

**NORTH TORONTO SKI CLUB**

**AUDITED FINANCIAL STATEMENTS**

**For the year ended 31 May 2018**

**Howard Rutman C.P.A., C.A.**  
**Licensed Public Accountant**

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**INDEPENDENT AUDITORS' REPORT**

To the Members of North Toronto Ski Club

I have audited the accompanying financial statements of **North Toronto Ski Club**, which comprise the balance sheet as at **May 31, 2018** and the statement of operations, changes in reserves and cash flows for the year ended **May 31, 2018** and a summary of significant accounting policies and other explanatory information.

***Managements' and Directors' Responsibility for the Financial Statements***

Management and the directors are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Standards for Non-profit Organizations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the club'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 club'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

***Basis for Qualified Opinion***

As is common with many non-profit organizations, North Toronto Ski Club derives revenue from sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in records of North Toronto Ski Club.

Therefore I was not able to determine whether any adjustments might be necessary to revenues, deficit reported in the statement of operations, excess of expenditure over revenue and cash flows from operations for the year ended May 31, 2018 and current assets and unrestricted net assets as at May 31, 2018.

***Qualified Opinion***

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of North Toronto Ski Club as at May 31, 2018 and the results of its operations and its cash flows for the year ending May 31, 2018 in accordance with Canadian Accounting Standards for Non-profit Organizations.

July 26, 2018  
Thornhill, Ontario

Howard Rutman



Chartered Professional Accountant  
Chartered Accountant  
Licensed Public Accountant

**NORTH TORONTO SKI CLUB**  
**BALANCE SHEET**  
As at 31 May 2018

**ASSETS**

	Note	2018 \$	2017 \$
<b>CURRENT</b>			
Cash		32,506	26,681
Accounts receivable and accrued interest		19,317	15,957
Prepaid expenses and deposits		5,824	5,527
Inventory		<u>1,644</u>	<u>1,467</u>
		59,291	49,632
Long term investment	5	<u>95,098</u>	<u>90,000</u>
<b>TOTAL ASSETS</b>		<u><b>154,389</b></u>	<u><b>139,632</b></u>

**LIABILITIES**

**CURRENT LIABILITIES**

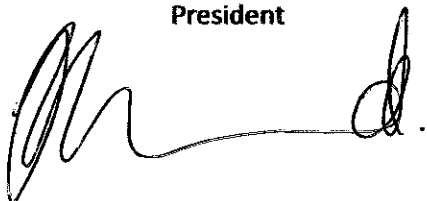
Accounts payable and accrued liabilities		<u>22,797</u>	<u>8,538</u>
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**MEMBERS' EQUITY**

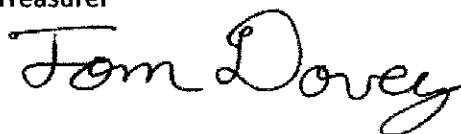
**MEMBERS' EQUITY**

Contingency Reserve	5	95,000	92,000
Reserve for Alpine Ski Jackets	6	24,001	20,001
Reserve for Nordic Ski Jackets	6	3,501	3,501
Unrestricted Net Assets		<u>9,090</u>	<u>15,592</u>
		<u>131,592</u>	<u>131,094</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<u><b>154,389</b></u>	<u><b>139,632</b></u>

