Financial statements of

Canadian Sport Centre Atlantic

March 31, 2017

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Table of contents

Deloitte.

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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, 2017, 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 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, 2017, 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 Professional Accountants
July 19, 2017

Canadian Sport Centre Atlantic

Statement of financial position
as at March 31, 2017

	2017	2016
	$	$
Assets		
Current assets		
Cash	**463,483**	111,615
Restricted Cash (Note 3)	**30,364**	26,363
Accounts receivable (Note 4)	**174,331**	256,660
Government remittances receivable	**24,567**	52,246
Prepaid expenses	**-**	19,784
	692,745	466,668
Capital assets (Note 5)	**115,465**	145,754
	808,210	612,422
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**311,783**	193,738
Deferred revenue (Note 6)	**223,016**	185,643
	534,799	379,381
Net assets		
Unrestricted	**157,946**	87,287
Investment in capital assets	**115,465**	145,754
	273,411	233,041
	808,210	612,422

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, 2017

	2017	2016
	$	$
Revenue		
National partners:		
Sport Canada		
Core	**341,900**	341,900
Enhanced Excellence/Own the Podium ("OTP")	**308,946**	227,441
Athletic high performance sport strategy ("AHPSS")	**100,000**	100,000
NSO Contributions	**182,286**	127,601
Coaching	**25,000**	25,000
Provincial partners (Schedule)	**1,041,692**	860,441
Corporate partners	**109,383**	98,997
Other revenue		
Self-generated	**151,745**	295,522
Other	**10,991**	5,830
Amortization of deferred capital grants	**-**	2,332
	2,271,943	2,085,064
Expenses		
Administrative		
Salary and staff expenses	**879,258**	891,212
Operations (Note 4)	**278,678**	216,826
Amortization of capital assets	**30,289**	34,637
Programs		
AHPSS	**363,433**	279,163
Enhanced Excellence/OTP	**318,074**	240,930
Training groups	**185,504**	271,125
Coaching	**114,067**	64,297
Life services	**40,451**	70,820
Other		
Individual	**18,819**	29,395
Private	**3,000**	11,171
	2,231,573	2,109,576
Excess (deficiency) of revenues over expenses	**40,370**	(24,512)

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, 2017

	Unrestricted	Investment in capital assets	Total 2017	Total 2016
	$	$	$	$
Balance, beginning of year	87,287	145,754	233,041	257,553
Excess (deficiency) of revenues over expenses	70,659	(30,289)	40,370	(24,512)
Balance, end of year	157,946	115,465	273,411	233,041

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, 2017

	2017	2016
	$	$
Operating activities		
Excess (deficiency) of revenues over expenses	**40,370**	(24,512)
Items not affecting cash:		
Amortization of capital assets	**30,289**	34,637
Amortization of deferred capital grants	**-**	(2,332)
Changes in non-cash operating working capital items:		
Decrease (increase) in accounts receivable	**82,329**	(60,849)
Decrease (increase) in government remittances receivable	**27,679**	(24,174)
Decrease in prepaid expenses	**19,784**	24,990
Increase (decrease) in accounts payable and accrued liabilities	**118,045**	(83,808)
Increase in deferred revenue	**37,373**	159,138
	355,869	23,090
Investing activities		
Decrease (increase) in restricted cash	**(4,001)**	23,043
Purchase of capital assets	**-**	(30,675)
	(4,001)	(7,632)
Net increase in cash	**351,868**	15,458
Cash, beginning of year	**111,615**	96,157
Cash, end of year	**463,483**	111,615

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") 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 maintains a partnership with 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'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. Significant 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, 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.

Transaction costs related to the financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Centre recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

Capital assets

Capital assets are recorded at cost. Amortization is based on the following methods and rates:

Equipment	20% declining balance
Computer equipment	30% declining balance

When a tangible capital asset or an intangible asset that is subject to amortization no longer has any long-term service potential for the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

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.

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.

2. Significant accounting policies

Use of 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. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivable, the useful lives of capital assets, and accounts payable and accrued liabilities. Actual results could differ from these estimates.

3. Restricted cash

Restricted cash is held in trust for an athlete pursuant to a promotional agreement.

4. Accounts receivable

During the year ending March 31, 2017, the Centre had bad debts of $Nil (2016 - $37,131).

5. Capital assets

			2017	2016
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Equipment	**533,935**	**426,439**	**107,496**	134,370
Computer equipment	**154,914**	**146,945**	**7,969**	11,384
	688,849	**573,384**	**115,465**	145,754

6. Deferred revenue

	2017	2016
	$	$
Province of New Brunswick	**161,000**	161,000
Athlete promotional agreement	**32,016**	24,643
Canada Basketball	**30,000**	-
	223,016	185,643

7. Financial instruments

Credit risk

The Centre has accounts receivable with donors and partners on a continuing basis. The Centre's allowance for doubtful accounts as at March 31, 2017 is $Nil (2016 - $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, 2017, the most significant financial liabilities are accounts payable and accrued liabilities.

8. Commitments

The Centre leases office space from the Canada Games Centre under an operating lease that expires December 31, 2018. Future minimum payments required in each of the next two years are as follows:

	$
2018	95,057
2019	71,551
	166,608

Canadian Sport Centre Atlantic

Schedule - revenue contributions from Provincial partners
year ended March 31, 2017

	2017	2016
	$	$
Nova Scotia		
Core	**93,000**	92,959
AHPSS	**100,000**	90,000
Coaching	**95,735**	-
Support 4 Sport	**383,875**	458,400
New Brunswick		
Core	**52,959**	54,000
AHPSS	**252,041**	101,000
Newfoundland		
Core	**27,959**	27,959
AHPSS	**25,000**	25,000
Prince Edward Island		
Core	**11,123**	11,123
	1,041,692	860,441

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