

CANADIAN CANOE ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2014



INDEPENDENT AUDITORS' REPORT

To the Members,
Canadian Canoe Association:

We have audited the accompanying financial statements of Canadian Canoe Association, which comprise the balance sheet as at March 31, 2014 and the statements of changes in net assets, revenue and expenditure 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.

Auditors' 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Canoe Association as at March 31, 2014 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.

OHCD LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants
Ottawa, Ontario
September 16, 2014

CANADIAN CANOE ASSOCIATION

BALANCE SHEET AS AT MARCH 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 391,720	\$ 775,586
Accounts receivable	363,314	184,486
Prepaid expenses	<u>355,637</u>	<u>147,315</u>
	1,110,671	1,107,387
PROPERTY AND EQUIPMENT (note 4)	<u>50,693</u>	<u>103,420</u>
	<u><u>\$ 1,161,364</u></u>	<u><u>\$ 1,210,807</u></u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 104,747	\$ 149,348
Government remittances payable	23,874	22,540
Development funds (note 5)	9,748	9,748
Deferred revenue (note 6)	<u>31,806</u>	<u>51,420</u>
	170,175	233,056
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (note 7)	<u>7,899</u>	<u>19,761</u>
	<u><u>178,074</u></u>	<u><u>252,817</u></u>
NET ASSETS		
John Wood boat loan fund	50,000	50,000
Unrestricted	<u>933,290</u>	<u>907,990</u>
	<u>983,290</u>	<u>957,990</u>
	<u><u>\$ 1,161,364</u></u>	<u><u>\$ 1,210,807</u></u>

Approved on behalf of the Board:

Director

Director

CANADIAN CANOE ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
JOHN WOOD BOAT LOAN FUND		
Balance - beginning and end of year	<u>\$ 50,000</u>	<u>\$ 50,000</u>
UNRESTRICTED		
Balance - beginning of year	<u>\$ 907,990</u>	<u>\$ 861,389</u>
Net revenue for the year	<u>25,300</u>	<u>46,601</u>
Balance - end of year	<u>\$ 933,290</u>	<u>\$ 907,990</u>

CANADIAN CANOE ASSOCIATION

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
REVENUE		
Sport Canada contributions (note 8)	\$ 3,225,702	\$ 3,754,616
CAC contributions	15,300	26,864
COC endowment fund	13,270	13,400
Corporate sponsorship	80,000	105,599
Donations	182	678
Entry fees	99,766	113,192
Membership fees and paddler registration	101,650	90,763
Miscellaneous	57,504	35,803
Own the Podium	500,000	53,600
Partnership revenue - coaches	93,632	47,876
Trials	60,430	45,124
	<u>4,247,436</u>	<u>4,287,515</u>
EXPENDITURE		
Administration	192,338	145,263
Amortization	64,075	86,802
Coaching	62,614	112,249
Domestic program	72,410	158,572
International relations	10,053	8,400
Meetings	68,586	73,457
National championships	39,810	39,323
National team	2,273,087	2,362,450
Officials	28,892	15,569
Professional staff	1,384,017	1,212,012
Promotion and communication	26,254	26,817
	<u>4,222,136</u>	<u>4,240,914</u>
NET REVENUE FOR THE YEAR	\$ 25,300	\$ 46,601

CANADIAN CANOE ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 25,300	\$ 46,601
Items not affecting cash		
Amortization	64,075	86,802
Deferred contributions recognized	(11,862)	(38,372)
Net change in non-cash working capital items		
Accounts receivable	(178,828)	363,980
Prepaid expenses	(208,322)	348,715
Accounts payable	(44,601)	(76,497)
Government remittances payable	1,334	7,380
Deferred revenue	<u>(19,614)</u>	<u>23,000</u>
	(372,518)	761,609
INVESTING ACTIVITIES		
Purchase of property and equipment	(11,348)	(11,438)
FINANCING ACTIVITIES		
Contributions received for boat purchases	-	11,438
INCREASE (DECREASE) IN CASH FOR THE YEAR	(383,866)	761,609
Cash - beginning of year	775,586	13,977
CASH - END OF YEAR	\$ 391,720	\$ 775,586

CANADIAN CANOE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014

1. NATURE OF ORGANIZATION

The mission of the organization is to increase the number of Canadians participating in canoeing and to enable participants to realize personal excellence by providing sound athletic development programs and membership support systems.

