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Financial statements of  
Canadian Sport Centre Atlantic

March 31, 2019

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## Independent Auditor's Report

To the Board of Directors of  
Canadian Sport Centre Atlantic

### Opinion

We have audited the financial statements of Canadian Atlantic Sports Centre, which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenses, change in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Atlantic Sport Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
July 3, 2019

**Canadian Sport Centre Atlantic**  
**Statement of financial position**  
As at March 31, 2019

|  | Notes | <b>2019</b>    | 2018      |
|--|-------|----------------|-----------|
|  |       | <b>\$</b>      | <b>\$</b> |
| <b>Assets</b>                            |       |                |           |
| Current assets                           |       |                |           |
| Cash                                     |       | <b>513,398</b> | 216,986   |
| Accounts receivable                      | 3     | <b>156,903</b> | 293,260   |
| Government remittances receivable        |       | <b>38,820</b>  | 48,880    |
| Prepaid expenses                         |       | —              | 205,618   |
|  |       | <b>709,121</b> | 764,744   |
| Capital assets                           | 4     | <b>72,702</b>  | 91,575    |
|  |       | <b>781,823</b> | 856,319   |
| <b>Liabilities</b>                       |       |                |           |
| Current liabilities                      |       |                |           |
| Accounts payable and accrued liabilities |       | <b>125,979</b> | 126,631   |
| Deferred revenue                         | 5     | <b>167,000</b> | 246,584   |
|  |       | <b>292,979</b> | 373,215   |
| <b>Net assets</b>                        |       |                |           |
| Unrestricted                             |       | <b>416,142</b> | 391,529   |
| Investment in capital assets             |       | <b>72,702</b>  | 91,575    |
|  |       | <b>488,844</b> | 483,104   |
|  |       | <b>781,823</b> | 856,319   |
| Commitments                              | 7     |                |           |

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**Canadian Sport Centre Atlantic**  
**Statement of revenue and expenses**

Year ended March 31, 2019

|   | Schedule | 2019<br>\$       | 2018<br>\$ |
|---|----------|------------------|------------|
| <b>Revenue</b>                          |          |                  |            |
| National partners                       | 1        | <b>806,438</b>   | 771,046    |
| Provincial partners                     | 2        | <b>976,137</b>   | 1,034,785  |
| Coaching revenue                        | 3        | <b>291,998</b>   | 163,635    |
| Corporate partners                      |          | <b>164,000</b>   | 151,577    |
| Other revenue                           |          |                  |            |
| Self-generated                          |          | <b>109,151</b>   | 105,126    |
| Other                                   |          | <b>1,225</b>     | 2,800      |
|   |          | <b>2,348,949</b> | 2,228,969  |
| <b>Expenses</b>                         |          |                  |            |
| Administrative                          |          |                  |            |
| Salary and staff expenses               |          | <b>1,151,670</b> | 872,416    |
| Operations                              |          | <b>201,475</b>   | 222,899    |
| Amortization of capital assets          |          | <b>18,873</b>    | 23,890     |
| Programs                                |          |                  |            |
| Training groups                         |          | <b>260,976</b>   | 174,772    |
| Enhanced Excellence/OTP                 |          | <b>319,784</b>   | 288,022    |
| AHPSS                                   |          | <b>202,643</b>   | 310,041    |
| Coaching                                |          | <b>129,353</b>   | 84,208     |
| Life services                           |          | <b>26,739</b>    | 40,004     |
| Other                                   |          |                  |            |
| Private                                 |          | <b>18,450</b>    | 625        |
| Individual                              |          | <b>13,246</b>    | 2,399      |
|   |          | <b>2,343,209</b> | 2,019,276  |
| <b>Excess of revenues over expenses</b> |          | <b>5,740</b>     | 209,693    |

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

**Canadian Sport Centre Atlantic**  
**Statement of changes in net assets**  
Year ended March 31, 2019

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|  | <b>Unrestricted</b> | <b>Investment in<br/>capital assets</b> | <b>Total<br/>2019</b> | Total<br>2018 |
|--|---------------------|---|-----------------------|---------------|
|  | \$                  | \$                                      | \$                    | \$            |
| <b>Balance, beginning of year</b>                | <b>391,529</b>      | <b>91,575</b>                           | <b>483,104</b>        | 273,411       |
| Excess (deficiency) of<br>revenues over expenses | <b>24,613</b>       | <b>(18,873)</b>                         | <b>5,740</b>          | 209,693       |
| <b>Balance, end of year</b>                      | <b>416,142</b>      | <b>72,702</b>                           | <b>488,844</b>        | 483,104       |

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

**Canadian Sport Centre Atlantic****Statement of cash flows**

Year ended March 31, 2019

|  | <b>2019</b>     | 2018      |
|--|-----------------|-----------|
|  | \$              | \$        |
| <b>Operating activities</b>                              |                 |           |
| Excess (deficiency) of revenues over expenses            | <b>5,740</b>    | 209,693   |
| Items not affecting cash:                                |                 |           |
| Amortization of capital assets                           | <b>18,873</b>   | 23,890    |
| Changes in non-cash operating working capital items:     |                 |           |
| Decrease (increase) in accounts receivable               | <b>136,357</b>  | (118,929) |
| Decrease (increase) in government remittances receivable | <b>10,060</b>   | (24,313)  |
| Decrease (increase) in prepaid expenses                  | <b>205,618</b>  | (205,618) |
| (Decrease) in accounts payable and accrued liabilities   | <b>(652)</b>    | (185,152) |
| (Decrease) increase in deferred revenue                  | <b>(79,584)</b> | 23,568    |
|  | <b>296,412</b>  | (276,861) |
| <b>Investing activities</b>                              |                 |           |
| Decrease in restricted cash                              | —               | 30,364    |
|  | —               | 30,364    |
| Net increase (decrease) in cash                          | <b>296,412</b>  | (246,497) |
| Cash, beginning of year                                  | <b>216,986</b>  | 463,483   |
| <b>Cash, end of year</b>                                 | <b>513,398</b>  | 216,986   |

The accompanying notes 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, 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.

