
CANADIAN SPORT CENTRE ATLANTIC

**FINANCIAL STATEMENTS
MARCH 31, 2020**

INDEX

	<u>Page</u>
Independent Auditor's Report	1
Statement Of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule 1 - Revenue Contributions from National Partners	11
Schedule 2 - Revenue Contributions from Provincial Partners	12
Schedule 3 - Revenue from Coaching	13

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CANADIAN SPORT CENTRE ATLANTIC:

Opinion

We have audited the financial statements of Canadian Sport Centre Atlantic (the "Centre"), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenses and 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 Canadian Sport Centre Atlantic as at March 31, 2020, 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. 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 Centre in accordance with the ethical requirements that are relevant to our audits 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 audit opinion.

Other Matter

The financial statements for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 3, 2019.

Responsibilities of Management and Those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

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 generally accepted auditing standards 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.

**Levy
Casey
Carter
MacLean**
Chartered Professional
Accountants

Stuart S. MacLean Inc.
J.E. Melvin Inc.
Greg T. Strange Inc.
Tracey Wright Inc.
Angela Kinley Inc.

211 Horseshoe Lake Drive
Suite 310
Halifax, NS B3S 0B9
Canada
Phone: (902) 445-4446
Fax: (902) 443-4846
www.lcsm.ca

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Centre'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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent 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 independent auditor's report. However, future events or conditions may cause the Centre 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.

Halifax, Nova Scotia
June 9, 2020


Chartered Professional Accountants

CANADIAN SPORT CENTRE ATLANTIC

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current		
Cash	\$ 172,525	\$ 513,398
Receivables, trade	543,524	156,903
HST receivable	35,700	38,820
Prepaid expenses	<u>36,075</u>	<u>-</u>
	787,824	709,121
Capital assets (note 3)	<u>77,411</u>	<u>72,702</u>
	<u>\$ 865,235</u>	<u>\$ 781,823</u>

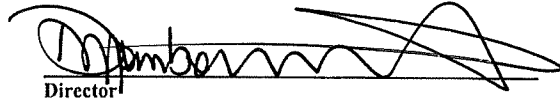
LIABILITIES		
Current		
Payables and accruals, trade	\$ 62,657	\$ 125,979
Deferred revenue (note 5)	<u>222,000</u>	<u>167,000</u>
	284,657	292,979
Deferred capital grants	<u>19,639</u>	<u>-</u>
	<u>304,296</u>	<u>292,979</u>
Commitments (note 6)		

NET ASSETS		
Unrestricted net assets	503,168	416,142
Investment in capital assets	<u>57,771</u>	<u>72,702</u>
	<u>560,939</u>	<u>488,844</u>
	<u>\$ 865,235</u>	<u>\$ 781,823</u>

On Behalf of the Board



Director



Director

CANADIAN SPORT CENTRE ATLANTIC

**STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
Revenues		
National partners (schedule 1)	\$ 1,093,126	\$ 806,438
Provincial partners (schedule 2)	1,156,083	976,137
Coaching revenue (schedule 3)	170,796	291,998
Corporate partners	222,000	164,000
Self-generated	87,875	109,151
Other	<u>145,261</u>	<u>1,225</u>
	<u>2,875,141</u>	<u>2,348,949</u>
Expenditures		
Administrative		
Salaries and benefits (note 7)	1,408,881	1,151,670
Operations	207,061	201,475
Amortization	17,113	18,873
Programs		
Training groups	327,904	260,976
Enhanced Excellence/OTP	371,026	319,784
AHPSS	151,088	202,643
Coaching	168,418	129,353
Life Services	46,459	26,739
Other		
Private	96,271	18,450
Individual	<u>8,825</u>	<u>13,246</u>
	<u>2,803,046</u>	<u>2,343,209</u>
Excess of revenues over expenditures	<u>\$ 72,095</u>	<u>\$ 5,740</u>

CANADIAN SPORT CENTRE ATLANTIC

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>			<u>2019</u>
	<u>Investment in Capital Assets</u>	<u>Unrestricted Funds</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 72,702	\$ 416,142	\$ 488,844	\$ 483,104
Excess of revenues over expenditures	(14,931)	87,026	72,095	5,740
Purchase of capital assets	21,821	(21,821)	-	-
Receipt of capital grant	<u>(21,821)</u>	<u>21,821</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 57,771</u>	<u>\$ 503,168</u>	<u>\$ 560,939</u>	<u>\$ 488,844</u>

CANADIAN SPORT CENTRE ATLANTIC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Operating activities		
Excess of revenues over expenditures	\$ 72,095	\$ 5,740
Amortization	17,113	18,873
Amortization of deferred capital grant	<u>(2,182)</u>	<u>-</u>
	87,026	24,613
Net change in non-cash working capital balances:		
Receivables, trade	(364,800)	136,357
HST receivable	3,120	10,060
Prepaid expenses	(36,075)	205,618
Payables and accruals, trade	(63,323)	(652)
Deferred revenue	<u>55,000</u>	<u>(79,584)</u>
	<u>(319,052)</u>	<u>296,412</u>
Investing activities		
Purchase of equipment	<u>(21,821)</u>	<u>-</u>
Increase (decrease) in cash during year	(340,873)	296,412
Cash, beginning of year	<u>513,398</u>	<u>216,986</u>
Cash, end of year	<u>\$ 172,525</u>	<u>\$ 513,398</u>

CANADIAN SPORT CENTRE ATLANTIC

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020

1. Purpose of the organization

Canadian Sport Centre Atlantic (the "Centre") is a non-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.

