

**THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL
OPERATING AS "SPORT4ONTARIO"**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL

OPERATING AS "SPORT4ONTARIO"

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Provincial Sport Organizations Council - operating as Sport4Ontario

We have audited the accompanying financial statements of **The Provincial Sport Organizations Council**, operating as Sport4Ontario, which comprise the statement of financial position as at **December 31, 2017**, and the statements of operations and changes in fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management and Directors' Responsibility for the Financial Statements

Management and directors are 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 and directors determine are 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 for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Provincial Sport Organizations Council, operating as Sport4Ontario** as at **December 31, 2017**, and the results of its operations and its cash flows then ended in accordance with Canadian accounting standards for not-for-profit organizations.

WH Partners LLP

CHARTERED ACCOUNTANTS, Licensed Public Accountants

Richmond Hill, Ontario
February 26, 2018

**THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL
OPERATING AS "SPORT4ONTARIO"**

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
Current		
Cash	\$ 2,407	\$ 750
Account Receivable	<u>896</u>	<u>1,628</u>
	<u>\$ 3,303</u>	<u>\$ 2,378</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,667	\$ 3,032
Deferred revenue	<u>1,800</u>	<u>-</u>
	<u>3,467</u>	<u>3,032</u>
FUND BALANCE		
Fund Balance	<u>(164)</u>	<u>(654)</u>
	<u>\$ 3,303</u>	<u>\$ 2,378</u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

(See accompanying notes to financial statements)

**THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL
OPERATING AS "SPORT4ONTARIO"**

Statement of Operations and Changes in Fund Balance

For The Year Ended December 31, 2017

	2017	2016
Revenues		
Donations	\$ -	\$ 14,251
Grants - Government	-	10,099
Membership	6,270	7,075
Other	2,813	4,825
	<hr/> 9,083	<hr/> 36,250
 Expenditures		
Board of Directors & Committees	-	14
Communication	355	1,453
Facilities, rent and renovation	1,208	6,601
Insurance	1,058	1,058
Interest and bank charges	31	263
Member relations	542	7,791
Stakeholder	600	756
Office expenses	1,679	1,527
Seminar expenses	-	81
Professional fees	1,425	1,400
Resource, library	-	273
Wages and benefits	-	3,698
Website design and development fees	1,695	12,995
	<hr/> 8,593	<hr/> 37,910
 Excess of Revenue over Expenditures (Expenditures Over Revenue)	 490	 (1,660)
 Fund Balance - Beginning of Year	 (654)	 1,006
 Fund Balance - End of Year	 \$ (164)	 \$ (654)

(See accompanying notes to financial statements)

**THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL
OPERATING AS "SPORT4ONTARIO"**

Statement of Cash Flows

Year Ended December 31, 2017

Unaudited

	2017	2016
Cash Flows from Operating Activities		
Revenue from:		
General Fund	\$ 9,083	\$ 36,250
General Fund Expenses	(8,593)	(37,910)
Change in other non-cash operating accounts		
Accounts receivable, interest receivable, government rebates	733	(1,628)
Prepaid expenses	-	1,872
Accounts payable, accrued liabilities, government remittances	(1,366)	(881)
Unearned revenue	1,800	(6,604)
	<hr/>	<hr/>
Increase (Decrease) in Cash	1,657	(8,901)
Cash - beginning of year	750	9,651
	<hr/>	<hr/>
Cash - end of year	\$ 2,407	\$ 750
	<hr/>	<hr/>

(See accompanying notes to financial statements)

**THE PROVINCIAL SPORT ORGANIZATIONS COUNCIL
OPERATING AS "SPORT4ONTARIO"**

Notes to Financial Statements

December 31, 2017

1. Purpose of the Organization

The Provincial Sport Organizations Council ("PSO Council") operating as SPORT4ONTARIO is a non-profit organization that coordinates activities common to and in the interests of provincial sport organizations and multi-sport organization in the Province of Ontario.

The Provincial Sport Organizations Council was incorporated by Letters Patent dated October 27, 1998 as a tax exempt entity. The Organization is to be carried on without pecuniary gain to its members and any profits or other accretions shall be used in promoting its objectives.

The organization received its initial net assets from Sport Ontario, which was dissolved as a corporation in November 1997.

2. Summary of Significant Accounting Policies

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

a) Basis of Presentation

The financial statements of the Organization reflect the assets, liabilities, revenues and expenses of the operations of the organization.

b) Revenue Recognition

The Organization follows the deferral method of accounting for grants. Grants are recognized as revenue in the year in which the related expenses are incurred. Program fees are recognized as revenue when the programs are held. Investment income includes interest income, realized investment gains and losses, and where applicable, charges for other than temporary impairment of investments.

c) Donated Services

The organization benefits greatly from donated services in the form of volunteer work to assist The provincial Sport Organizations Council in carrying out its service delivery activities. Because of the difficulty in determining their fair value, donated services are not recognized in the financial statements.

d) Fund Accounting

The corporation follows the restricted fund method of accounting

The general fund reports the revenues and expenditures of the general operations.

e) 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 amount reported in the financial statements and accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimates. Assumptions are used in estimating the collectability of accounts receivable, accrued liabilities and deferred revenue.

3. Financial Instruments

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.