President



Treasurer



**NORTH TORONTO SKI CLUB**  
**STATEMENT OF OPERATIONS**  
For the year ended 31 May 2018

		2018 Actual	2017 Actual	2018 Budget
	Note	\$	\$	\$
<b>REVENUES</b>				
Membership fees		155,620	150,611	150,700
Other income		7,173	5,614	5,300
		<u>162,793</u>	<u>156,225</u>	<u>156,000</u>
<b>EXPENDITURES</b>				
Ski schools;	7			
Alpine		78,627	74,000	75,570
Snowboard		13,734	14,807	13,800
Nordic		9,634	8,849	9,000
		<u>101,995</u>	<u>97,656</u>	<u>98,370</u>
Socials;				
Special socials	8	15,618	17,273	11,500
General socials	8	1,773	949	1,500
		<u>17,391</u>	<u>18,222</u>	<u>13,000</u>
Administrative costs;				
Honoraria	9	13,910	14,640	15,040
Clubhouse rent		12,674	13,085	13,300
Operations and Technology		4,982	4,483	5,900
Bank and other finance charges		6,259	6,252	6,300
Website updates and marketing		2,108	1,390	1,800
Audit fees		3,900	3,900	4,000
Insurance		7,556	7,254	7,700
Internet		-	346	-
Gifts & trophies		1,015	878	900
Volunteer committees		1,818	1,252	1,020
Office and general		(317)	271	240
		<u>53,905</u>	<u>53,751</u>	<u>56,200</u>
Net (deficit) before other portfolios		<u>(10,498)</u>	<u>(13,404)</u>	<u>(11,570)</u>
Other portfolios (deficit) surplus				
Alpine day trips	8	5,531	7,073	-
Alpine charters	8	2,470	2,034	-
Nordic day trips	8	2,983	1,622	-
Nordic charters	8	12	(471)	-
		<u>10,996</u>	<u>10,258</u>	<u>-</u>
Surplus / (deficit)		<u>498</u>	<u>(3,146)</u>	<u>(11,570)</u>

**NORTH TORONTO SKI CLUB  
STATEMENT OF CASH FLOWS  
For the year ended 31 May 2018**

	<b>2018 Actual \$</b>	<b>2017 Actual \$</b>
<b>Operating Activities</b>		
Excess of expenditure over revenue	498	(3,146)
<b>Changes in Non-Cash Working Capital Balances Related to Operations</b>		
Accounts receivable and accrued interest	(3,360)	(6,964)
Inventory	(177)	2,060
Prepaid expenses and deposits	(297)	604
Accounts payable and accrued liabilities	14,259	2,231
<b>Cash provided by (used in) Operating Activities</b>	<u>10,923</u>	<u>(5,215)</u>
<b>Investing Activities</b>		
Long term investment purchased	(5,098)	
	<u>(5,098)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash During the Year</b>	5,825	(5,215)
Cash Balance, beginning of the year	26,681	31,896
<b>Cash Balance, end of the year</b>	<u><u>32,506</u></u>	<u><u>26,681</u></u>

**NORTH TORONTO SKI CLUB**  
**STATEMENT OF CHANGES IN RESERVES**  
**For the year ended 31 May 2018**

	2018						
	Opening	Surplus	Purchases (note 6)	Proceeds (note 6)	Write Down	Transfers	Closing
	\$	\$	\$	\$		\$	\$
Contingency Reserve	92,000	-	-	-		3,000	95,000
Reserve for Alpine Ski Jackets	20,001					4,000	24,001
Reserve for Nordic Ski Jackets	3,501	-					3,501
Unrestricted Net Assets	15,592	498	-	-		(7,000)	9,090
	<b>131,094</b>	<b>498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,592</b>

	2017						
	Opening	Deficit	Purchases (note 9)	Proceeds (note 9)	Write Down	Transfers	Closing
	\$	\$	\$	\$		\$	\$
Contingency Reserve	87,000	-	-	-		5,000	92,000
Reserve for Alpine Ski Jackets	16,126					3,875	20,001
Reserve for Nordic Ski Jackets	3,501	-					3,501
Unrestricted Net Assets	27,613	(3,146)	-	-		(8,875)	15,592
	<b>134,240</b>	<b>(3,146)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,094</b>

**NORTH TORONTO SKI CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 May 2018**

**1 INCORPORATION AND ORGANIZATION**

The Club is a non-profit organization without share capital and is exempt from income tax.  
The club's purpose is to provide traveling Alpine and Nordic skiing and snowboarding to members located in or close to Toronto, Ontario.

