

Financial Statements of

CANADIAN SPORT CENTRE ATLANTIC

March 31, 2015



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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, 2015, and the statements 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, 2015 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.

Chartered Accountants
June 2, 2015

CANADIAN SPORT CENTRE ATLANTIC

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CANADIAN SPORT CENTRE ATLANTIC

Statement of Financial Position

As at March 31, 2015

	2015	2014
	\$	\$
ASSETS		
Current assets		
Cash (Note 3)	145,563	51,040
Accounts receivable	195,811	167,001
Government remittances receivable	28,072	12,609
Prepaid expenses	44,774	40,967
	414,220	271,617
Capital assets (Note 4)	149,717	190,051
	563,937	461,668
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	277,546	191,277
Deferred revenue (Note 5)	26,505	11,505
	304,051	202,782
Deferred capital grants (Note 6)	2,333	6,996
	306,384	209,778
NET ASSETS		
Unrestricted	110,169	68,835
Investment in capital assets	147,384	183,055
	257,553	251,890
	563,937	461,668

COMMITMENTS (Note 8)

CANADIAN SPORT CENTRE ATLANTIC

Statement of Revenue and Expenses

Year ended March 31, 2015

	2015	2014
	\$	\$
Revenue		
National partners:		
Sport Canada		
Core	339,900	339,900
Enhanced Excellence	185,944	100,000
Athletic high performance sport strategy ("AHPSS")	100,000	200,260
NSO Contributions	148,389	226,315
Coaching	65,000	70,000
Provincial partners (Schedule)	757,041	838,441
Corporate partners	129,193	146,628
Other revenue		
Self-generated	246,864	242,439
Other	9,996	-
Amortization of deferred capital grants	4,663	23,663
	1,986,990	2,187,646
Expenses		
Administrative		
Salary and staff expenses	971,638	1,396,244
Operations	216,374	163,863
Amortization of capital assets	40,334	57,380
Programs		
Athletic high performance sport strategy	260,031	175,723
Own the Podium	-	4,328
Training groups	310,972	398,804
Life services	95,110	37,885
Coaching	52,928	47,084
Other		
Private	19,574	-
Individual	14,366	-
	1,981,327	2,281,311
Excess of revenue over expenses (expenses over revenue)	\$ 5,663	\$ (93,665)

CANADIAN SPORT CENTRE ATLANTIC

Statements of Changes in Net Assets

Year ended March 31, 2015

	<u>Unrestricted</u>	<u>Investment in capital assets</u>	<u>Total 2015</u>	<u>Total 2014</u>
	\$	\$	\$	\$
Balance, beginning of year	68,835	183,055	251,890	345,555
Excess of revenue over expenses (expenses over revenue)	41,334	(35,671)	5,663	(93,665)
Balance, end of year	110,169	147,384	257,553	251,890

CANADIAN SPORT CENTRE ATLANTIC

Statements of Cash Flows

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Operating activities		
Excess of revenue over expenses (expenses over revenue)	5,663	(93,665)
Items not affecting cash:		
Amortization of capital assets	40,334	57,380
Amortization of deferred capital grants	(4,663)	(23,663)
Changes in non-cash working capital items:		
Accounts receivable	(28,810)	135,729
Government remittances receivable	(15,463)	(1,732)
Prepaid expenses	(3,807)	4,921
Accounts payable and accrued liabilities	86,269	111,079
Deferred revenue	15,000	(221,117)
	94,523	(31,068)
Investing activities		
Additions to capital assets	-	(16,540)
Net cash inflow (outflow)	94,523	(47,608)
Cash, beginning of year	51,040	98,648
Cash, end of year	145,563	51,040

CANADIAN SPORT CENTRE ATLANTIC

Notes to the Financial Statements

March 31, 2015

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

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, 2015

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 these estimates.

3. CASH

Included in cash and cash equivalents is \$11,505 (2014 - \$11,505) in restricted cash held in trust for an athlete pursuant to a Promotional Agreement.

4. CAPITAL ASSETS

	2015			2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 503,261	\$ 369,806	\$ 133,455	\$ 166,818
Computer equipment	154,914	138,652	\$ 16,262	23,233
	<u>\$ 658,175</u>	<u>\$ 508,458</u>	<u>\$ 149,717</u>	<u>\$ 190,051</u>

5. DEFERRED REVENUE

	2015	2014
Athlete Promotional Agreement	\$ 11,505	\$ 11,505
Other funds	15,000	-
	<u>\$ 26,505</u>	<u>\$ 11,505</u>

CANADIAN SPORT CENTRE ATLANTIC

Notes to the Financial Statements

March 31, 2015

6. DEFERRED CAPITAL GRANTS

	<u>2015</u>		<u>2014</u>
Opening balance, beginning of year	6,996	\$	30,659
Amortization	(4,663)		(23,663)
Ending balance, end of year	\$ 2,333	\$	6,996

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

The Centre's objective is to have sufficient liquidity to meet its liabilities when due. The Centre monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2015, the most significant financial liabilities are accounts payable and accrued liabilities. 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.

8. COMMITMENTS

The Centre leases space from the Canada Games Centre under an operating lease that expires December 31, 2018. Estimated future minimum payments are as follows:

	\$
2016	87,125
2017	92,377
2018	95,057
2019	23,850

9. COMPARATIVE FIGURES

Certain figures, presented for comparative purposes, have been restated to conform to the current year presentation.

CANADIAN SPORT CENTRE ATLANTIC
Schedule - Revenue contributions from provincial partners
Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Nova Scotia		
Core	92,959	92,959
AHPSS	60,000	50,000
Support 4 Sport	229,000	348,400
New Brunswick		
Core	53,000	48,000
AHPSS	258,000	235,000
Newfoundland		
Core	27,959	27,959
AHPSS	25,000	25,000
Prince Edward Island		
Core	11,123	11,123
AHPSS	-	-
	\$ 757,041	\$ 838,441