



Financial Statements of

**CANADIAN SPORT CENTRE  
CALGARY**

Year ended March 31, 2009



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## AUDITORS' REPORT TO THE DIRECTORS

We have audited the statement of financial position of Canadian Sport Centre Calgary as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Calgary, Canada  
May 25, 2009

# CANADIAN SPORT CENTRE CALGARY

## Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash and interest bearing deposits	\$ -	\$ 489,895
Accounts receivable	219,080	326,924
Prepaid expenses	47,695	24,642
	<u>266,775</u>	<u>841,461</u>
Investment in GICs	1,653,385	930,490
Property and equipment (note 3)	310,280	476,744
	<u>\$ 2,230,440</u>	<u>\$ 2,248,695</u>

## Liabilities and Net Assets

Current liabilities:		
Bank indebtedness	\$ 130,854	\$ -
Accounts payable and accrued liabilities	159,314	162,636
Deferred revenue	137,781	92,781
	<u>427,949</u>	<u>255,417</u>
Deferred capital asset contributions	126,182	283,198
Net assets:		
Net assets invested in property and equipment	184,098	193,547
Unrestricted net assets	1,492,211	1,516,533
	<u>1,676,309</u>	<u>1,710,080</u>

Comparative financial statements (note 2(i))

	<u>\$ 2,230,440</u>	<u>\$ 2,248,695</u>
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See accompanying notes to financial statements.

Approved by the Board of Directors

  
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Director

Director

# CANADIAN SPORT CENTRE CALGARY

## Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Contributions by partners (note 4)	\$ 3,970,250	\$ 3,178,191
Sport user fees	228,055	592,711
Fundraising activities (note 6 (a))	511,044	454,403
Amortization of deferred capital asset contributions	157,015	137,765
Donations-in-kind	74,000	50,052
Tuition	33,770	47,070
Interest (note 2(i))	36,412	64,841
	<u>5,010,546</u>	<u>4,500,900</u>
Expenses:		
Performance services (note 5)	3,608,988	3,087,051
Wages, benefits and consulting fees	637,647	656,436
Marketing and promotion	146,896	158,309
Athlete life services	136,733	118,153
Office and administration	126,625	139,310
Special projects	52,452	4,887
Lectures and educational fees	44,030	38,518
Professional fees	43,690	13,808
Office rent and other services	35,000	35,000
Insurance	12,439	12,188
Scholarships	7,500	4,775
Coaching program development	3,179	9,794
Amortization	189,138	159,904
	<u>5,044,317</u>	<u>4,438,133</u>
Excess (deficit) of revenue over expenses	<u>\$ (33,771)</u>	<u>\$ 86,900</u>

See accompanying notes to financial statements.

# CANADIAN SPORT CENTRE CALGARY

## Statement of Changes in Net Assets

Year ended March 31, 2009, with comparative figures for 2008

	Net assets invested in property and equipment	Unrestricted net assets	2009	2008
Balance, beginning of year	\$ 193,547	\$ 1,516,533	\$ 1,710,080	\$ 1,623,180
Excess of revenues over expenses	(32,123)	(1,648)	(33,771)	86,900
Investment in property and equipment	22,674	(22,674)	-	-
Balance, end of year	\$ 184,098	\$ 1,492,211	\$ 1,676,309	\$ 1,170,080

See accompanying notes to financial statements.

# CANADIAN SPORT CENTRE CALGARY

## Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses for the year	\$ (33,771)	\$ 86,900
Item not affecting cash:		
Amortization of property and equipment	189,138	159,904
Amortization of deferred property and equipment contributions	(157,015)	(137,765)
	(1,648)	109,039
Changes in non-cash working capital items:		
Accounts receivable	107,844	124,090
Prepaid expenses	(23,053)	(15,565)
Accounts payable and accrued liabilities	(3,323)	37,687
Deferred revenue	45,000	66,624
	124,820	321,875
Investments and financing:		
Purchase of property and equipment	(22,674)	(150,246)
Increase in investments	(722,895)	(324,133)
Increase (decrease) in bank indebtedness	130,854	—
	(614,715)	(474,379)
Decrease in cash and interest bearing deposits	(489,895)	(152,504)
Cash and interest bearing deposits, beginning of year	489,895	642,399
Cash and interest bearing deposits, end of year	\$ —	\$ 489,895

See accompanying notes to financial statements.

# CANADIAN SPORT CENTRE CALGARY

## Notes to Financial Statements

Year ended March 31, 2009, with comparative figures for 2008

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### 1. Nature of organization:

The Canadian Sport Centre Calgary (the "Centre") commenced operations on April 1, 1994 and was incorporated on October 24, 1994 under the Societies Act of the Province of Alberta as a not-for-profit organization. The Centre is a tax exempt registered Canadian amateur athletic association within the meaning of Section 248(1) of the Income Tax Act.

