

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.

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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