

# **ROWONTARIO**

Financial Statements

Year ended March 31, 2009

**AUDITORS' REPORT****To the Board of Directors of  
RowOntario**

We have audited the balance sheet of RowOntario 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 organization'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 organization 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.

*Smith Nixon LLP*

Licensed Public Accountants  
Chartered Accountants  
Toronto, Ontario  
April 23, 2009

**ROWONTARIO  
BALANCE SHEET**

As at March 31,	2009	2008
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 42,524	\$ 38,845
Investments	239,738	244,068
Accounts receivable	22,065	13,739
Prepaid expenses	1,769	1,681
Current portion of loans receivable (note 3)	8,494	4,420
	<b>314,590</b>	<b>302,753</b>
<b>Capital assets (note 4)</b>	<b>5,062</b>	<b>35,263</b>
<b>Loans receivable (note 3)</b>	<b>17,589</b>	<b>3,102</b>
	<b>\$ 337,241</b>	<b>\$ 341,118</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 22,280	\$ 17,305
<b>Deferred revenue (note 5)</b>	<b>2,814</b>	<b>9,728</b>
<b>NET ASSETS</b>		
Operating fund	126,965	118,679
Club Assistance fund	60,000	23,415
Officials' fund	25,753	25,363
Claude Saunders fund	22,429	23,074
High Performance Development fund	35,000	-
High School Bursary fund	42,000	-
Invested in capital assets	-	69,337
Touring fund	-	36,976
Bursary fund	-	17,241
	<b>312,147</b>	<b>314,085</b>
	<b>\$ 337,241</b>	<b>\$ 341,118</b>

See accompanying notes to financial statements  
Commitments (note 6)

Approved by the board of directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**ROWONTARIO  
STATEMENT OF CHANGES IN NET ASSETS**

Year ended March 31,	2009										
	Operating fund	Club Assistance fund (3), (7)	Officials' fund (4)	Claude Saunders fund (5)	High Performance Development fund (5), (7)	High School Bursary fund (6), (7)	Invested in capital assets (7)	Touring fund (7)	Bursary fund (7)	Total	
Net assets, beginning of year	\$ 118,679	\$ 23,415	\$ 25,363	\$ 23,074	\$ -	\$ -	\$ 69,337	\$ 36,976	\$ 17,241	\$ 314,085	
Excess of revenue over expenditures (expenditures over revenue)	21,331	360	390	(645)	-	-	(1)	(24,208)	569	265	(1,938)
Investment in capital assets	(2) 6,373	-	-	-	-	-	(2)	(6,373)	-	-	-
Interfund transfer	(7) (19,418)	36,225	-	-	35,000	42,000		(38,756)	(37,545)	(17,506)	-
Net assets, end of year	\$ 126,965	\$ 60,000	\$ 25,753	\$ 22,429	\$ 35,000	\$ 42,000	\$ -	\$ -	\$ -	\$ 312,147	

Year ended March 31,	2008										
	Operating fund	Club Assistance fund (3), (7)	Officials' fund (4)	Claude Saunders fund (5)	High Performance Development fund (5), (7)	High School Bursary fund (6), (7)	Invested in capital assets (7)	Touring fund (7)	Bursary fund (7)	Total	
Net assets, beginning of year	\$ 113,642	\$ 22,109	\$ 24,948	\$ 22,731	\$ -	\$ -	\$ 85,268	\$ 37,520	\$ 17,224	\$ 323,442	
Excess of revenue over expenditures (expenditures over revenue)	5,105	1,306	415	343	-	-	(1)	(15,999)	(544)	17	(9,357)
Investment in capital assets	(2) (68)	-	-	-	-	-	(2)	68	-	-	-
Net assets, end of year	\$ 118,679	\$ 23,415	\$ 25,363	\$ 23,074	\$ -	\$ -	\$ 69,337	\$ 36,976	\$ 17,241	\$ 314,085	

