

**Ontario Speed Skating Association
Financial Statements
For the Year Ended August 31, 2022
(Unaudited)**

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Independent Practitioner's Review Engagement Report

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, 2022, 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, 2022, 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
February 13, 2023

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

August 31	2022	2021
Assets		
Current		
Cash	\$ 228,031	\$ 201,217
Short term investments	5,000	5,000
Accounts receivable	68,102	62,907
HST receivable	2,107	1,001
Inventories	8,292	14,749
Prepaid expenses	9,875	7,556
	\$ 321,407	\$ 292,430
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 14,456	\$ 20,830
Deferred revenue	10,388	14,303
	24,844	35,133
Long-term debt (Note 2)	40,000	40,000
	64,844	75,133
Net Assets		
Unrestricted	256,563	217,297
	\$ 321,407	\$ 292,430

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	2022 Total	2021 Total
Balance, beginning of the year	\$ 217,297	\$ 217,297	\$ 147,894
Excess of revenues over expenses	<u>39,266</u>	<u>39,266</u>	<u>69,403</u>
Balance, end of the year	<u>\$ 256,563</u>	<u>\$ 256,563</u>	<u>\$ 217,297</u>

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	2022	2021
Revenue		
Coaching and officials development	\$ 8,425	\$ 7,644
Government grants (Note 4)	622,912	352,958
Long Track camps	2,400	-
Membership and affiliation fees	59,306	49,986
Merchandise sales	10,039	-
NextGEN program	17,899	-
Other	273	279
Sanction and check-in fees	26,544	-
Short Track camps	47,772	-
Women and Girls initiative	964	3,080
	<u>796,534</u>	<u>413,947</u>
Expenses		
Allocation to Speed Skating Canada	8,292	13,617
Annual general meeting	592	-
Club development	347,032	121,786
Coaching and officials development	8,031	3,094
Cost of merchandise sold	15,447	24
Grant expenses	4,506	14,309
Insurance	8,672	7,788
Interest and bank charges	522	154
Long Track camps	3,453	-
Marketing and website development	615	263
NextGEN program	70,475	11,430
Office and travel	7,100	4,497
Professional development	178	450
Professional fees	42,289	31,589
Salaries and benefits	155,366	133,693
Short Track camps	24,787	-
Team Ontario coaching	21,035	-
Technical and competition	36,542	(100)
Women and Girls initiative	2,334	1,950
	<u>757,268</u>	<u>344,544</u>
Excess of revenues over expenses	\$ 39,266	\$ 69,403

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	2022	2021
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenses	\$ 39,266	\$ 69,403
Changes in non-cash working capital balances		
Accounts receivable	(5,195)	(23,288)
HST receivable	(1,106)	(191)
Inventories	6,457	-
Prepaid expenses	(2,319)	(7,395)
Accounts payable and accrued liabilities	(6,374)	3,326
Deferred revenue	(3,915)	(73,197)
	26,814	(31,342)
Cash flows from financing activities		
Long-term debt advanced	-	10,000
	26,814	(21,342)
Net increase (decrease) in cash	26,814	(21,342)
Cash, beginning of the year	201,217	222,559
Cash, end of the year	\$ 228,031	\$ 201,217

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

Ontario Speed Skating Association Notes to Financial Statements (Unaudited)

August 31, 2022

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>
Government Assistance	<p>The association makes periodic applications for financial assistance under government incentive programs.</p> <p>Government assistance received during the year for current expenses is included in the determination of net income for the year.</p>

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

August 31, 2022

1. Significant Accounting Policies (continued)

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>
Inventory	<p>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.</p>
Use of Estimates	<p>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.</p>
Contributed Services	<p>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.</p>

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

August 31, 2022

2. Long-term Debt

In prior years, the association received a total of \$60,000 in financial assistance from the Canada Emergency Business Account (CEBA) loan program. Of the \$60,000 loan received, \$20,000 of this amount is forgivable if the remaining \$40,000 is repaid prior to December 31, 2023. The forgivable portion of the loan was included in revenue in prior years (2021 - \$10,000; 2020 - \$10,000). If the association does not repay the \$40,000 by December 31, 2023, the \$20,000 forgivable portion will be repayable and accounted for as a financial liability.

If any part of the balance is not paid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.

3. Economic Dependence

The association depends on the Ministry of Heritage, Sport, Tourism, and Culture Industries (the "Ministry") to provide funding in order for the association to continue to operate.

4. Government Grant Revenue

	<u>2022</u>	<u>2021</u>
Government grant from the Ministry	\$ 150,000	\$ 150,000
Additional funding from the Ministry	462,250	177,918
Canadian Emergency Business Account Loan (Note 2)	-	10,000
Other grants	10,662	15,040
	<u>\$ 622,912</u>	<u>\$ 352,958</u>

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

August 31, 2022

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 decreased from the prior year as the impact of COVID-19 has subsided.

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 and 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 and their long-term debt balance. This risk has decreased from the prior year as the impact of COVID-19 has subsided.
