

COACHING ASSOCIATION OF CANADA

FINANCIAL STATEMENTS

MARCH 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members,
Coaching Association of Canada:

Opinion

We have audited the financial statements of Coaching Association of Canada ("the Entity"), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, 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.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OHCID LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

June 5, 2020



COACHING ASSOCIATION OF CANADA

(Incorporated under the laws of Canada)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

| | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| ASSETS | | |
| <hr/> | | |
| Current assets: | | |
| Cash | \$ 945,029 | \$ 1,503,664 |
| Accounts receivable | 278,098 | 167,505 |
| Government sales taxes receivable | 59,822 | 121,667 |
| Prepaid expenses | 124,043 | 84,239 |
| | <hr/> | <hr/> |
| | 1,406,992 | 1,877,075 |
| Marketable securities (note 3) | 698,500 | 705,405 |
| Capital assets - (note 2) | 29,396 | 42,741 |
| | <hr/> | <hr/> |
| | \$ 2,134,888 | \$ 2,625,221 |
| | <hr/> <hr/> | <hr/> <hr/> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------------------------------------|--------------|--------------|
| Current liabilities: | | |
| Accounts payable | \$ 688,008 | \$ 957,791 |
| Deferred revenue (note 5) | 155,112 | 116,173 |
| | <hr/> | <hr/> |
| | 843,120 | 1,073,964 |
| Net assets: | | |
| Net assets invested in capital assets | 29,396 | 42,741 |
| Net assets held for future development - internally restricted | 500,000 | 500,000 |
| Unrestricted net assets | 762,372 | 1,008,516 |
| | <hr/> | <hr/> |
| | 1,291,768 | 1,551,257 |
| | <hr/> | <hr/> |
| | \$ 2,134,888 | \$ 2,625,221 |
| | <hr/> <hr/> | <hr/> <hr/> |

On behalf of the Board:

Director

Director

(See accompanying notes to the financial statements)

COACHING ASSOCIATION OF CANADA

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2020

| | 2020 | 2019 |
|-----------------------------------------------|-------------------|---------------------|
| NET ASSETS INVESTED IN CAPITAL ASSETS | | |
| Balance, beginning of year | \$ 42,741 | \$ 29,905 |
| Purchase of capital assets (net) | 6,761 | 29,019 |
| Amortization | (20,106) | (16,183) |
| Balance, end of year | <u>\$ 29,396</u> | <u>\$ 42,741</u> |
| NET ASSETS HELD FOR FUTURE DEVELOPMENT | | |
| Balance, beginning and end of year | <u>\$ 500,000</u> | <u>\$ 500,000</u> |
| UNRESTRICTED NET ASSETS | | |
| Balance, beginning of year | \$ 1,008,516 | \$ 1,088,193 |
| Net expense for the year | (259,489) | (66,841) |
| Investment in capital assets | 13,345 | (12,836) |
| Balance, end of year | <u>\$ 762,372</u> | <u>\$ 1,008,516</u> |

(See accompanying notes to the financial statements)

COACHING ASSOCIATION OF CANADA

STATEMENT OF OPERATIONS

For the year ended March 31, 2020

| | 2020 | 2019 |
|------------------------------|---------------------|--------------------|
| REVENUE | | |
| Sport Canada | \$ 4,624,550 | \$ 4,387,250 |
| Sponsors (note 6) | 296,743 | 400,227 |
| Partners fees and sales | 1,324,360 | 1,112,015 |
| Registration fees | 129,540 | 135,154 |
| International projects | 58,100 | 67,400 |
| Other | 32,859 | 51,203 |
| | <u>6,466,152</u> | <u>6,153,249</u> |
| EXPENSE | | |
| Educational and partnerships | 3,118,002 | 3,026,542 |
| Marketing and communication | 1,462,108 | 1,060,133 |
| Administration | 858,646 | 744,931 |
| International programs | 41,544 | 47,988 |
| Information technology | 625,988 | 886,147 |
| Professional coaching | 619,353 | 454,349 |
| | <u>6,725,641</u> | <u>6,220,090</u> |
| Net expense for the year | <u>\$ (259,489)</u> | <u>\$ (66,841)</u> |

(See accompanying notes to the financial statements)

