

**Ontario Speed Skating Association
Financial Statements
For the Year Ended August 31, 2019
(Unaudited)**

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(Unaudited)**

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Independent Practitioner's Review Engagement Report

To the Members of the Ontario Speed Skating Association

We have reviewed the accompanying financial statements of the Ontario Speed Skating Association that comprise the statement of financial position as at August 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Ontario Speed Skating Association as at August 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.

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
January 9, 2020

**Ontario Speed Skating Association
Statement of Financial Position
(Unaudited)**

August 31	2019	2018
Assets		
Current		
Cash	\$ 33,463	\$ -
Short term investments (Note 2)	5,000	5,000
Accounts receivable	155,269	158,551
Harmonized sales taxes receivable	914	7,342
Inventories	9,643	11,524
Prepaid expenses	-	8,718
	\$ 204,289	\$ 191,135
 Liabilities and Net Assets		
Current		
Bank indebtedness	\$ -	\$ 20,522
Accounts payable and accrued liabilities (Note 3)	19,901	11,751
Deferred revenue (Note 4)	87,500	87,500
	107,401	119,773
 Net Assets		
Unrestricted	96,888	71,362
	\$ 204,289	\$ 191,135

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

**Ontario Speed Skating Association
Statement of Changes in Net Assets
(Unaudited)**

For the year ended August 31	Unrestricted	2019 Total	2018 Total
Balance, beginning of the year	\$ 71,362	\$ 71,362	\$ 16,393
Excess of revenues over expenses	25,526	25,526	54,969
Balance, end of the year	\$ 96,888	\$ 96,888	\$ 71,362

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

Ontario Speed Skating Association
Statement of Operations
(Unaudited)

For the year ended August 31	2019	2018
		(Note 6)
Revenue		
Government grants (Note 4)	\$ 150,000	\$ 166,323
Membership and affiliation fees	124,235	146,772
NextGEN program	50,276	43,750
Short Track camps	46,000	47,355
Sanction and check-in fees	23,712	23,429
Long Track camps	18,613	-
Coaching and officials development	14,501	17,752
Merchandise sales	9,584	10,801
Women and Girls initiative	4,440	-
Annual conference	1,829	1,415
Other	28	55
RBC Learn to Play	-	2,542
Sponsorship	-	8,102
	443,218	468,296
Expenses		
Salaries and benefits	139,617	162,455
NextGEN program	53,680	55,995
Short Track camps	41,778	49,308
Allocation to Speed Skating Canada	41,701	45,237
Professional fees	24,930	18,775
Team Ontario coaching	19,171	16,062
Coaching and officials development	17,329	13,774
Long Track camps	17,076	-
Canada Winter Games	16,688	-
Cost of merchandise sold	11,303	11,635
Office and travel	7,920	9,602
Insurance	6,936	12,976
Women and Girls initiative	5,851	-
Annual conference	5,756	5,910
Technical and competition	5,131	1,828
Annual general meeting	1,675	1,957
Interest and bank charges	886	807
Marketing and website development	264	6,255
RBC Learn To Play	-	426
Rent	-	325
	417,692	413,327
Excess of revenues over expenses	\$ 25,526	\$ 54,969

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

Ontario Speed Skating Association
Statement of Cash Flows
(Unaudited)

For the year ended August 31	2019	2018
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenses	\$ 25,526	\$ 54,969
Changes in non-cash working capital balances		
Accounts receivable	3,282	13,958
Inventories	1,881	(1,784)
Prepaid expenses	8,718	3,148
Accounts payable and accrued liabilities	8,150	(20,314)
Harmonized sales taxes receivable	6,428	(22,494)
Deferred revenue	-	(33,705)
	<hr/>	<hr/>
Net increase (decrease) in cash (bank indebtedness)	53,985	(6,222)
Bank indebtedness, beginning of the year	(20,522)	(14,300)
	<hr/>	<hr/>
Cash (bank indebtedness), end of the year	\$ 33,463	\$ (20,522)

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

Ontario Speed Skating Association

Notes to Financial Statements

(Unaudited)

August 31, 2019

1. Significant Accounting Policies

Nature and Purpose of Organization	<p>The 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 providing member and new skater development through training, coaching, officiating programs and competitions in the province of Ontario.</p> <p>The association is a not for profit organization incorporated by letters patent under the laws of the Province of Ontario as a corporation without share capital and is exempt from income taxes under section 149(1)(l) of the Income Tax Act.</p>
Basis of Accounting	<p>The financial statements of the association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The association follows the deferral method of accounting for contributions.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted contributions received or receivable relating to programs that will occur subsequent to year end are deferred.</p> <p>Membership and affiliation fees, program revenue, sanction and check-in fees and coaching and officials development revenue is recognized over the related period of service. Merchandise sales are recognized as revenue when significant risks and rewards of ownership are transferred to the customer and collection is reasonably assured.</p>
Financial Instruments	<p>Financial Instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income.</p>

**Ontario Speed Skating Association
Notes to Financial Statements
(Unaudited)**

August 31, 2019

1. Significant Accounting Policies (continued)

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
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 at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining the allowance for doubtful accounts and accrued liabilities are reviewed annually and are based on management's best estimates. These estimates are subject to measurement uncertainty, and the effect on the financial statements in future periods could be significant
Contributed Services	Volunteers contribute many hours per year to assist the association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Ontario Speed Skating Association Notes to Financial Statements (Unaudited)

August 31, 2019

2. Short Term Investments and Credit Facility

The association holds a \$5,000 redeemable GIC bearing interest at 0.55%, maturing January 2020. The association also has a credit card available with a total credit limit of \$5,000, which is secured by the GIC balance. As at August 31, 2019, \$4,194 (2018 - \$3,395) was outstanding on the credit card and is included in association's accounts payable and accrued liabilities.

3. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$11,081 (2018 - \$4,973).

4. Deferred Revenue

Deferred revenue represent restricted operating funding received or receivable in the current period that relates to program expenses that will occur subsequent to year end.

In 2017, the Ministry of Tourism, Culture and Sport (the "Ministry") approved funding in the amount of \$300,000 for operations, \$150,000 relating to the April 1, 2017 to March 31, 2018 period and \$150,000 for the April 1, 2018 to March 31, 2019 period. This funding has been recognized in the revenue of the association over the relating Ministry agreement. In 2019, the Ministry of Tourism, Culture and Sport (the "Ministry") approved funding in the amount of \$150,000 for the April 1, 2019 to March 31, 2020 period. Therefore, at the association's year-end, \$87,500 (2018 - \$87,500) was included in deferred revenue and \$150,000 (2018 - \$150,000) was included in Government grants revenue relating to these agreements.

Changes in the deferred revenue balance are as follows:

	2019	2018
Beginning balance, related to operating funding and membership and affiliation fees	\$ 87,500	\$ 121,205
Less: amounts recognized as revenue in the year	(87,500)	(121,205)
Add: amounts received or receivable related to expenses of a subsequent period	87,500	87,500
Ending balance, related to operating funding	\$ 87,500	\$ 87,500

**Ontario Speed Skating Association
Notes to Financial Statements
(Unaudited)**

August 31, 2019

5. 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. The association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The financial instruments that are exposed to credit risk are the association's accounts receivable balances. The majority of the association's receivables are from government sources and the association works to ensure it meets all eligibility criteria in order to qualify to receive the funding. This risk has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that the association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth. The association is exposed to this risk due to their accounts payable and accrued liabilities balance. This risk has not changed from the prior year.

6. Comparative Amounts

Certain comparative figures presented in the financial statements were reclassified to conform with the current year's presentation.