See accompanying notes to financial statements

	2009	2008
(1) Consists of:		
Amortization	\$ (2,240)	\$ (18,759)
Touring equipment amortization	-	2,760
Loss on disposal of capital assets	(21,968)	-
Net decrease in capital assets from operations	\$ (24,208)	\$ (15,999)
(2) Capital asset purchases	\$ 1,257	\$ 4,170
Adjustment to capital asset fund	-	(4,102)
Capital asset disposals	(7,630)	-
Net increase (decrease) invested in capital assets	\$ (6,373)	\$ 68
(3) Consists of interest earned on funds		
(4) Consists of officials expenses and interest earned		
(5) Consists of high performance development expenses, net of interest earned		
(6) Consists of high school bursary expenses and interest earned		
(7) During the year the Board approved the wind-up of certain funds. The fund balances were transferred to the newly created funds and the Club Assistance fund		

**ROWONTARIO  
STATEMENT OF OPERATIONS**

Year ended March 31,	2009	2008
<b>Revenue</b>		
Grant revenue	\$ 145,205	\$ 120,271
Interest revenue	3,997	15,199
Membership and registration fee revenue	111,007	104,772
Other revenue	16,030	4,588
Program revenue	8,960	17,681
Regattas and RowOntario teams	78,640	65,371
Unrealized gain on investments	2,675	-
	<b>366,514</b>	<b>327,882</b>
<b>Expenditures (schedule)</b>		
Cost of programs and events	94,324	84,498
Office administration	187,050	170,277
Professional services	7,600	6,330
Program support and development	79,478	76,134
	<b>368,452</b>	<b>337,239</b>
<b>Excess of expenditures over revenue</b>	<b>\$ (1,938)</b>	<b>\$ (9,357)</b>

See accompanying notes to financial statements

**ROWONTARIO**  
**STATEMENT OF CASH FLOWS**

Year ended March 31,	2009	2008
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess of expenditures over revenue	\$ (1,938)	\$ (9,357)
Items not involving cash		
Amortization	2,240	18,759
Loss on disposal of capital assets	21,968	-
Amortization of deferred revenue	(7,544)	(1,750)
Unrealized gain on investments	(2,675)	-
Interest receivable on investments	(2,063)	(6,003)
	9,988	1,649
Net change in non-cash working capital		
Accounts receivable	(8,326)	(13,116)
Prepaid expenses	(88)	(1,070)
Accounts payable and accrued liabilities	4,976	10,631
	6,550	(1,906)
<b>Investing</b>		
Proceeds on redemption of investments	244,068	230,000
Purchase of investments	(235,000)	(238,065)
Proceeds advanced on loans receivable	(20,000)	-
Purchases of capital assets	(1,257)	(4,170)
Proceeds from grant revenue	630	9,728
Proceeds on disposal of capital assets	7,250	-
Repayment of loans receivable	1,438	15,242
	(2,871)	12,735
<b>Net change in cash</b>	3,679	10,829
<b>Cash, beginning of year</b>	38,845	28,016
<b>Cash, end of year</b>	\$ 42,524	\$ 38,845

See accompanying notes to financial statements

# ROWONTARIO

## NOTES TO FINANCIAL STATEMENTS

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Year ended March 31, 2009

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### 1. NATURE OF OPERATIONS

RowOntario was incorporated in 1985 without share capital, under the name Ontario Rowing Association. In 2001, the Ontario Rowing Association adopted the name RowOntario ("the Organization"). The Organization aims to enhance the quality and quantity of rowing participation in Ontario through the delivery of programs which aid the development of new and existing rowing clubs, aid the development of athletes, coaches, umpires and other volunteers and to expand the scope of rowing activities. The Organization is recognized by the Ontario Ministry of Health Promotion as the not-for-profit governing body for rowing in the Province of Ontario and accordingly is exempt from income tax.

The following is a description of each of the Organization's funds:

#### **Club Assistance fund**

The Club Assistance fund was established internally to assist rowing clubs of Ontario with purchases of capital assets and renovations. Any interest earned from capital in this program has been recorded as interest income within the fund.

#### **Officials' fund**

The Officials' fund was established internally to offset future expenses related to officials' programming. Interest earned from capital in this fund has been recorded as interest income within the fund.

