

**Ontario Speed Skating Association
Financial Statements**

March 31, 2015

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Ontario Speed Skating Association
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For the year ended March 31, 2015

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Ontario Speed Skating Association
Statement of Financial Position

As at March 31

	<i>Note</i>	<i>2015</i>	<i>2014</i>
Assets			
Current			
Cash		4,911	95,772
Accounts receivable		181,149	91,684
Prepaid expenses		4,214	4,023
Inventory		10,885	49,423
		201,159	240,902
Liabilities			
Current Liabilities			
Bank indebtedness	3	32,825	-
Accounts payable and accrued liabilities	4	100,810	109,022
		133,635	109,022
Commitments	5		
Net Assets			
Board restricted	6	120,772	123,221
Unrestricted		(53,248)	8,659
		67,524	131,880
		201,159	240,902

Approved on behalf of the Board of Directors:

Director

Director

The accompanying notes are an integral part of these financial statements

Ontario Speed Skating Association
Statement of Operations and Changes in Net Assets

For the year ended March 31

	Budget 2015	Operating Fund 2015	2014	Restricted Funds	
				2015	2014
Revenue					
Government grants	57,297	59,747	60,313	-	-
Association revenue (Schedule 1)	227,394	181,614	205,734	30,476	30,108
	284,691	241,361	266,047	30,476	30,108
Expenses					
Salaries and benefits	113,694	105,874	75,728	-	-
Membership fees	41,990	44,695	35,630	-	-
Winter games expense	-	-	-	32,925	29,528
Training and education	40,175	27,979	24,174	-	-
Cost of merchandise sold	5,000	17,296	4,378	-	-
Travel	1,500	14,939	10,504	-	-
Professional fees	6,000	13,791	8,970	-	-
Insurance	10,500	10,239	10,431	-	-
Rent	9,570	9,453	9,570	-	-
Annual general meeting and board expense	4,300	8,988	10,328	-	-
Office expenses	5,078	8,847	4,165	-	-
Coaching expenses	12,250	6,462	10,126	-	-
Bank charges and interest	2,000	2,631	2,412	-	-
Bad debt	-	2,193	-	-	-
Technical expenses	18,250	1,193	24,477	-	-
Telephone	1,500	1,026	1,264	-	-
Fundraising and marketing	10,000	692	284	-	-
	281,807	276,298	232,441	32,925	29,528
(Deficiency) excess of revenue over expenses before undernoted	2,884	(34,937)	33,606	(2,449)	580
Inventory write down	-	(26,970)	-	-	-
(Deficiency) excess of revenues over expenses	2,884	(61,907)	33,606	(2,449)	580
Opening fund balance	8,659	8,659	(24,947)	123,221	122,641
Closing fund balance	11,543	(53,248)	8,659	120,772	123,221

The accompanying notes are an integral part of these financial statements

Ontario Speed Skating Association
Statement of Cash Flows

For the year ended March 31

	2015	2014
Cash provided by (used for) the following activities:		
Operating activities		
Excess of revenues over expenses - operating fund	(61,907)	33,606
Excess of revenues over expenses - restricted funds	(2,449)	580
	(64,356)	34,186
Changes in working capital items		
Accounts receivable	(89,465)	(63,221)
Prepaid expenses and deposits	(191)	1,785
Inventory	38,538	453
Accounts payable and accrued liabilities	(8,212)	70,592
	(123,686)	43,795
Financing activities		
Bank overdraft	32,825	-
	(90,861)	43,795
Increase (decrease) in cash during the year	(90,861)	43,795
Cash - beginning of year	95,772	51,977
Cash - end of year	4,911	95,772

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The accompanying notes are an integral part of these financial statements

Ontario Speed Skating Association

Notes to the Financial Statements

For the year ended March 31, 2015

1. Purpose of Ontario Speed Skating Association

Ontario Speed Skating Association (the "Association") is a not for profit organization comprised of skaters, their families, coaches and administration. The Association is committed to the development of speed skating at the recreational and competitive level, and promoting the sport as a lifetime activity. The Association maintains a leadership position in Canada by continued service to members and new skater development through training, coaching, officiating programs and competitions in the province of Ontario.

The Association is a not-for-profit organization incorporated under the laws of the Province of Ontario as a corporation without share capital and is generally exempt from income taxes under Section 149(1)(1) of the *Income Tax Act*.

2. Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook – Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative expenses.

The Association has three internally restricted funds which have been designated for a specific purpose by the Board of Directors.

The Capital Asset Fund is an internally restricted fund that reports the balances and activity related to the Association's capital assets and investments.

The Canada Winter Games Fund reflects funds to be to provide funding for costs associated with the Winter Games which are held every four years.

The Trust Fund reflects funds accumulated to provide assistance to speed skaters in furthering their athletic and educational goals in the pursuit of excellence.

