

Table Tennis Canada Tennis de Table

Financial Statements

For the year ended March 31, 2014

Contents

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Summary of Significant Accounting Policies	5
Notes to Financial Statements	7
Supplementary Financial Information	
Schedule 1 - Revenue	9
Schedule 2 - Expenses	10

Independent Auditor's Report

**To the Members of
Table Tennis Canada Tennis de Table**

Report on the Financial Statements

We have audited the accompanying financial statements of Table Tennis Canada Tennis de Table, which comprise the balance sheet as at March 31, 2014, the statements of operations and 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.

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 of our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization 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.

Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting principles in the summary of significant accounting policies have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP
Chartered Accountants, Licensed Public Accountants
July 6, 2014
Ottawa, Ontario

Table Tennis Canada Tennis de Table Balance Sheet

March 31

2014

2013

Assets

Current

Cash (Note 1)	\$ 78,372	\$ 121,444
Short-term investment (Note 2)	10,807	10,661
Accounts receivable	137,613	149,060
HST receivable	48,228	26,887
Prepaid expenses	60,552	46,274

	335,572	354,326
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Tangible capital assets (Note 3)

	13,497	12,888
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	\$ 349,069	\$ 367,214
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 80,147	\$ 156,781
Deferred revenue (Note 4)	6,292	-

	86,439	156,781
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Deferred contributions (Note 5)

	4,768	4,768
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Net assets

Unrestricted	257,862	205,665
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	\$ 349,069	\$ 367,214
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On behalf of the Board:

_____ Director

_____ Director

Table Tennis Canada Tennis de Table
Statement of Operations and Changes in Net Assets

For the year ended March 31	2014		2013	
	Budget	Actual	Budget	Actual
Revenue (Schedule 1)	\$ 1,001,000	\$ 1,156,199	\$ 1,200,000	\$ 1,196,686
Expenses (Schedule 2)	1,034,000	1,104,002	1,200,000	1,149,673
Excess (deficiency) of revenue over expenses for the year	(33,000)	52,197	-	47,013
Balance, beginning of year	-	205,665	-	158,652
Balance, end of year	\$ -	\$ 257,862	\$ -	\$ 205,665

Table Tennis Canada Tennis de Table Statement of Cash Flows

For the years ended March 31

2014

2013

Cash flows from operating activities

Surplus (deficit) for the year	\$ 52,197	\$ 47,013
Adjustments for		
Amortization of tangible capital assets	8,291	7,810
	<u>60,488</u>	54,823
Changes in non-cash working capital items		
Accounts receivable	11,447	(25,867)
HST receivable	(21,341)	4,798
Contributed inventory	-	(18,516)
Prepaid expenses	(14,278)	(23,741)
Accounts payable and accrued liabilities	(76,634)	62,577
Deferred revenue	6,292	-
	<u>(34,026)</u>	54,074

Cash flows from investing activities

Purchase of tangible capital assets	<u>(8,900)</u>	-
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Increase (decrease) in cash during the year	(42,926)	54,074
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Cash and cash equivalents, beginning of year	132,105	78,031
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Cash and cash equivalents, end of year	\$ 89,179	\$ 132,105
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Represented by

Cash	\$ 78,372	\$ 121,444
Short-term investments	<u>10,807</u>	10,661
	\$ 89,179	\$ 132,105

Table Tennis Canada Tennis de Table Summary of Significant Accounting Policies

March 31, 2014

Nature of Organization	The organization is incorporated without share capital under Part II of the Canada Corporations Act and is dedicated to the development and promotion of the sport of table tennis. The organization is exempt from corporate income taxes.
Basis of Presentation	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and are in accordance with Canadian generally accepted accounting principles.
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 amounts of revenues and expenses during the reporting period. The organization's estimates relate to provision for doubtful receivables. Actual results could differ from management's best estimates as additional information becomes available in the future.
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.</p> <p><u>Measurement of financial instruments</u></p> <p>The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions which are measured at the exchange amount.</p> <p>The organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.</p> <p>Financial assets and financial liabilities measured at amortized cost include cash, short-term investments, accounts receivable, HST receivable and accounts payable and accrued liabilities.</p> <p><u>Impairment</u></p> <p>Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.</p>

Table Tennis Canada Tennis de Table Summary of Significant Accounting Policies

March 31, 2014

Financial Instruments
(continued)

Transaction costs

The organization recognizes its transaction costs in excess in revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over the estimated useful life of the assets as follows:

Computer equipment	5 years	straight-line basis
Equipment	5 years	straight-line basis
Leasehold improvements	5 years	straight-line basis

Revenue Recognition

The organization receives contributions for the purpose of sponsoring specific activities during the year. Expenses are applied against contributions on the accrual basis. Unexpended portions of contributions as at March 31 are refundable to the contributor and are recorded as current liabilities. Funds which have been granted for projects, but which have not been received as at March 31, are recorded as current assets, to the extent that grantable expenses have been incurred.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

**Contributed Materials
and Services**

Volunteers contribute a significant number of hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed tangible capital assets are recognized as assets when their fair value can be reasonably determined. Other donated materials are not reflected in the financial statements.

**Foreign Currency
Translation**

Transactions during the year in U.S. dollars have been converted in the accounts to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets and liabilities in U.S. dollars have been converted to Canadian dollars at the exchange rate in effect at the year end. Gains and losses resulting there from are included in the determination of excess of revenue over expenses for the year.

