

**ATHLETESCAN - ATHLETES' ASSOCIATION OF CANADA**

FINANCIAL STATEMENTS

MARCH 31, 2013

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## **INDEPENDENT AUDITORS' REPORT**

To the Members,  
**AthletesCAN - Athletes' Association of Canada:**

We have audited the accompanying financial statements of AthletesCAN - Athletes' Association of Canada, which comprise the balance sheet as at March 31, 2013 and the statements of 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 AthletesCAN - Athletes' Association of Canada as at March 31, 2013, 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.

### **Comparative Information**

The comparative figures are based upon financial statements that were reported on by another accountant who expressed an unmodified opinion on those statements on September 13, 2012.

## **OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants  
Ottawa, Ontario  
Xxxx xx, 2013

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## ATHLETESCAN - ATHLETES ASSOCIATION OF CANADA

BALANCE SHEET  
AS AT MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash	\$ 39,930	\$ 114,822
Investments (note 4)	99,714	158,777
Accounts receivable	45,874	22,569
Prepaid expenses	4,208	425
	<u>\$ 189,726</u>	<u>\$ 296,593</u>
CURRENT LIABILITIES		
Accounts payable	\$ 20,536	\$ 13,846
Government remittances payable	2,076	-
Deferred revenue	-	50,000
	<u>22,612</u>	<u>63,846</u>
UNRESTRICTED NET ASSETS		
Balance - beginning of year	232,747	320,069
Net revenue (expenditure) for the year	<u>(65,633)</u>	<u>(87,322)</u>
Balance - end of year	<u>167,114</u>	<u>232,747</u>
	<u>\$ 189,726</u>	<u>\$ 296,593</u>

Approved on behalf of the Board:

Director

Director

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## ATHLETESCAN - ATHLETES' ASSOCIATION OF CANADA

### STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
REVENUE		
Sport Canada	\$ 253,200	\$ 275,900
AthletesForum - Registration and sponsorship	10,032	20,050
Sponsorship	75,000	96,684
Other	<u>8,698</u>	<u>3,891</u>
	<u>346,930</u>	<u>396,525</u>
EXPENDITURE		
Administration	213,782	288,228
AthletesForum - KidsCAN	143,899	139,929
Leadership outreach	15,226	10,260
Sponsorship services	18,393	24,000
Projects and programming	<u>21,263</u>	<u>21,430</u>
	<u>412,563</u>	<u>483,847</u>
NET REVENUE (EXPENDITURE) FOR THE YEAR	<u>\$ (65,633)</u>	<u>\$ (87,322)</u>

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## ATHLETESCAN - ATHLETES ASSOCIATION OF CANADA

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
OPERATING ACTIVITIES		
Net revenue (expenditure) for the year	\$ (65,633)	\$ (87,322)
Net change in non-cash working capital items		
Accounts receivable	(23,305)	6,808
Prepaid expenses	(3,783)	-
Accounts payable	6,690	15
Government remittances payable	2,076	-
Deferred revenue	(50,000)	-
	<u>(133,955)</u>	<u>(80,499)</u>
INVESTING ACTIVITIES		
Sale of investments	<u>59,063</u>	<u>47,707</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(74,892)	(32,792)
Cash - beginning of year	<u>114,822</u>	<u>147,614</u>
CASH - END OF YEAR	<u>\$ 39,930</u>	<u>\$ 114,822</u>

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## ATHLETESCAN - ATHLETES' ASSOCIATION OF CANADA

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

#### 1. PURPOSE OF THE ORGANIZATION

As the collective voice of Canadian national team athletes, AthletesCAN ensures an athlete centered sport system by developing athlete leaders who influence sport policy and, as role models, inspire a strong sport culture.

The organization is incorporated under the Canada Corporations Act as a not-for-profit organization, and is not subject to income taxes.

#### 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. Actual results may differ from those estimates.

##### b) Financial instruments

Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

##### c) Revenue recognition

The organization follows the deferral method of accounting for revenue. Restricted revenue is recognized in the year in which the related expenditure is incurred. Unrestricted revenue is recognized when it is received or becomes receivable.

