

Skate Ontario

Financial Statements
March 31, 2018



May 7, 2018

Independent Auditor's Report

To the Members of Skate Ontario

We have audited the accompanying financial statements of Skate Ontario, which comprise the statement of financial position as at March 31, 2018 and the statements of changes in net assets, operations and cash flows for the year then ended, and the related notes, which comprise 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.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Skate Ontario as at March 31, 2018 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Skate Ontario
Statement of Financial Position
March 31, 2018

| | March 31, 2018 \$ | March 29, 2017 \$ |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 2,113,120 | 265,624 |
| Accounts receivable | 414,978 | 41,468 |
| Inventory | 18,442 | - |
| Prepaid expenses | 214,116 | 15,434 |
| | <hr/> | <hr/> |
| | 2,760,656 | 322,526 |
| Capital assets (note 3) | <hr/> | <hr/> |
| | 107,646 | 2,327 |
| | <hr/> | <hr/> |
| | 2,868,302 | 324,853 |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 4) | 80,162 | 49,702 |
| Deferred revenue | 262,740 | - |
| Deferred contributions (note 5) | - | 145,472 |
| | <hr/> | <hr/> |
| | 342,902 | 195,174 |
| Net assets | | |
| Unrestricted | 2,417,754 | 127,352 |
| Invested in capital assets | 107,646 | 2,327 |
| | <hr/> | <hr/> |
| | 2,525,400 | 129,679 |
| | <hr/> | <hr/> |
| | 2,868,302 | 324,853 |
| Commitments (note 7) | | |

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Skate Ontario

Statement of Changes in Net Assets

For the year ended March 31, 2018

| | Balance - Beginning of year \$ | Net expense for the year \$ | Amalgamation \$ (note 6) | Other transfers from (to) \$ | Balance - End of year \$ |
|----------------------------|---|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|
| Unrestricted | 127,352 | (555,961) | 2,978,594 | (132,231) | 2,417,754 |
| Invested in capital assets | 2,327 | (26,912) | - | 132,231 | 107,646 |
| | <u>129,679</u> | <u>(582,873)</u> | <u>2,978,594</u> | <u>-</u> | <u>2,525,400</u> |

The accompanying notes are an integral part of these financial statements.

Skate Ontario
Statement of Operations
For the year ended March 31, 2018

| | March 31, 2018 \$ | March 29, 2017 \$ |
|--|----------------------------------|----------------------------------|
| Revenue | | |
| Grants (Ontario Government) | | |
| Base Funding | 260,513 | 260,513 |
| Ontario High Performance Sports Initiative Program (OHPSI) | 27,514 | 100,000 |
| Trillium Foundation | - | 233,822 |
| Quest for Gold | - | 6,000 |
| | <hr/> | <hr/> |
| | 288,027 | 600,335 |
| Event | 936,249 | 19,753 |
| Registration fees | 1,325,207 | - |
| Sponsorship and fundraising | 190,592 | - |
| Education and training | 71,356 | - |
| Sport development | 33,092 | - |
| Miscellaneous | 57,259 | 898 |
| Contributions from former Ontario sections | 145,472 | 293,592 |
| | <hr/> | <hr/> |
| | 3,047,254 | 914,578 |
| Expense | | |
| Grant Programs Expenditures | | |
| Ontario High Performance Sports Initiative Program (OHPSI) | 27,514 | 116,639 |
| Trillium Foundation | - | 233,023 |
| | <hr/> | <hr/> |
| | 27,514 | 349,662 |
| Employee and contracted personnel | 1,136,682 | 250,336 |
| Other operational and program support | 826,207 | 62,720 |
| Events | 822,708 | - |
| Strategic planning initiative and projects | 424,276 | 244,522 |
| Sport development | 238,442 | - |
| Competition | - | 18,835 |
| Board and Committee | 8,826 | 22,536 |
| | <hr/> | <hr/> |
| | 3,484,655 | 948,611 |
| Net expense for the year | <hr/> (437,401) | <hr/> (34,033) |

The accompanying notes are an integral part of these financial statements.