Table Tennis Canada Tennis de Table

Notes to Financial Statements

March 31, 2014

1. Cash

The organization's bank accounts are held at one chartered bank. Bank balances include \$63,052 (2013 - \$13,695) denominated in U.S. dollars.

The organization has invested \$1,988 (2013 - \$101,214) in a business investment savings account at a financial institution that had an interest rate of 1.025% at March 31. The investment includes funds that were received as deferred contributions (Note 5).

2. Short-Term Investment

The short-term investment is cash held in a investment portfolio and is recorded at cost plus accrued interest, which is equivalent to market value. Interest is earned at 1% per annum.

3. Tangible Capital Assets

	2014			2013		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment	\$ 4,890	\$ 4,401	\$ 489	\$ 4,890	\$ 3,423	\$ 1,467
Computer equipment	4,013	4,013	-	4,013	3,619	394
Leasehold improvements	39,044	26,036	13,008	30,144	19,117	11,027
	\$ 47,947	\$ 34,450	\$ 13,497	\$ 39,047	\$ 26,159	\$ 12,888

4. Deferred Revenue

Deferred revenue represents restricted funds received in the current period that relates to operations of the subsequent period.

	Balance at Beginning of Year	Additions During the Year	Amounts Recognized as Revenue	Balance at End of Year
Coaching and applied sport science grant	\$ -	\$ 4,000	\$ -	\$ 4,000
Canadian Junior Open fees	-	2,292	-	2,292
	\$ -	\$ 6,292	\$ -	\$ 6,292

Table Tennis Canada Tennis de Table

Notes to Financial Statements

March 31, 2014

5. **Deferred Contributions**

Deferred contributions represents unspent reserves externally restricted for the purpose of maintaining historical records and forming a Canadian Table Tennis Museum and Hall of Fame.

6. **Budget Amounts**

The budget amounts are those prepared by management and approved by the board.

7. **Commitment**

The organization has a commitment to lease space for its training centre. Costs are at an annual rental of \$67,712 plus HST to July 2015.

8. **Financial Instruments Risks and Concentrations**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at March 31, 2014.

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 organization is exposed to this credit risk mainly in respect of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to currency.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to this risk mainly in respect of cash held in U.S. dollars as disclosed in note 2.

Changes in risk

There have been no significant changes in the organization risk exposures from the previous fiscal year.

Table Tennis Canada Tennis de Table

Schedule 1 - Revenue

For the year ended March 31, 2014

	Budget	2014	Budget	2013
Contributions - Sport Canada				
Support Program	\$ 136,000	\$ 136,000	\$ 150,000	\$ 150,000
Coaching Salaries and Professional Development	105,000	105,000	110,000	110,000
Sport Technical	60,000	72,500	23,000	43,000
National Team Programs	160,250	160,250	206,000	186,000
Sport Participation Development	-	-	75,000	75,000
LTAD	-	-	17,000	17,000
Official Languages	12,000	12,000	9,000	9,000
International Initiatives	4,000	4,000	4,000	4,000
PARA TT Support Program	81,000	81,000	54,000	54,000
Single Sport Hosting	50,000	50,000	35,000	35,000
Coaching Education and Development	20,000	16,222	20,000	12,754
Sponsorship	87,000	87,652	117,000	109,784
Membership and Participation				
Provincial/Technical	22,000	21,261	24,000	26,630
National Team	50,000	115,875	60,000	72,275
National Team Challenge	4,500	12,771	6,000	11,986
Canadian Championships	15,000	26,185	128,000	137,985
PARA Table Tennis	5,000	20,952	5,000	6,990
Event Hosting	55,000	98,464	60,000	40,064
Provincial and international agreements	24,000	10,000	-	6,286
ITTF/NATTU Grants	90,000	46,051	24,000	33,102
General Income				
Sales	-	-	5,000	4,288
Donations	20,250	70,195	50,000	50,350
Miscellaneous and exchange gain	-	9,821	18,000	1,192
	\$ 1,001,000	\$ 1,156,199	\$ 1,200,000	\$ 1,196,686

Table Tennis Canada Tennis de Table

Schedule 2 - Expenses

For the year ended March 31, 2014

	Budget	2014	Budget	2013
Administration				
General	\$ 60,000	\$ 61,045	\$ 60,000	\$ 56,625
Meetings	31,000	27,320	33,000	21,674
Amortization of tangible capital assets	8,000	8,291	8,000	7,810
Staff Salaries	193,000	166,271	186,000	145,461
Coaching Salaries and Professional Development	145,000	122,076	183,000	151,998
TTCAN Rating System	8,000	11,949	5,000	5,000
Officials' Training and Education	25,000	29,574	25,000	21,311
Coaches' Training and Education	18,000	17,545	26,000	16,262
Women's Initiatives	24,000	24,542	6,000	12,397
Volunteer Development - Technical	1,000	-	1,000	768
National Team	275,000	329,610	307,000	275,041
National Competition Structure				
National Team Challenge	25,000	12,486	15,000	14,390
Canadian Championships	15,000	31,254	115,000	131,968
Event Hosting	70,000	143,769	60,000	95,773
PARA Table Tennis (SC)	90,000	92,896	55,000	65,371
Sport Participation Development (SC)	23,000	3,277	82,000	84,240
LTAD (SC)	9,000	3,321	17,000	19,553
Official Languages (SC)	13,000	12,730	10,000	9,620
Marketing	1,000	6,046	-	14,411
Other	-	-	6,000	-
	\$ 1,034,000	\$ 1,104,002	\$ 1,200,000	\$ 1,149,673