The Mission of the Centre is to support high performance athletes to achieve podium performances at international competitions through a holistic development process. The primary objective of the Centre is to enhance the existing well-established training environment in the Calgary area with new and upgraded programs and services for athletes, coaches and other sport leaders.

### 2. Significant accounting policies:

#### (a) Change in accounting policy:

Financial instruments:

Effective April 1, 2008 the Centre adopted the following new Canadian Institute of Chartered Accountants (CICA) Handbook Sections: Section 1535 Capital Disclosure, Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments – Presentation.

Section 1535 requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the Centre's objectives, policies and processes for managing capital.

Section 3862 and Section 3863 consists of a comprehensive series of disclosure requirements and presentation rules applicable to financial instruments. Section 3862 revives and enhances the disclosure requirements set out in Section 3862 and 3863 carries forward unchanged the presentation requirements of Section 3861.

#### (b) Revenue recognition:

The Centre follows the deferral method of recognizing contributions. Restricted contributions and sponsorships are recognized as revenue in the fiscal period in which the related expenses are incurred. Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related property and equipment.

# CANADIAN SPORT CENTRE CALGARY

Notes to Financial Statements, page 2

Year ended March 31, 2009 with comparative figures for 2008

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## 2. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Unrestricted contributions and sponsorships are recognized as revenue when received except when the contribution or sponsorship received relates to operations of a future fiscal period in which case the contribution or sponsorship received is recorded as deferred revenue.

### (c) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenue and expenses during the period. Significant estimates include the valuation of accounts receivable and the carrying value of property and equipment. Actual results could differ from those estimates.

### (d) Property and equipment:

Purchased property and equipment are recorded at historical cost. Donated property and equipment are recorded at estimated fair value at the date of donation where such value can be reasonably estimated, otherwise the assets are recorded at nominal value. The capitalized value of donated property and equipment is credited to donations-in-kind revenue. Amortization is recorded on a straight-line basis at the following annual rates prorated in the year of acquisition:

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Office and high performance equipment	20%
Computer hardware and software	30%
Leasehold improvements	20%

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### (e) Donated goods and services:

A portion of the Centre's work is dependent on voluntary services and donated goods from many members and supporters. Donated goods and services are recorded as both revenue and expense when the fair market value is reasonably determinable and when they would normally be purchased and paid for by the Centre, if not donated. During the year, the Centre received \$121,000 (2008 - \$97,052) of donated goods and services, \$47,000 (2008 - \$47,000) from the Centre's partners (note 4) and \$74,000 (2008 - \$50,052) from other contributors.

# CANADIAN SPORT CENTRE CALGARY

Notes to Financial Statements, page 3

Year ended March 31, 2009 with comparative figures for 2008

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## 2. Significant accounting policies (continued):

### (f) Collections of sports paintings:

Sports paintings consist of nine paintings of prominent Canadian athletes. The cost of the paintings that are purchased is charged as an expense in the period in which they are acquired.

### (g) Financial instruments:

All financial instruments are initially recognized at fair value on the statement of financial position date. The Centre has classified each financial instrument into the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity investments, available-for-sale financial assets, and other financial liabilities. Subsequent measurement of the financial instruments is based on their classification.

Unrealized gains and losses on held-for-trading financial instruments are recognized in earnings. Gains and losses on available-for-sale assets are recognized in other net assets and transferred to earnings when the assets are derecognized. The other categories of financial instruments are recognized at amortized cost using the effective interest rate method.

Financial instruments of the Centre consist of cash and cash equivalents, accounts receivable, investment in GICs and accounts payable and accrued liabilities. Except where otherwise disclosed, as at March 31, 2009 there are no significant differences between the carrying values of these instruments and their estimated market values.

Due to their nature, the Centre's cash and cash equivalents and investments in GICs are classified as held for trading, accounts receivable are classified as loans and receivables and the Centre's liabilities are classified as other liabilities and are measured at amortized cost.

### (h) Future accounting and reporting changes:

Recent amendments to Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, will modify the requirement with respect to various elements of financial statement presentation. These amendments include:

- (i) Reporting certain revenues at their gross amounts in the statement of revenue and expenditures.
- (ii) When a non-for-profit organization classifies its expenses by function and allocates some of its fundraising and general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from each of these two functions to other functions.

# CANADIAN SPORT CENTRE CALGARY

Notes to Financial Statements, page 4

Year ended March 31, 2009 with comparative figures for 2008

## 2. Significant accounting policies (continued):

(h) Future accounting and reporting changes (continued):

(iii) The elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets.