COACHING ASSOCIATION OF CANADA

STATEMENT OF CASH FLOWS

For the year ended March 31, 2020

| | 2020 | 2019 |
|--------------------------------------------------|-------------------|---------------------|
| CASH PROVIDED BY (USED FOR) | | |
| Operating activities | | |
| Net expense for the year | \$ (259,489) | \$ (66,841) |
| Items not requiring cash: | | |
| -amortization | 20,106 | 16,183 |
| -loss on disposal of capital assets | - | 3,279 |
| -loss (gain) on investments | 17,489 | (13,922) |
| | <u>(221,894)</u> | <u>(61,301)</u> |
| Changes in non-cash working capital items | | |
| Accounts receivable | (110,593) | 41,433 |
| Government sales tax receivable | 61,845 | (100,457) |
| Prepaid expenses | (39,804) | 6,040 |
| Accounts payable | (269,783) | 242,314 |
| Deferred revenue | 38,939 | (100,254) |
| | <u>(541,290)</u> | <u>27,775</u> |
| Investing activities | | |
| Purchase of marketable securities | (10,584) | (11,296) |
| Purchase of capital assets - net of disposals | (6,761) | (32,298) |
| | <u>(17,345)</u> | <u>(43,594)</u> |
| Decrease in cash | (558,635) | (15,819) |
| Cash - beginning of year | 1,503,664 | 1,519,483 |
| Cash - end of year | <u>\$ 945,029</u> | <u>\$ 1,503,664</u> |

(See accompanying notes to the financial statements)

COACHING ASSOCIATION OF CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

ORGANIZATION

Coaching Association of Canada (the "Association") is a non-profit Registered Canadian Amateur Athletic Association formed in 1971 and as such is exempt from income tax. While registered, the Association may issue tax deductible receipts to donors. Its mission is to enhance the experience of all athletes and participants in Canada through quality coaching. The Association is dependent upon Sport Canada for the majority of its funding requirements.

1. SUMMARY OF 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) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue when they are received or can be reasonably estimated and collection is reasonably assured. Membership fees are recognized using the deferral method. Partner fees and sales, registration fees and sponsorship revenue is recognized as revenue during the period to which it relates.

b) Financial instruments

Marketable securities are initially recognized at fair value and are subsequently measured at the year-end fair value. Changes in fair value are recognized in the statement of operations. Other financial instruments are initially recognized at fair value and are subsequently measured at amortized cost or cost less appropriate allowances for impairment.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include marketable securities.

c) Capital assets

Purchases of furniture and equipment are recorded at cost and amortization is calculated on the declining balance basis. The amortization rate for office furniture is 20% and the rate for other equipment is 45%. Computer software is expensed in the year it is purchased.

COACHING ASSOCIATION OF CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Use of estimates

The preparation of these financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net Book Value 2020 | Net Book Value 2019 |
|--------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Office furniture | \$ 8,525 | \$ 6,450 | \$ 2,075 | \$ 2,594 |
| Computer equipment | 64,278 | 36,957 | 27,321 | 40,147 |
| | \$ 72,803 | \$ 43,407 | \$ 29,396 | \$ 42,741 |

3. MARKETABLE SECURITIES

Marketable securities consist of equity and fixed income mutual funds and are recorded at fair value.

| | 2020 | 2019 |
|-----------------------------------|------------|------------|
| Alto Monthly Income Portfolio | \$ 557,309 | \$ 534,254 |
| Maestro Income Balanced Portfolio | 141,191 | 171,151 |
| | \$ 698,500 | \$ 705,405 |

4. FINANCIAL INSTRUMENTS

The Association is exposed to currency, interest rate and market risks through its marketable securities. The Association follows investment policies and practices to control the amount of risk to which it is exposed. The maximum investment risk is represented by the fair value of the marketable securities. It is management's opinion that the carrying amounts of the financial instruments approximates their fair value.

COACHING ASSOCIATION OF CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

5. DEFERRED REVENUE

Deferred revenue consists of membership fees of \$58,565 (2019 - \$49,045) that relate to the next fiscal year and sponsorships and contributions of \$96,547 (2019 - \$67,128) that are related to future activities.

| | 2020 | | 2019 | |
|-----------------------------------------------------|------|-----------|------|-----------|
| Balance, beginning of year | \$ | 116,173 | \$ | 216,427 |
| Less: amount recognized as revenue in the year | | (116,173) | | (216,427) |
| Plus: amount received related to the following year | | 155,112 | | 116,173 |
| Balance, end of year | \$ | 155,112 | \$ | 116,173 |

6. SPONSORS

Sponsors for the fiscal year include Suncor and TeamSnap.

7. COMMITMENTS

The Association has entered into a long-term lease for office space, furniture, IT infrastructure and fit-up with The Recreation Association of the Public Service of Canada. The lease commenced October 1, 2017 and extends to September 30, 2022. The gross annual rental cost approximates \$162,000.

8. ALLOCATION OF EXPENSES

The Association allocates the cost of premises and other general overhead to various divisions as follows:

| | 2020 | | 2019 | |
|------------------------------|----------|-----|----------|-----|
| Educational and partnerships | \$68,666 | 38% | \$67,632 | 40% |
| Marketing and communications | 45,175 | 25% | 27,053 | 16% |
| Information Technology | 25,298 | 14% | 40,579 | 24% |
| Professional coaching | 10,842 | 6% | 5,073 | 3% |