Skate Ontario
Statement of Cash Flows
For the year ended March 31, 2018

| | Year ended March 31, 2018 \$ | Year ended March 29, 2017 \$ |
|---|---------------------------------------|---------------------------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Net expense for the year | (437,401) | (34,033) |
| Item not affecting cash | | |
| Amortization of capital assets | 26,912 | 1,235 |
| Net change in non-cash working capital items | (299,916) | 164,811 |
| | (710,405) | 132,013 |
| Investing activity | | |
| Purchase of capital assets | (132,231) | (2,185) |
| Cash transferred on amalgamation (note 6) | 2,690,132 | - |
| Net change in cash and cash equivalents for the year | 1,847,496 | 129,828 |
| Cash and cash equivalents - Beginning of year | 265,624 | 135,796 |
| Cash and cash equivalents - End of year | 2,113,120 | 265,624 |

The accompanying notes are an integral part of these financial statements.

Skate Ontario

Notes to Financial Statements

March 31, 2018

1 Purpose of the organization

Skate Ontario (“the Organization”) is incorporated without share capital. The Organization is a non-profit organization under subsection 149(1)(l) of the Income Tax Act and exempt from income taxes.

The Organization’s purpose is to promote and develop figure skating in Ontario. On March 30, 2017, Skate Ontario amalgamated with four additional sections to become the unified Ontario Section of Skate Canada (note 6).

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 date of the financial statements and the reported amount of revenue and expense during the year. Actual results could differ from those estimates.

Cash and cash equivalents

Guaranteed investment certificates are considered cash equivalents as they are short-term, highly liquid instruments that are not subject to significant change in value.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted grants are deferred and recognized as revenue in the year in which the related expense occurs.

Revenue from events is recognized when the event takes place.

Capital assets

Capital assets are initially recorded at cost and are then amortized, on a straight-line basis, over their estimated useful lives as follows:

| | |
|--------------------------------|---------|
| Office furniture and equipment | 5 years |
| Event equipment | 5 years |

Skate Ontario

Notes to Financial Statements

March 31, 2018

3 Capital assets

| | | | March 31, 2018 | March 29, 2017 |
|--------------------------------|------------|-----------------------------------|-------------------|-------------------|
| | Cost \$ | Accumulated amortization \$ | Net \$ | Net \$ |
| Office furniture and equipment | 74,862 | 14,972 | 59,890 | 2,327 |
| Event equipment | 59,696 | 11,940 | 47,756 | - |
| | 134,558 | 26,912 | 107,646 | 2,327 |

4 Government remittances

Government remittances of \$nil (2017 - \$nil) are included in accounts payable and accrued liabilities.

5 Deferred contributions

| | Balance - Beginning of year \$ | Funds received \$ | Amounts recognized as revenue \$ | Balance - End of year \$ |
|------------------|---|-------------------------|---|-----------------------------------|
| Ontario sections | 145,472 | - | 145,472 | - |

6 Amalgamation

On March 30, 2017, Skate Ontario amalgamated with four additional sections to become the unified Ontario Section of Skate Canada. Net assets transferred on amalgamation are as follows:

| | Northern Ontario \$ | Central Ontario \$ | Eastern Ontario \$ | Western Ontario \$ | Total \$ |
|-----------------------|---------------------------|--------------------------|--------------------------|--------------------------|-------------|
| Current assets | | | | | |
| Cash | 125,219 | 1,105,980 | 805,795 | 653,138 | 2,690,132 |
| Accounts receivable | 18,236 | 127,243 | 51,081 | 82,538 | 279,098 |
| Inventory | - | 17,456 | - | - | 17,456 |
| Prepaid expenses | 2,637 | 35,207 | 4,674 | 3,967 | 46,485 |
| | 146,092 | 1,285,886 | 861,550 | 739,643 | 3,033,171 |
| Liabilities | | | | | |
| Accounts payable | 15,924 | 153,150 | 13,094 | 17,881 | 200,049 |
| | 130,168 | 1,132,736 | 848,456 | 721,762 | 2,833,122 |

Skate Ontario

Notes to Financial Statements

March 31, 2018

7 Commitments

Under the terms of operating leases for office space, the Organization is committed to the following minimum lease payments.

| | \$ |
|----------------------------|---------|
| Year ending March 31, 2019 | 101,604 |
| 2020 | 101,604 |
| 2021 | 101,604 |
| 2022 | 101,604 |
| 2023 | 25,401 |