Financial statements of

Canadian Sport Centre Atlantic

March 31, 2016

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Deloitte LLP
Purdy's Wharf Tower II
1969 Upper Water Street
Suite 1500
Halifax NS B3J 3R7
Canada

Tel: 902-422-8541
Fax: 902-423-5820
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Canadian Sport Centre Atlantic

We have audited the accompanying financial statements of Canadian Sport Centre Atlantic, which comprise the statement of financial position as at March 31, 2016, 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, 2016, 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.

Deloitte LLP

Chartered Accountants
June 14, 2016
Halifax, NS

Canadian Sport Centre Atlantic

Statement of financial position
as at March 31, 2016

	2016	2015
	$	$
Assets		
Current assets		
Cash	**111,615**	96,157
Restricted Cash (Note 3)	**26,363**	49,406
Accounts receivable (Note 4)	**256,660**	195,811
Government remittances receivable	**52,246**	28,072
Prepaid expenses	**19,784**	44,774
	466,668	414,220
Capital assets (Note 5)	**145,754**	149,717
	612,422	563,937
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**193,738**	277,546
Deferred revenue (Note 6)	**185,643**	26,505
	379,381	304,051
Deferred capital grants	**-**	2,333
	379,381	306,384
Net assets		
Unrestricted	**87,287**	110,169
Investment in capital assets	**145,754**	147,384
	233,041	257,553
	612,422	563,937

Commitments (Note 8)

Approved by the Board

________________________________Director

________________________________Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Canadian Sport Centre Atlantic

Statement of revenue and expenses
year ended March 31, 2016

	2016	2015
	$	$
Revenue		
National partners:		
Sport Canada		
Core	**341,900**	339,900
Enhanced Excellence/Own the Podium ("OTP")	**227,441**	185,944
Athletic high performance sport strategy ("AHPSS")	**100,000**	100,000
NSO Contributions	**127,601**	148,389
Coaching	**25,000**	65,000
Provincial partners (Schedule)	**860,441**	757,041
Corporate partners	**98,997**	129,193
Other revenue		
Self-generated	**295,522**	246,864
Other	**5,830**	9,996
Amortization of deferred capital grants	**2,332**	4,663
	2,085,064	1,986,990
Expenses		
Administrative		
Salary and staff expenses	**891,212**	804,994
Operations (Note 4)	**216,826**	216,374
Amortization of capital assets	**34,637**	40,334
Programs		
AHPSS	**279,163**	260,031
Enhanced Excellence/OTP	**240,930**	185,944
Training groups	**271,125**	291,672
Life services	**70,820**	95,110
Coaching	**64,297**	52,928
Other		
Private	**11,171**	19,574
Individual	**29,395**	14,366
	2,109,576	1,981,327
(Deficiency) excess of revenues over expenses	**(24,512)**	5,663

The accompanying notes to the financial statements are an integral part of this financial statement.

Canadian Sport Centre Atlantic

Statement of changes in net assets
year ended March 31, 2016

	Unrestricted	Investment in capital assets	Total 2016	Total 2015
	$	$	$	$
Balance, beginning of year	**110,169**	**147,384**	**257,553**	251,890
Excess (deficiency) of revenues over expenses	**7,793**	**(32,305)**	**(24,512)**	5,663
Additions funded from operations	**(30,675)**	**30,675**	**-**	-
Balance, end of year	**87,287**	**145,754**	**233,041**	257,553

The accompanying notes to the financial statements are an integral part of this financial statement.

Canadian Sport Centre Atlantic

Statement of cash flows
year ended March 31, 2016

	2016	2015
	$	$
Operating activities		
(Deficiency) excess of revenues over expenses	**(24,512)**	5,663
Items not affecting cash:		
Amortization of capital assets	**34,637**	40,334
Amortization of deferred capital grants	**(2,332)**	(4,663)
Changes in non-cash working capital items:		
Accounts receivable	**(60,849)**	(28,810)
Government remittances receivable	**(24,174)**	(15,463)
Prepaid expenses	**24,990**	(3,807)
Accounts payable and accrued liabilities	**(83,808)**	86,269
Deferred revenue	**159,138**	15,000
	23,090	94,523
Investing activities		
Decrease (increase) in restricted cash	**23,043**	(49,406)
Additions to capital assets	**(30,675)**	-
	(7,632)	(49,406)
Net cash inflow	**15,458**	45,117
Cash, beginning of year	**96,157**	51,040
Cash, end of year	**111,615**	96,157

The accompanying notes to the financial statements are an integral part of this financial statement.

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 equivalent, accounts receivable, 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.

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.

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. Restricted cash

Included in restricted cash is $26,363 (2015 - $49,406) held in trust for an athlete pursuant to a Promotional Agreement.

4. Accounts receivable

During the year, the Centre had bad debts of $37,131 (2015 - $15,831) related to amounts outstanding from the year ending March 31, 2014 that were deemed uncollectable as at March 31, 2016. The following receivables were written off:

	2016	2015
	$	$
Ricoh	**15,000**	-
Athlete expenses to be reimbursed	**13,598**	1,831
Canoe Kayak Canada portion of Smart Database	**7,465**	-
Other receivables	**1,068**	-
Salary contribution - Steve Leblanc	**-**	14,000
	37,131	15,831

5. Capital assets

			2016	2015
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Equipment	**533,935**	**399,565**	**134,370**	133,455
Computer equipment	**154,914**	**143,530**	**11,384**	16,262
	688,849	**543,095**	**145,754**	149,717

6. Deferred revenue

	2016	2015
	$	$
Province of New Brunswick	**161,000**	-
Athlete Promotional Agreement	**24,643**	11,505
Province of Nova Scotia	**-**	15,000
	185,643	26,505

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.

Credit risk

The Centre's principal financial assets are cash and cash equivalents and accounts receivable. The carrying amounts of financial assets on the balance sheet represent the Centre's maximum credit exposure at the balance sheet date. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

The Centre has accounts receivable with donors and partners on a continuing basis. The Centre's allowance for doubtful accounts is nil as of March 31, 2016 (2015 - nil).

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, 2016, the most significant financial liabilities are the accounts payable and accrued liabilities.

8. Commitments

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

	$
2017	92,377
2018	95,057
2019	23,850

9. Comparative figures

The comparative financial statements have been reclassified from previously presented to conform to the presentation of the current year financial statements.

Canadian Sport Centre Atlantic

Schedule - revenue contributions from Provincial partners
year ended March 31, 2016

	2016	2015
	$	$
Nova Scotia		
Core	**92,959**	92,959
AHPSS	**90,000**	60,000
Support 4 Sport	**458,400**	229,000
New Brunswick		
Core	**54,000**	53,000
AHPSS	**101,000**	258,000
Newfoundland		
Core	**27,959**	27,959
AHPSS	**25,000**	25,000
Prince Edward Island		
Core	**11,123**	11,123
	860,441	757,041

The accompanying notes to the financial statements are an integral part of this financial statement.