk

The Centre is exposed to credit risk on the amounts receivable from its donors and affiliates. In order to reduce risk the Center has adopted credit policies which include regular review of accounts receivable balances.

CANADIAN SPORT CENTRE ATLANTIC**SCHEDULE 1****Sport Canada - Own The Podium Revenue**

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Canoe	200,260	205,228
Sailing	-	45,250
Paralympic sailing	-	27,500
	200,260	277,978

Administrative Expenses

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Staff salary	1,305,696	1,176,825
Office rent	78,712	78,532
Travel	75,071	42,091
Amortization	57,380	61,496
Staff expenses	23,021	32,804
Promotions	17,165	24,511
Miscellaneous	15,060	9,096
Telephone	12,742	11,088
Audit	11,226	14,263
Insurance	10,085	13,798
Website	9,980	-
Finance charges	6,644	3,491
Bad debts	5,226	3,338
National project	4,028	11,771
Office expenses	3,881	6,995
Board meetings	1,727	3,034
Bank charges	1,349	2,058
Translation	611	5,117
	1,639,604	1,500,308

Coaching Expenses

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Atlantic coaches seminar	29,965	480
National coaching institute	15,369	11,599
Atlantic coaching field office	1,750	13,697
	47,084	25,776

CANADIAN SPORT CENTRE ATLANTIC**SCHEDULE 4****Training Group Expenses**

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Canoe	95,400	39,203
Rugby	40,000	13,333
Sailing	23,685	18,101
Canadian paralympic	20,594	19,616
Athletics	8,423	8,743
Judo	7,663	6,014
Swimming	6,000	-
Boxing	1,002	-
Gym	318	1,824
Wrestling	-	1,027
	203,085	107,861

Athlete Service Expenses

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Province of NB - AHPSS	162,835	161,313
Sport science	46,672	15,463
Sport medicine	33,614	27,466
Fundraising	33,389	-
Province of NL - AHPSS	25,000	11,250
Support 4 sport programs	12,000	17,000
Canada games program	9,546	3,250
Facility	6,146	4,865
Athlete support program	3,526	-
Athlete fund	3,437	-
Province of NS - AHPSS	3,363	1,650
Hosting	3,272	54
Esteem team - admin costs	1,516	5,283
Support 4 sport - coaching expenses	542	-
Taste of gold	-	15,000
Professional development	(457)	1,282
	<u>344,401</u>	<u>263,876</u>

CANADIAN SPORT CENTRE ATLANTIC
Athletic High Performance Sport Strategy Expenses
Year ended March 31, 2014

SCHEDULE 6

	<u>2014</u>	<u>2013</u>
	\$	\$
Sport science	31,526	60,323
Sport Strategy Speedskating	7,464	-
Athletics	2,378	13,314
Curling	1,442	916
Rugby	-	15,000
Other	-	1,301
Canoe	-	11
Canada Games	-	20,904
	42,810	111,769

CANADIAN SPORT CENTRE ATLANTIC**SCHEDULE 7****Sport Canada - Own The Podium Expenses**

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Canoe	2,654	59,791
Sailing	1,344	15,293
Paralympic sailing	490	7,138
Sport Science	75	-
Wheelchair basketball	65	-
Other	(300)	-
	<u>4,328</u>	<u>82,222</u>