#### **Claude Saunders fund**

The Claude Saunders fund was established internally to recognize certain athletes in good standing with the Organization. Awards are granted to individuals who have exhibited distinguished and exemplary voluntary service to their club and to the sport of rowing. The selected recipient will receive a certificate and financial award, while the nominating club will receive an equivalent financial award for equipment needs.

#### **High Performance Development fund**

The High Performance Development fund was established internally in fiscal 2009 for the development and promotion of high performance rowing athletes in the province of Ontario. Any interest earned from capital in this program has been recorded as interest income within the fund.

#### **High School Bursary fund**

The High School Bursary fund was established internally in fiscal 2009 for high school athletes who plan to attend university for rowing. Any interest earned from capital in this program has been recorded as interest income within the fund.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### **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 amounts reported in the financial statements and accompanying notes. Management believes that the estimates used in preparing its financial statements are reasonable and prudent. Areas of significant estimates include the collection of accounts receivable and the estimated useful lives of capital assets. Actual results could differ from these estimates.

## **ROWONTARIO NOTES TO FINANCIAL STATEMENTS**

Year ended March 31, 2009

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### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership and admission fees are recognized as revenue over the membership term. Regattas and RowOntario teams revenues are recognized as events occur.

#### **Donated services**

Volunteers contribute an undeterminable, but substantial number of hours during the year to assist the Organization in carrying out its mission. Because of the difficulty in determining their fair market value, contributed services are not recognized in these financial statements.

#### **Capital assets**

Capital assets are recorded at cost and are amortized over the estimated useful life of five years using the straight-line method.

Long-lived assets, which comprise capital assets, are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If the sum of the undiscounted future cash flows expected from use and residual value is less than carrying amount, the long-lived asset is considered impaired. An impairment loss is measured as the amount by which the carrying value of the long-lived assets exceeds its fair value.

#### **Financial instruments**

The Organization holds the following financial instruments – cash, investments, accounts receivable, loans receivable and accounts payable and accrued liabilities. Accounts receivable and loans receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. Both of these classifications result in a carrying value equal to amortized cost. Investments include guaranteed investment certificates and mutual funds. Cash and investments are classified as held-for-trading. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in excess of expenditures over revenue in the period in which they arise. Given the liquidity of the cashable guaranteed investment certificates, cost represents fair market value. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are expensed on initial recognition.

**ROWONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**

Year ended March 31, 2009

**3. LOANS RECEIVABLE**

	2009	2008
Thunder Bay Rowing Club, 5%, repayable in annual instalments of \$1,649, including principal and interest, compounded monthly. The loan was fully repaid after year end.	\$ 2,982	\$ 2,982
Collingwood Rowing Club, 5%, repayable in annual instalments of \$1,671, including principal and interest, compounded monthly, maturing September 1, 2010.	3,101	4,540
Island Lake Rowing Club, 5.25% repayable in annual instalments of \$4,000 plus interest, compounded monthly, maturing April 30, 2013.	20,000	-
	<b>26,083</b>	7,522
Current portion	<b>8,494</b>	4,420
	<b>\$ 17,589</b>	<b>\$ 3,102</b>

The principal repayments of the loans receivable in each of the next five years are as follows:

2010	\$ 8,494
2011	5,589
2012	4,000
2013	4,000
2014	4,000
	<b>\$ 26,083</b>

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2009 Net	2008 Net
Computer equipment	\$ 1,989	\$ 796	\$ 1,193	\$ 1,591
Office equipment	64,779	63,336	1,443	987
Rowing equipment	5,203	2,777	2,426	11,096
Touring equipment	-	-	-	21,589
	<b>\$ 71,971</b>	<b>\$ 66,909</b>	<b>\$ 5,062</b>	<b>\$ 35,263</b>

During the year all touring equipment was disposed.

