

**Ontario Speed Skating Association**  
**Financial Statements**  
For the Year Ended August 31, 2021  
(Unaudited)

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Financial Statements  
For the Year Ended August 31, 2021  
(Unaudited)**

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## Independent Practitioner's Review Engagement Report

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### To the Members of the The Ontario Speed Skating Association

We have reviewed the accompanying financial statements of the The Ontario Speed Skating Association that comprise the statement of financial position as at August 31, 2021, 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 The Ontario Speed Skating Association as at August 31, 2021, 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
January 24, 2022

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

August 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 201,217	\$ 222,559
Short term investments (Note 2)	5,000	5,000
Accounts receivable	62,907	39,619
HST receivable	1,001	810
Inventories	14,749	14,749
Prepaid expenses	7,556	161
	\$ 292,430	\$ 282,898
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 20,830	\$ 17,504
Deferred revenue (Note 4)	14,303	87,500
	35,133	105,004
Long-term debt (Note 5)	40,000	30,000
	75,133	135,004
<b>Net Assets</b>		
Unrestricted	217,297	147,894
	\$ 292,430	\$ 282,898

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

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

<b>For the year ended August 31</b>	<b>Unrestricted</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Balance, beginning of the year</b>	<b>\$ 147,894</b>	<b>\$ 147,894</b>	<b>\$ 96,888</b>
<b>Excess of revenues over expenses</b>	<b>69,403</b>	<b>69,403</b>	<b>51,006</b>
<b>Balance, end of the year</b>	<b>\$ 217,297</b>	<b>\$ 217,297</b>	<b>\$ 147,894</b>

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

**Ontario Speed Skating Association  
Statement of Operations  
(Unaudited)**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Government grants (Note 4), (Note 5)	\$ 352,958	\$ 164,941
Membership and affiliation fees	49,986	121,262
Coaching and officials development	7,644	17,320
Women and Girls initiative	3,080	-
Other	279	120
Sanction and check-in fees	-	25,972
Long Track camps	-	24,080
Sponsorship	-	12,500
Merchandise sales	-	11,996
Short Track camps	-	5,560
Annual conference	-	117
	<b>413,947</b>	<b>383,868</b>
<b>Expenses</b>		
Salaries and benefits	133,693	150,751
Club development	121,786	-
Professional fees	31,589	33,599
Grant expenses	14,309	3,962
Allocation to Speed Skating Canada	13,617	39,005
NextGEN program	11,430	11,291
Insurance	7,788	10,425
Office and travel	4,497	3,346
Coaching and officials development	3,094	7,673
Women and Girls initiative	1,950	-
Professional development	450	-
Marketing and website development	263	447
Interest and bank charges	154	1,124
Cost of merchandise sold	24	15,315
Short Track camps	-	1,500
Annual general meeting	-	363
Team Ontario coaching	-	8,039
Annual conference	-	923
Long Track camps	-	24,494
Technical and competition	(100)	20,605
	<b>344,544</b>	<b>332,862</b>
<b>Excess of revenues over expenses</b>	<b>\$ 69,403</b>	<b>\$ 51,006</b>

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

**Ontario Speed Skating Association**  
**Statement of Cash Flows**  
**(Unaudited)**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in)</b>		
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 69,403	\$ 51,006
Changes in non-cash working capital balances		
Accounts receivable	(23,288)	115,650
Inventories	-	(5,106)
Prepaid expenses	(7,395)	(161)
Accounts payable and accrued liabilities	3,326	(2,396)
Harmonized sales taxes receivable	(191)	103
Deferred revenue	(73,197)	-
	<u>(31,342)</u>	<u>159,096</u>
<b>Cash flows from financing activities</b>		
Long-term debt advanced	<u>10,000</u>	<u>30,000</u>
<b>Net (decrease) increase in cash</b>	<b>(21,342)</b>	<b>189,096</b>
<b>Cash, beginning of the year</b>	<u><b>222,559</b></u>	<u><b>33,463</b></u>
<b>Cash, end of the year</b>	<u><b>\$ 201,217</b></u>	<u><b>\$ 222,559</b></u>

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

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

**August 31, 2021**

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## 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<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>
<b>Basis of Accounting</b>	<p>The financial statements of the association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<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>
<b>Financial Instruments</b>	<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>

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

**August 31, 2021**

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**1. Significant Accounting Policies (continued)**

<b>Inventory</b>	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
<b>Use of Estimates</b>	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, inventory valuation 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.
<b>Contributed Services</b>	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.

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

**August 31, 2021**

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**2. Short Term Investments and Credit Facility**

The association holds a \$5,000 redeemable GIC bearing interest at 0.45%, maturing January 2022. 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, 2021, \$3,095 (2020 - \$3) was outstanding on the credit card and is included in association's accounts payable and accrued liabilities.

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**3. Government Remittances**

Included in accounts payable and accrued liabilities are government remittances payable of \$1,616 (2020 - \$1,531).

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**4. Deferred Revenue**

In 2020, the Ministry of Heritage, Sport, Tourism, and Culture Industries (the "Ministry") approved funding in the amount of \$150,000 for the April 1, 2020 to March 31, 2021 period. This funding has been recognized in the revenue of the association over this period. In 2021, the Ministry approved funding in the amount of \$150,000 for the April 1, 2021 to March 31, 2022 period. At the association's year-end, \$0 (2020 - \$87,500) was included in deferred revenue and \$150,000 (2020 - \$150,000) was included in Government grants revenue relating to these agreements.

Changes in the deferred revenue balance are as follows:

	2021	2020
Beginning balance, related to operating funding	\$ 87,500	\$ 87,500
Less: amounts recognized as revenue in the year	(87,500)	(87,500)
Add: amounts received or receivable related to expenses of a subsequent period	14,303	87,500
Ending balance, related to operating funding	\$ 14,303	\$ 87,500

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

**August 31, 2021**

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**5. Government Grant Revenue**

During the year, the association received \$20,000 in financial assistance from the Canadian Emergency Business Account (CEBA). Included in this amount was a \$10,000 forgivable loan if the remaining \$10,000 is repaid prior to December 31, 2023. The amount of the forgivable loan was included in these financial statements as government grant income.

	<u>2021</u>	<u>2020</u>
Government Grant from the Ministry (Note 4)	\$ 150,000	\$ 150,000
Additional funding from the Ministry	177,918	-
Canadian Emergency Business Account Loan	10,000	10,000
Other grants	15,040	4,941
	<u>\$ 352,958</u>	<u>\$ 164,941</u>

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**6. 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 remains increased due to the impact of COVID-19, which could lead to potential losses.

**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 remains increased due to the impact of COVID-19, which could lead to increased difficulty in meeting the associations obligations as they come due.

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**Ontario Speed Skating Association  
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**7. Material Uncertainty**

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result, the association has not been able to operate at full capacity during this time period. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the association in future periods.

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