The Association has one externally restricted fund. The Reserve Fund is intended to provide financial stability due to the uneven nature of the Association revenues and unexpected financial contingencies.

Inventory

Inventory of resale equipment and merchandise is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

Inventory was written down to net realizable value during the year in the amount of \$26,970 (2014 – Nil).

Equipment

The Association expenses the cost of equipment in the year of purchase, which is recorded in the Capital Asset Fund.

Ontario Speed Skating Association

Notes to the Financial Statements

For the year ended March 31, 2015

2. Significant Accounting Policies (continued)

Revenue recognition

The Association uses the deferral method of accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred contributions and are subsequently recognized as revenue in the period in which the related expenses are incurred. Contributions from governments, foundations, and other funding agencies that are not for specific purposes are recorded as revenue when received.

Revenues of the Association related to general operations, or otherwise unrestricted amounts, are recognized as revenue of the Operating Fund when the funds are received or receivable and collection is reasonably assured.

Membership and club affiliation fees are charged on an annual basis and are recognized as revenue in the year to which they relate.

Contributions, fees or income from events and programs that have been internally designated as supporting one of the restricted funds are recognized as revenue of that fund when the amounts are received or receivable.

Revenue from merchandise sales is recognized when the goods are shipped and collection is reasonably assured.

All other revenue is recognized when the event takes place or when the service is performed.

Contributed services

Volunteers contribute numerous hours per year to assist the Association in carrying out its services. Due to the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Ontario Speed Skating Association

Notes to the Financial Statements

For the year ended March 31, 2015

2. Significant Accounting Policies (continued)

Measurement Uncertainty

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Estimates are used when accounting for certain items such as asset impairments and disclosure of contingent assets and liabilities.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Bank Indebtedness

The Association's bank indebtedness consists of outstanding cheques.

The Association holds a line of credit facility with revolving line of credit up to \$15,000. As security, the bank holds a general security agreement. The line of credit bears a variable rate of interest at prime plus 2.5% per year. As at March 31, 2015, the Association has not utilized the line of credit.

The Association also has available a credit card for the executive director with a total credit limit of \$5,000. As at March 31, 2015 \$3,374 (2014 – \$2,370) was owed on the credit card.

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include government remittances totalling \$862 (2014 - \$5,927).

5. Commitments

The Association leases its premises on a month-to-month basis for \$6,300 (2014 - \$9,750) per annum.

6. Board Restricted Net Assets

The details of Board restricted net assets are as follows:

	2015	2014
Reserve fund	95,000	95,000
Trust fund	10,459	10,459
Capital asset fund	6,819	6,819
Canada Winter Games fund	8,494	10,942
	120,771	123,221

Ontario Speed Skating Association

Notes to the Financial Statements

For the year ended March 31, 2015

7. Financial Instruments

The Association's financial instruments consist of cash, inventory, accounts receivable and accounts payable. The fair value of these financial instruments approximates their carrying value due to the short-term maturity of these instruments.

It is management's opinion that the Association is not exposed to significant interest, currency or other price risks arising from these financial instruments.

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. In the opinion of management, the credit risk exposure to the Association is low and is not material

Concentration risk

Concentration risk arises when a group of customers has a common economic characteristic, so their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. In the opinion of management, the concentration risk exposure to the Association is low and is not material.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate cash flow risk with respect to cash which is subject to floating interest rates.

8. Guarantees and Indemnities

The Association has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The nature of the indemnity prevents the Association from reasonably estimating the maximum exposure. The Association has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions.

In the normal course of business, the Association has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, leasing agreements or sales and purchase contracts. In these agreements, the Association agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Association. The maximum amount of any potential liability cannot be reasonably estimated.

9. Comparative Figures

The comparative figures were audited by another firm of Chartered Professional Accountants, however, the final financial statements have not been issued at the time that these financial statements were released.

The prior year financial statement presentation has been changed to conform to the current year's presentation.

Ontario Speed Skating Association
Schedule 1 - Association Revenue

For the years ended March 31

	Budget	Operating Fund		Restricted Funds	
	2015	2015	2014	2015	2014
Association revenue					
Membership fees	139,060	128,118	130,097	-	-
Saction and check-in fees	12,500	12,835	9,047	-	-
Insurance fees	10,524	10,010	10,724	-	-
Club affiliation fees	9,650	9,380	9,220	-	-
Merchandise sales	16,250	7,193	14,513	-	-
Coaching clinic revenue	10,000	6,893	6,820	-	-
Winter games	-	-	-	30,476	30,108
Annual general meeting	2,900	4,015	4,800	-	-
Other income	1,510	2,000	800	-	-
Other finance and administration revenue	10,000	830	1,261	-	-
Other technical revenue	15,000	340	18,452	-	-
	227,394	181,614	205,734	30,476	30,108

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