**5. DEFERRED REVENUE**

Deferred revenue changed during the year as follows:

	2009	2008
Balance, beginning of year	\$ 9,728	\$ 1,750
Contributions received during the year	630	9,728
Amount recognized as revenue during the year	<b>(7,544)</b>	<b>(1,750)</b>
Balance, end of year	<b>\$ 2,814</b>	<b>\$ 9,728</b>

## **ROWONTARIO**

### **NOTES TO FINANCIAL STATEMENTS**

Year ended March 31, 2009

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#### **5. DEFERRED REVENUE (continued)**

Of the contributions recognized in 2008, \$2,544 was part of a grant received from the Coaches Association of Ontario ("CAO"). The goal of the grant was to enhance the training environment of identified high performance athletes and coaches. The expectation was that this goal would be completed by the end of fiscal 2009. This goal was not met and an extension was granted to fiscal 2010 by the CAO. The remaining unspent funding of \$2,184 at March 31, 2009 has been deferred.

The contributions received in fiscal 2009 were a pre-payment for a Rowing Canada clinic held in April 2009. The balance has been deferred until fiscal 2010.

#### **6. COMMITMENTS**

The Organization has entered into a rental agreement for premises with the Sport Alliance of Ontario. The agreement is for a twelve month period and is renewable each March 31, unless otherwise terminated by either party. The commitment for fiscal 2010 is \$7,539.

#### **7. FINANCIAL INSTRUMENTS**

##### **Fair value**

The carrying value of cash, accounts receivable, loans receivable, accounts payable and accrued liabilities approximates fair value due to the reflectively short-term maturity of these financial instruments. Investments are recorded at fair value in these financial statements. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

##### **Credit risk**

The Organization is exposed to credit risk on the accounts receivable from its members. Management has adopted credit policies in an effort to minimize those risks. The Organization does not have a significant exposure to any individual member or counter-party.

#### **8. CAPITAL MANAGEMENT**

The Organization's capital comprised of the amounts reported in the various funds - Operating, Club Assistance, Officials', Claude Saunders, High Performance Development and High School Bursary.

In managing the capital the primary objective of management and the Board of Directors of the Organization is to ensure sufficient capital is available to achieve its mandate as described in note 1. the Organization also has a formal investment policy that ensures the Organization is exposed to minimal credit and interest rate risk on its investments.

#### **9. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year's presentation. Excess of expenditures over revenues previously reported have not been affected by this reclassification

**ROWONTARIO  
SCHEDULE OF EXPENDITURES**

Year ended March 31,	2009	2008
<b>Cost of programs and events</b>		
Programs		
Equipment rental	\$ 407	\$ 1,259
NCCP	2,615	11,376
Umpire clinics	5,228	2,290
	<b>8,250</b>	<b>14,925</b>
Regattas		
ERG championships	150	1,046
RowOntario championships	23,372	22,453
RowOntario Masters championships	11,054	9,952
	<b>34,576</b>	<b>33,451</b>
Team		
Provincial team	7,298	7,219
Canada Summer games team	44,200	28,903
	<b>51,498</b>	<b>36,122</b>
	<b>\$ 94,324</b>	<b>\$ 84,498</b>
<b>Office administration</b>		
Amortization	\$ 2,240	\$ 18,759
Benefits and other salary expenses	9,756	11,150
General office	31,606	26,005
Salaries	121,480	114,363
Loss on disposal of capital assets	21,968	-
	<b>\$ 187,050</b>	<b>\$ 170,277</b>
<b>Professional services</b>		
Audit	\$ 7,600	\$ 6,330
<b>Program support and development</b>		
Adaptive programming	\$ 504	\$ 3,038
Athlete assistance	-	771
Board and committee activity	9,393	19,387
Club development/assistance	18,987	158
Coaching assistance	3,342	5,707
Coach mentoring	81	3,256
Insurance	238	4,018
National and provincial development and support	7,500	7,500
Provincial coach travel	3,640	3,913
RowOntario annual meeting	25,062	24,439
RowOntario marketing	1,243	2,941
Touring program	2,000	597
Umpire support	7,488	409
	<b>\$ 79,478</b>	<b>\$ 76,134</b>

See accompanying notes to financial statements