(iv) Cash flows from investing and financing activities must be disclosed separately.

The new standard applies to financial statements relating to the fiscal years beginning on or after January 1, 2009. This standard will impact the Centre's disclosure provided but will not affect the Centre's results or financial position.

(i) Comparative financial statements

The Centre has made an adjustment to the audited comparative figures. For the year ended March 31, 2008, interest revenue and investment in GICs have been restated and increased by \$24,133 to reflect the correction of this error.

## 3. Property and equipment:

			2009	2008
	Cost	Accumulated depreciation	Net book value	Net book value
Office equipment	\$ 192,001	\$ 142,530	\$ 49,471	\$ 38,451
Computer hardware and software	78,699	63,256	15,443	20,919
Leasehold improvements	53,168	30,239	22,929	37,921
High performance equipment	785,083	562,646	222,437	379,453
	\$ 1,108,951	\$ 798,671	\$ 310,280	\$ 476,744

# CANADIAN SPORT CENTRE CALGARY

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Year ended March 31, 2009 with comparative figures for 2008

## 4. Contributions by partners:

	2009	2008
Sport Canada	\$ 940,000	\$ 945,000
Canadian Olympic Committee	225,000	225,000
WinSport Canada	112,000	212,000
Alberta Sport, Recreation, Parks and Wildlife Foundation	196,000	196,000
Coaching Association of Canada	81,500	83,000
University of Calgary	35,000	35,000
The Funding Partners of Own the Podium 2010:		
Sport Canada – Integrated Support Team	1,745,750	916,235
Sport Canada – Canadian Athlete Monitoring Program	80,000	11,956
VANOC	–	500,000
Canadian Olympic Committee	555,000	54,000
	<u>\$ 3,970,250</u>	<u>\$ 3,178,191</u>

Included in contributions by partners are the following donations-in-kind:

	2009	2008
University of Calgary - office rent and other services	\$ 35,000	\$ 35,000
WinSport Canada - accounting services	12,000	12,000
	<u>\$ 47,000</u>	<u>\$ 47,000</u>

## 5. Performance services:

This balance consists of purchased services for athletes provided by several professionals including sport medicine specialists, physiologists, nutritionists, mental performance consultants, massage therapists, strength consultants, and biomechanists.

## 6. Revenue from fundraising activities:

- Revenue from fundraising activities of \$511,044 (2008 - \$454,403) includes net proceeds from a golf tournament of \$31,698 (2008 - \$30,337) (gross proceeds \$99,540 (2008 - \$90,400)).
- As required by the Province of Alberta's Charitable Fundraising Act, the Centre reports that it paid approximately \$134,426 (2008 - \$107,713) to individuals primarily involved in fundraising activities, which is included in wages, benefits and consulting fees.

# CANADIAN SPORT CENTRE CALGARY

Notes to Financial Statements, page 6

Year ended March 31, 2009 with comparative figures for 2008

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## 7. Financial instruments and related risks:

Fair values:

The fair value of financial assets and liabilities approximate their carrying amounts due to the imminent or short-term nature of these financial assets and liabilities or their respective terms and conditions.

Risk Management:

The Centre is exposed to the following risks as a result of holding financial instruments:

### (i) Credit risk:

The Centre's exposure to credit risk arises from the possibility that the counterparty to a transaction might fail to perform under its contractual commitment resulting in a financial loss to the Association.

The Centre is exposed to credit risk on its accounts receivable from its clients. Concentration of credit risk arises as a result of exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political, or other conditions. The Centre monitors credit risk by assessing the collectibility of the amounts. Of the accounts receivable at March 31, 2009, \$159,217 relates to funding and donations, \$3,556 relates to accrued interest, and \$18,077 relates to other. No amounts have been provided for doubtful accounts throughout the year. Of the total accounts receivable amount \$150,019 has been subsequently received at the time of the approval of the financial statements.

### (ii) Market risk:

Market risk is the risk that change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses. The Centre is not exposed to significant market risk.

### (iii) Interest rate risk:

Interest rate risk arises on cash and cash equivalents. The Centre is exposed to interest rate risk due to fluctuations in bank's interest rates.

The Centre does not hedge its exposure to this risk as it is minimal. Every 1% fluctuation in the bank's interest rate on the year end investment balance results in a \$16,534 annual change in interest revenue.

## 8. Capital management:

The Centre views its capital as a combination of cash and cash equivalents and its net assets. Management and the board of directors monitor capital on a frequent basis through reviewing actual to budgeted comparisons.