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.

## 2. Significant accounting policies (continued)

### *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.

### *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. Accounts receivable

During the year ending March 31, 2019, the Centre had bad debts of nil (nil in 2018).

## 4. Capital assets

|                    | <b>Cost</b>    | <b>Accumulated<br/>amortization</b> | <b>2019<br/>Net book<br/>value</b> | 2018<br>Net book<br>value |
|--------------------|----------------|-------------------------------------|------------------------------------|---------------------------|
|                    | \$             | \$                                  | \$                                 | \$                        |
| Equipment          | <b>533,935</b> | <b>(465,137)</b>                    | <b>68,798</b>                      | 85,998                    |
| Computer equipment | <b>154,914</b> | <b>(151,010)</b>                    | <b>3,904</b>                       | 5,577                     |
|                    | <b>688,849</b> | <b>(616,147)</b>                    | <b>72,702</b>                      | 91,575                    |

## 5. Deferred revenue

|                                  | <b>2019</b>    | 2018    |
|----------------------------------|----------------|---------|
|                                  | \$             | \$      |
| Province of New Brunswick        | <b>107,000</b> | 147,000 |
| VIP Coaching recognition program | <b>30,000</b>  | —       |
| Canada Basketball                | <b>20,000</b>  | 30,000  |
| Cape Breton University           | <b>10,000</b>  | —       |
| Hockey Canada                    | —              | 69,584  |
|                                  | <b>167,000</b> | 246,584 |

## **6. 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, 2019 is nil (nil in 2018).

### *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, 2019, the most significant financial liabilities are accounts payable and accrued liabilities.

## **7. Commitments**

The Centre leases office space from the Canada Games Centre under an operating lease that expires December 31, 2023, with option for renewal for an additional five years. The Centre's total future minimum lease payment under operating lease commitments are as follows:

|      | <u>\$</u>      |
|------|----------------|
| 2020 | 97,388         |
| 2021 | 98,355         |
| 2022 | 99,362         |
| 2023 | 100,369        |
| 2024 | <u>101,376</u> |
|      | <u>496,850</u> |

**Canadian Sport Centre Atlantic**  
**Schedule 1 - Revenue contributions from National partners**  
Year ended March 31, 2019

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|  | <b>2019</b>    | 2018    |
|--|----------------|---------|
|  | <b>\$</b>      | \$      |
| Sport Canada                               |                |         |
| Core                                       | <b>322,470</b> | 331,900 |
| Official Languages                         | <b>10,000</b>  | 10,000  |
| Enhanced Excellence/Own the Podium ("OTP") | <b>296,210</b> | 292,150 |
| Nex Gen.                                   | <b>19,210</b>  | 11,500  |
| NSO Contributions                          | <b>158,548</b> | 125,496 |
|  | <b>806,438</b> | 771,046 |

**Canadian Sport Centre Atlantic****Schedule 2 - Revenue contributions from Provincial partners**

Year ended March 31, 2019

|                      | <b>2019</b>    | 2018      |
|----------------------|----------------|-----------|
|                      | <b>\$</b>      | \$        |
| Nova Scotia          |                |           |
| Core                 | <b>93,000</b>  | 93,000    |
| AHPSS                | <b>100,000</b> | 100,000   |
| Support 4 Sport      | <b>536,055</b> | 524,703   |
| New Brunswick        |                |           |
| Core                 | <b>53,000</b>  | 53,000    |
| AHPSS                | <b>130,000</b> | 200,000   |
| Newfoundland         |                |           |
| Core                 | <b>27,959</b>  | 27,959    |
| AHPSS                | <b>25,000</b>  | 25,000    |
| Prince Edward Island |                |           |
| Core                 | <b>11,123</b>  | 11,123    |
|                      | <b>976,137</b> | 1,034,785 |

**Canadian Sport Centre Atlantic**  
**Schedule 3 - Revenue from Coaching**  
Year ended March 31, 2019

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|                                    | <b>2019</b>    | 2018    |
|------------------------------------|----------------|---------|
|                                    | <b>\$</b>      | \$      |
| Nova Scotia Coaching Certification | <b>89,036</b>  | 86,559  |
| Provincial PSO Contributions       | <b>84,286</b>  | 52,076  |
| Mentorship                         | <b>35,000</b>  | —       |
| VIP Coach recognition program      | <b>30,000</b>  | —       |
| Coaching Association of Canada     | <b>25,000</b>  | 25,000  |
| Advanced coaching diploma          | <b>17,325</b>  | —       |
| Conference                         | <b>11,351</b>  | —       |
|                                    | <b>291,998</b> | 163,635 |