2. Significant accounting policies

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

(a) Revenue recognition

The Centre follows 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. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions related to the purchase of capital assets is initially recognized as deferred revenue and is amortized on the same basis as the related asset.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with financial institutions.

(c) Financial instruments

The Centre initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. The Centre subsequently measures all of its financial assets and financial liabilities at amortized cost. Transaction costs are amortized on the straight line basis over the term of the instrument.

For financial assets measured at cost or amortized cost, the Centre determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Centre determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

(d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CANADIAN SPORT CENTRE ATLANTIC

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020

2. Significant accounting policies (continued)

(e) Capital assets

Capital assets are recorded at cost and amortized using the declining balance method, at rates based on the estimated useful life of the assets, as indicated in note 3. Amortization is calculated at one-half the annual rate in the year of acquisition. No amortization is recorded in the year of disposal.

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

(f) Contributed services

Volunteer services contributed on behalf of the Centre in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their value.

3. Capital assets

	2020			2019	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	30%	\$ 154,915	\$ 152,181	\$ 2,734	\$ 3,904
Equipment	20%	<u>555,756</u>	<u>481,079</u>	<u>74,677</u>	<u>68,798</u>
		<u>\$ 710,671</u>	<u>\$ 633,260</u>	<u>\$ 77,411</u>	<u>\$ 72,702</u>

4. Financial instruments

The following are the significant risks that the Centre is exposed to through its financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's main credit risks relate to its accounts receivable. The Centre does not have a significant exposure to any donor or partner.

(b) Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Centre's ability to meet its obligations depends on the receipt of funds in the form of revenue. The Centre closely monitors its cash balances and cash flows generated from operations to meet its requirements.

CANADIAN SPORT CENTRE ATLANTIC

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

5. Deferred revenue

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 167,000	\$ 246,584
Less: amount recognized as revenue in the year	(45,000)	(119,584)
Add: amount received related to the subsequent year		
Province of New Brunswick	80,000	-
VIP Coaching recognition program	-	30,000
Cape Breton University	-	10,000
Province of New Brunswick - Canada Games	<u>20,000</u>	<u>-</u>
Balance, end of year	<u>\$ 222,000</u>	<u>\$ 167,000</u>

The year end balance is comprised of the following amounts:

	<u>2020</u>	<u>2019</u>
Province of New Brunswick	\$ 187,000	\$ 107,000
VIP Coaching recognition program	15,000	30,000
Canada Basketball	-	20,000
Cape Breton University	-	10,000
Province of New Brunswick - Canada Games	<u>20,000</u>	<u>-</u>
	<u>\$ 222,000</u>	<u>\$ 167,000</u>

6. Commitments

The Centre has entered into a lease agreement for office space from the Canada Games Centre ending December 31, 2028. Minimum payments required over the next five years are as follows:

2021	\$	98,355
2022	\$	99,362
2023	\$	100,369
2024	\$	101,376
2025	\$	102,383

CANADIAN SPORT CENTRE ATLANTIC

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020

7. Salaries & benefits

The Centre has allocated selected salary and benefit amounts to other expenses based on amounts predetermined by the related funding agreement. The amount of salary and benefits included in each of these categories are as follows:

	<u>2020</u>	<u>2019</u>
Enhanced Excellence/OTP	\$ 311,500	\$ 238,000
Private	9,333	-
AHPSS	-	40,000
Training groups	<u>-</u>	<u>74,240</u>
	<u>\$ 320,833</u>	<u>\$ 352,240</u>

8. Subsequent event

Since March 31, 2020 the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The duration and impact of the Covid-19 pandemic, as well as the effectiveness of measures to contain its spread remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Centre for future periods.

CANADIAN SPORT CENTRE ATLANTIC

**SCHEDULE 1 - REVENUE CONTRIBUTIONS FROM NATIONAL PARTNERS
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
Sport Canada		
Core	\$ 305,433	\$ 322,470
Official Languages	10,000	10,000
Enhanced Excellence/Own the Podium (OTP)	414,437	296,210
Next Gen	5,000	19,210
NSO Contributions	<u>358,256</u>	<u>158,548</u>
	<u>\$ 1,093,126</u>	<u>\$ 806,438</u>

CANADIAN SPORT CENTRE ATLANTIC

SCHEDULE 2 - REVENUE CONTRIBUTIONS FROM PROVINCIAL PARTNERS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Nova Scotia		
Core	\$ 93,000	\$ 93,000
AHPSS	100,000	100,000
Support 4 Sport	716,001	536,055
New Brunswick		
Core	52,959	53,000
AHPSS	130,041	130,000
Newfoundland & Labrador		
Core	27,959	27,959
AHPSS	25,000	25,000
Prince Edward Island		
Core	<u>11,123</u>	<u>11,123</u>
	<u>\$ 1,156,083</u>	<u>\$ 976,137</u>

CANADIAN SPORT CENTRE ATLANTIC

SCHEDULE 3 - REVENUE FROM COACHING
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Coaching		
Nova Scotia Coaching Certification	\$ 64,131	\$ 89,036
Provincial PSO Contributions	37,165	84,286
Mentorship	-	35,000
VIP Coach recognition program	40,000	30,000
Coaching Association of Canada	25,000	25,000
Advanced coaching diploma	2,050	17,325
Conference	<u>2,450</u>	<u>11,351</u>
	<u>\$ 170,796</u>	<u>\$ 291,998</u>