**2 BUDGETED AMOUNTS**

The 2018 budgeted amounts on the Statement of Operations are presented for information purposes only. They are unaudited and are not covered by the report of Howard Rutman, Chartered Professional Accountant. These figures were approved by the membership in September 2018.

**3 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for non-profit organizations and include the following policies:

**a) Capital Expenditures:**

Capital expenditures are expensed in the year of acquisition.

**b) Revenue recognition:**

Members of the club are admitted by resolution of the Board, on receipt of the annual membership fee. Accordingly these fees are included in revenue when received. Other revenues and expenses are recorded on an accrual basis. Due to difficulty in measurement, the value of contributed services is not recognized in these financial statements.

**c) Use of Estimates**

The preparation of the financial statements in accordance with Canadian accounting standards for non-profit organizations requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the current year.

Estimates and underlying assumptions are reviewed periodically. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. Actual results may differ from the estimates, the impact of which would be recorded in future periods.

**d) Cash and short term investments**

Cash consists of funds held at a chartered bank and an Internet payment company.

**e) Instructors Uniforms**

These uniforms were purchased by the Club and are available for distribution to instructors who join in subsequent financial years. They are recorded at that portion of cost which the Club will recover from the instructors, net of anticipated costs.

**f) Long-Term Investments**

Long-term investments are purchased to be held to maturity and accordingly are recorded at cost plus accrued interest.



**NORTH TORONTO SKI CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 May 2018**

**4 CONTRIBUTED SERVICES**

Directors, committee members and members volunteer their time to assist in the Club's activities. These services materially benefit the Club, however a reasonable estimate of time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

**5 CONTINGENCY RESERVE**

This reserve is designed to protect the organization from significant decreases in membership numbers. The reserve value is based on a minimum set formula calculated annually, as determined below, and can only be used when membership numbers fall below the budgeted number approved at the annual general meeting. The membership number was raised to 1,150 in F2018 but only 1,137 spaces were filled.

	2018	2017
	\$	\$
Alpine Bus expenses	64,169	58,690
Alpine Ski School	92,361	88,807
Nordic Bus expenses	9,212	11,110
Nordic Ski School	9,634	8,849
Total Bus and Ski School expenses	<u>175,376</u>	<u>165,456</u>
40% of Bus and Ski School Expenses	70,150	66,182
Audit Fees	3,900	3,900
Insurance	7,556	7,254
Internet	0	346
Clubhouse rent	12,674	13,085
Total minimum acceptable balance	<u>94,280</u>	<u>90,767</u>
Actual year end balance	<u>95,000</u>	<u>92,000</u>

At year end, there is a surplus of \$720 (2018 - surplus of \$1,233) over the minimum required reserve. The long-term investment of \$95,098 is to be applied to this reserve. The long-term investment is a guaranteed investment certificate held with the CIBC. Market value at year end approximates cost plus accrued interest.

**6 RESERVES FOR SKI JACKETS**

Periodically the Club acquires new uniforms for its instructors. To meet this cost, the Club makes annual contributions from Unrestricted Net Assets to the Reserves for Ski Jackets. Instructors contribute a portion of uniform cost (Alpine 60%, Nordic 50%) and ownership passes to the instructor after 4 years of service to the Club. If services are terminated before the end of the 4 year period, Club and Instructor negotiate ownership in terms of a pre-stipulated agreement. Uniform costs, contributions received and sales proceeds are booked to the appropriate Reserve for Ski Jackets.