The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a Registered Canadian Amateur Athletic organization under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

b) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

c) John Wood boat loan fund

This fund is internally restricted, was created from money donated by John Wood and is intended to provide canoe and kayak clubs with loans to purchase boats.

d) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis as follows:

Boats	4 years
Furniture and equipment	3 years
Leasehold improvements	Over term of lease

e) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable. Contributed goods and services are recorded at their fair value. Membership fees are recognized as revenue over the period to which they relate. Other revenues are recognized in the year in which a sales order is fulfilled or the revenue is earned.

\$64,000 (2013 - \$48,000) of contributed vehicle usage and \$16,000 (2013 - \$12,000) of contributed boat usage has been recognized as revenue in the current year together with the related expenditure for the same amounts.

CANADIAN CANOE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Sport Canada Contributions

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, accounts payable and government remittances payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

4. PROPERTY AND EQUIPMENT

	2014			2013	
	Cost	Accumulated amortization	Net	Net	
Boats	\$ 335,324	\$ 296,376	\$ 38,948	\$ 81,858	
Furniture and equipment	150,371	142,805	7,566	15,294	
Leasehold improvements	10,446	6,267	4,179	6,268	
	<u>\$ 496,141</u>	<u>\$ 445,448</u>	<u>\$ 50,693</u>	<u>\$ 103,420</u>	

5. DEVELOPMENT FUNDS

	2014	2013
Level 4/5 NCCP Fund	\$ 693	\$ 693
Canadian Association of Coaches in Canoe and Kayak Fund	274	274
Official's Development Fund	8,781	8,781
	<u>\$ 9,748</u>	<u>\$ 9,748</u>

The Level 4/5 NCCP Fund is to support the education of level 4/5 NCCP candidates. The Canadian Association of Coaches in Canoe and Kayak Fund is to support their program activities. The Official's Development Fund is to support the development of officials.

CANADIAN CANOE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014

6. DEFERRED REVENUE

Deferred revenue represents restricted operating funding received in the current year which is related to the subsequent year:

	2014	2013
Membership and other revenue	\$ 20,386	\$ 40,000
Canadian Olympic Committee	<u>11,420</u>	<u>11,420</u>
White Water	<u>\$ 31,806</u>	<u>\$ 51,420</u>

Deferred revenue changed as follows:

	2014	2013
Balance - beginning of year	\$ 51,420	\$ 28,420
Less - amount recognized as revenue in the year	(29,300)	(12,100)
Plus - amount received related to following year	<u>9,686</u>	<u>35,100</u>
Balance - end of year	<u>\$ 31,806</u>	<u>\$ 51,420</u>

7. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

	2014	2013
Balance - beginning of year	\$ 19,761	\$ 46,695
Additional contributions	-	11,438
Less amounts recognized as revenue		
- to offset amortization of boats	<u>(11,862)</u>	<u>(38,372)</u>
Balance - end of year	<u>\$ 7,899</u>	<u>\$ 19,761</u>

Deferred contributions related to property and equipment are primarily funds provided by Sport Canada to finance the purchase of boats for the national team. These amounts are being amortized over the same period as the related property and equipment.

8. SPORT CANADA CONTRIBUTIONS

	2014	2013
Amount received for the year	\$ 3,213,840	\$ 3,727,682
Deferred for boat purchases	-	(11,438)
Previous deferrals recognized as revenue	<u>11,862</u>	<u>38,372</u>
	<u>\$ 3,225,702</u>	<u>\$ 3,754,616</u>

9. COMMITMENT

The organization has leased premises at approximately \$60,000 per annum to July 31, 2015.

CANADIAN CANOE ASSOCIATION

SCHEDULE OF REVENUE AND EXPENDITURE AND NET ASSETS BY DISCIPLINE FOR THE YEAR ENDED MARCH 31, 2014

	<u>General Operations</u>	<u>Sprint Racing</u>	<u>White Water</u>	<u>Marathon Racing</u>	<u>Total</u>
Revenue	\$ 305,506	3,591,457	333,806	16,667	\$ 4,247,436
Expenditure	<u>323,769</u>	<u>3,589,806</u>	<u>296,090</u>	<u>12,471</u>	<u>4,222,136</u>
Net revenue (expenditure)	(18,263)	1,651	37,716	4,196	25,300
Net assets - beginning of year	<u>250,277</u>	<u>592,077</u>	<u>96,019</u>	<u>19,617</u>	<u>957,990</u>
Net assets - end of year	\$ 232,014	\$ 593,728	\$ 133,735	\$ 23,813	\$ 983,290