##### d) Contributions

Contributions received are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by the contributor 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 the contributor. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the contributor requests the adjustments.

#### 3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, investments, 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.

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**ATHLETESCAN - ATHLETES ASSOCIATION OF CANADA**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

4. INVESTMENTS

The organization has bank money market funds.



July 30, 2013

## Audit Findings Letter

The Board of Directors  
AthletesCAN - Athletes' Association of Canada  
240-1101 Prince of Wales Drive  
Ottawa, Ontario  
K2C 3W7

Dear Board Members:

We have been engaged to audit the financial statements of your organization as of March 31, 2013 and for the period then ended. Canadian generally accepted standards for audit engagements require that we communicate any significant findings to you in relation to our audit.

### Evaluation of Internal Controls

Audits include a review of internal control relevant to the entity's preparation 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.

***Nevertheless, during the course of our audit, we encountered the following specific internal control matters that we wish to bring to your attention:***

***We understand that several Board members and the Executive Director have authorization on the reserve fund brokerage account. However, only one authorization is required to instruct the investment advisor to issue a cheque payable to the organization or transfer money to the organization's bank account. We recommend that the Board changes its procedures to require two authorizations on any instruction to the investment advisor.***

***While we understand that the bank reconciliations, accounts receivable, accounts payable and financial statements are reviewed on a monthly basis, it is our recommendation that the Board or Treasurer approve the above mentioned reports on a monthly basis, as part of the internal control process.***

***Finally, we suggest that the Board periodically reviews all controls it has in place to safeguard the organization's assets and financial reporting process.***

### Significant Accounting Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review their appropriateness and application as part of our audit. The accounting policies used by your organization are described in the notes to the financial statements.



There were no new accounting policies adopted or changes to the application of accounting policies of the organization during the year.

### **Significant Unusual Transactions**

There were no unusual transactions identified during the audit.

### **Accounting Estimates**

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions; and
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole.

### **Disagreements with Management**

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to your organization's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

### **Issues Discussed**

The auditor generally discusses, among other matters, the application of accounting principles and auditing standards, and fees, etc. with management during the initial or recurring appointment of the auditor during the normal course of business. There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

### **Difficulties Encountered During the Audit**

We encountered no significant difficulties during our audit that should be brought to the attention of the Board.

We shall be pleased to discuss further with you and at your convenience any matters mentioned above.

This communication is prepared solely for the information of the Board and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

OUSELEY HANVEY CLIPSHAM DEEP LLP

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Per: Roger S. Ouseley

**ATHLETESCAN - ATHLETES' ASSOCIATION OF CANADA**

240-1101 Prince of Wales Drive  
Ottawa, Ontario  
K2C 3W7



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*[Insert date when Board approved and asserted that they have taken responsibility for the financial statements]*

**Audit Representation Letter**

Ouseley Hanvey Clipsham Deep LLP  
Chartered Accountants  
200 - 205 Catherine Street  
Ottawa, Ontario  
K2P 1C3

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of AthletesCAN - Athletes' Association of Canada for the years ended March 31, 2013 and March 31, 2012 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

To the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, we confirm that:

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the most recent audit engagement letter for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
- All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. If applicable, a list of the uncorrected misstatements is attached to this letter.

### **Information Provided**

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the organization and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets that have not been disclosed in the financial statements.
- We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

*CONFIRMATION OF APPROVAL AND RESPONSIBILITY*

*This is to confirm that the Board of Directors has reviewed, approved, and taken responsibility for the financial statements of AthletesCAN - Athletes' Association of Canada as of March 31, 2013 and for the period then ended, as of the date that has been inserted at the beginning of this letter.*

*This further confirms that the Board, or designated Committee, has received and reviewed all communications from you including the audit engagement letter, the audit independence letter, the audit planning letter and the audit findings letter.*

Yours truly,

AthletesCAN - Athletes' Association of Canada

Per: \_\_\_\_\_  
Executive Director



Per: \_\_\_\_\_  
Member of the Board

