

THE MISSISSAUGA FIGURE SKATING CLUB INC.
FINANCIAL STATEMENTS
AS AT MARCH 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members
The Mississauga Figure Skating Club Inc.

Qualified Opinion

We have audited the financial statements of The Mississauga Figure Skating Club Inc. (the "Organization") which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenue and expenditure, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenues from fundraising, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditure, cash and cash equivalents and net assets for the years ended March 31, 2022 and March 31, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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


INDEPENDENT AUDITORS' REPORT, continued

Auditors' 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 auditors' 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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.



Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 7, 2022

THE MISSISSAUGA FIGURE SKATING CLUB INC.**Statement of financial position****As at March 31, 2022**

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 378,915	252,695
Accounts receivable	43,058	10,130
Prepaid expenses	678	750
	\$ 422,651	263,575
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 68,181	21,449
Deferred revenue (Note 4)	121,137	58,276
	189,318	79,725
Net assets	233,333	183,850
	\$ 422,651	263,575

Approved by the Board

Director_____
Director

THE MISSISSAUGA FIGURE SKATING CLUB INC.**Statement of changes in net assets****For the year ended March 31, 2022**

	2022	2021
Net assets, beginning of year	\$ 183,850	205,265
Excess of revenue over expenditure (expenditure over revenue)	49,483	(21,415)
Net assets, end of year	\$ 233,333	183,850

THE MISSISSAUGA FIGURE SKATING CLUB INC.
Statement of revenue over expenditure
For the year ended March 31, 2022

	2022	2021
Revenue		
Membership fees	\$ 252,423	87,960
Fundraising	25,866	1,540
Bingo – net of expenses	8,245	4,466
Guest fees	1,050	-
Test days	516	324
Other	2,981	5,792
	291,081	100,082
Expenditure		
Advertising and promotion	720	-
Administrative	15,179	7,292
Club development	75	-
Coaching fees	68,602	24,094
Competitions	444	-
Ice rental	122,234	69,703
Non-resident fee	2,322	180
Professional fees	18,011	13,702
Skate Canada	13,563	5,898
Test days	448	628
	241,598	121,497
Excess of revenue over expenditure		
(expenditure over revenue) for year	\$ 49,483	(21,415)

THE MISSISSAUGA FIGURE SKATING CLUB INC.**Statement of cash flows****For the year ended March 31, 2022**

	2022	2021
Cash flows from operating activities		
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 49,483	(21,415)
Changes in non-cash working capital		
Increase in accounts receivable	(32,928)	(7,981)
Decrease in prepaid expenses	72	5,087
Increase (decrease) in accounts payable and accrued liabilities	46,732	(89,613)
Increase in deferred revenue	62,861	49,295
Cash flows from (used in) operating activities	126,220	(64,627)
Net increase (decrease) in cash and cash equivalents during year	126,220	(64,627)
Cash and cash equivalents, beginning of year	252,695	317,322
Cash and cash equivalents, end of year	\$ 378,915	252,695

THE MISSISSAUGA FIGURE SKATING CLUB INC.

Notes to financial statements

As at March 31, 2022

1. Purpose of the organization

The Mississauga Figure Skating Club Inc. (the "Organization") was incorporated without share capital under the Ontario Corporations Act on May 10, 1990.

The Organization's purpose is to promote figure skating in the Mississauga community by arranging for instruction, display and exhibitions of figure skating skills and encourage the instruction, practice, enjoyment and advancement of its members in all aspects of skating while arranging competitions and establishing the granting of prizes, awards and distinctions.

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 where alternatives are available:

a) Management estimates

The preparation of the 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 revenue and expenditure during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Organization follows the deferral method of accounting for contributions.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and net of bank overdrafts.

d) Capital assets

Capital assets are expensed at the time of acquisition. During the year, the organization expensed \$Nil (2021 - \$Nil) in capital assets.

e) Revenue recognition

Membership fees are deferred and recognized as revenue in the financial period to which they pertain.

Fundraising, bingo, guest fees, test days and other revenue is recognized as revenue when received.

THE MISSISSAUGA FIGURE SKATING CLUB INC.**Notes to financial statements****As at March 31, 2022**

2. Significant accounting policies – continued**f) Deferred revenue**

Deferred revenue includes amounts collected before March 31, 2022 for spring sessions, which occur subsequent to year end. The 2021 deferred revenue of \$58,276 was recognized in full during the fiscal year when the services were provided.

g) Volunteer time

The value of volunteer time is not reflected in these financial statements since no objective basis is available to measure the value of such services. Nevertheless, a significant number of volunteers donated their time to the Organization's activities.

3. Financial instruments**a) Fair value**

The Organization initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at cost.

b) 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 underlying market factors. The Organization is exposed to credit risk.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Organization is subject to credit risk. To mitigate this, the Organization actively manages and monitors its receivables. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Organization is not subject to significant liquidity risk. The Organization manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

THE MISSISSAUGA FIGURE SKATING CLUB INC.

Notes to financial statements

As at March 31, 2022

4. Deferred revenue

Deferred revenue represents amounts collected before March 31, 2022 for spring sessions, which occur subsequent to year end.

Changes in deferred revenue are as follows:

	2022	2021
Balance, beginning of year	\$ 58,276	8,981
Amount received in the year	315,284	140,435
Revenue recognized in the year	(252,423)	(91,140)
Balance, end of year	<u>\$ 121,137</u>	<u>58,276</u>

5. Income taxes

The Organization is a not-for-profit organization and is therefore exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

6. Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future periods.

7. Comparative figures

Certain figures in the 2021 financial statements have been reclassified to conform with the basis of presentation used in 2022.