**NORTH TORONTO SKI CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
For the year ended 31 May 2018

**7 SKI SCHOOLS**

	2018	2017	2018	2018
	\$	\$	Budget	Variance
	\$	\$	\$	\$
<b>Alpine Snow School</b>				
Programs - Snow School	690	850	850	(160)
Training - Snow School	7,475	7,775	7,520	(45)
Uniform Write Off - Snow School	539	1,488	-	539
Administration - Snow School	3,186	2,128	1,600	1,586
PayPal fees - Snow School	53	70	-	53
<b>Total Alpine Snow School Administration</b>	<b>11,943</b>	<b>12,311</b>	<b>9,970</b>	<b>1,973</b>
<b>Alpine Ski School</b>				
Instructor Fees - Ski school	33,312	24,748	29,600	3,712
Bus and lift tickets - Ski School	32,480	35,326	35,000	(2,520)
Tuition Reimbursement - Ski School	892	1,615	1,000	(108)
<b>Total Alpine Ski School</b>	<b>66,684</b>	<b>61,689</b>	<b>65,600</b>	<b>1,084</b>
<b>Alpine Snowboard School</b>				
Instructor Fees - Snowboard school	4,001	2,618	2,800	1,201
Bus and lift tickets - Snowboard school	7,857	9,077	9,000	(1,143)
Technical Training Support - Snowboard school	1,195	1,727	1,500	(305)
Tuition Reimbursement - Snowboard School	681	1,385	500	181
<b>Total Alpine Snowboard School</b>	<b>13,734</b>	<b>14,807</b>	<b>13,800</b>	<b>(66)</b>
<b>Total Alpine Snow School</b>	<b>92,361</b>	<b>88,807</b>	<b>89,370</b>	<b>2,991</b>
<b>Nordic Ski School</b>				
Instructor Fees - Nordic Ski School	1,697	1,544	1,600	97
Bus and lift tickets - Nordic Ski School	1,916	2,304	2,300	(384)
Training - Nordic Ski School	3,384	4,106	4,200	(816)
Nordic Tuition Reimbursement - Nordic Ski School	2,637	895	900	1,737
<b>Nordic Ski School</b>	<b>9,634</b>	<b>8,849</b>	<b>9,000</b>	<b>634</b>
<b>Total Ski and Board Schools</b>	<b>101,995</b>	<b>97,656</b>	<b>98,370</b>	<b>3,625</b>

**B REVENUES AND EXPENSES OF SELECTED PROGRAMS \***

Program	Revenue	Expense	2018 Net	2017 Net
	\$	\$	\$	\$
Specials Socials	29,562	(45,180)	(15,618)	(17,273)
General Socials	-	(1,773)	(1,773)	(949)
			<u>(\$17,391)</u>	<u>(\$18,222)</u>
Alpine Day Trips	184,196	(178,665)	5,531	7,073
Alpine Charter Trips	37,846	(35,376)	2,470	2,034
Nordic Day Trips	21,816	(18,833)	2,983	1,622
Nordic Charter Trips	12	-	12	(471)
			<u>\$10,996</u>	<u>\$10,258</u>

\*excludes revenues and expenses managed by tour operators on behalf of the club.

**NORTH TORONTO SKI CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the year ended 31 May 2018**

**9 HONORARIA**

It is the Club's policy to provide honoraria to directors and to chair people in recognition of services rendered. The total value of these honoraria is set annually and is approved by Membership. Honoraria may be redeemed at any Club event but their value expires on May 31 following the date on which they were approved.

**10 FINANCIAL INSTRUMENTS**

The Club's financial instruments include cash, accounts receivable, investments and accounts payable. The carrying value of these financial instruments approximates their fair value. The club is not exposed to interest rate, liquidity, market or credit risks

**11 LEASE COMMITMENT**

The Club has a commitment under a lease for office space until April 30, 2023. The annual minimum base rental payments are as follows:

<b>Fiscal year</b>	<b>Rent \$</b>
2019	5,400
2020	5,400
2021	5,950
2022	6,000
2023 (11 months)	<u>5,500</u>
	<u>\$28,250</u>

In addition to base rental charges, the Club is responsible for paying realty taxes, operating expenses, hydro consumption charges, escalations thereto and the associated harmonised sales tax. In 2018 these expenses reduced base rental costs by \$410.