

COLLEGE OF KINESIOLOGISTS OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2016

COLLEGE OF KINESIOLOGISTS OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
College of Kinesiologists of Ontario

We have audited the accompanying financial statements of College of Kinesiologists of Ontario, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets 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 auditors' 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 College of Kinesiologists of Ontario as at March 31, 2016 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.

Crowe Soberman LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
June 6, 2016

COLLEGE OF KINESIOLOGISTS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
At March 31

2016 **2015**

ASSETS

Current

Cash - restricted, internally (<i>Note 3</i>)	\$ 220,000	\$ 70,000
Cash - unrestricted	894,834	966,865
Prepaid expenses and sundry	175,907	115,665
Cash - restricted, externally	-	43,113

1,290,741 **1,195,643**

Capital assets (*Note 4*)

Deferred rent	-	13,092
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\$ 1,687,341 **\$ 1,691,753**

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 43,882	\$ 97,518
Deferred revenue	580,843	450,295

624,725 **547,813**

Deferred rent

175,531 **-**

800,256 **547,813**

Commitments (*Note 6*)

NET ASSETS

Net assets invested in capital assets	396,600	553,018
Internally restricted net assets	220,000	-
Unrestricted net assets	270,485	547,809
Externally restricted net assets	-	43,113

887,085 **1,143,940**

\$ 1,687,341 **\$ 1,691,753**

The accompanying notes are an integral part of the financial statements

On behalf of the Board



Brenda Kritzer,
 Registrar and CEO

COLLEGE OF KINESIOLOGISTS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
Year ended March 31

	Net assets invested in capital assets	Internally restricted net assets	Unrestricted net assets	Externally restricted net assets	Total 2016	Total 2015
Net assets, beginning of year	\$ 553,018	\$ -	\$ 547,809	\$ 43,113	\$ 1,143,940	\$ 630,335
Excess (deficiency) of revenue over expenses	(102,103)	-	(131,310)	(23,442)	(256,855)	513,605
Interfund transfers (<i>Note 3</i>)	(54,315)	220,000	(146,014)	(19,671)	-	-
Net assets, end of year	\$ 396,600	\$ 220,000	\$ 270,485	\$ -	\$ 887,085	\$ 1,143,940

The accompanying notes are an integral part of the financial statements

COLLEGE OF KINESIOLOGISTS OF ONTARIO
STATEMENT OF OPERATIONS

Year ended March 31

2016

2015

Revenue

Registration fees	\$ 1,019,418	\$ 879,181
Examination fees	179,045	163,600
Application fees	115,400	54,700
Jurisprudence fees	54,619	30,494
Ministry of Health and Long-Term Care funding (repayment)	(23,442)	1,000,000
	1,345,040	2,127,975

Expenses

Salaries and benefits	807,890	745,019
Rent	210,254	209,226
Registration costs	183,203	227,415
Office and general	88,204	96,248
Council and committee costs	65,196	101,857
Communications and media costs	61,335	110,099
Professional fees	47,002	60,606
Professional conduct	24,848	-
Special project	11,860	-
Relocation costs	-	1,354
Amortization of capital assets	102,103	62,546
	1,601,895	1,614,370

Excess (deficiency) of revenue over expenses **\$ (256,855)** **\$ 513,605**

The accompanying notes are an integral part of the financial statements

COLLEGE OF KINESIOLOGISTS OF ONTARIO
STATEMENT OF CASH FLOWS
Year ended March 31

2016 2015

SOURCES (USES) OF CASH

Operating activities

Excess (deficiency) of revenue over expenses \$ (256,855) \$ 513,605

Item not involving cash

Amortization 102,103 62,546

(154,752) 576,151

Changes in non-cash working capital items

Prepaid expenses and sundry (60,242) 52,309

Accounts payable and accrued liabilities (53,636) 14,042

Deferred revenue 130,548 103,819

Deferred rent 188,623 (13,092)

Cash provided by operating activities 50,541 733,229

Investing activities

Acquisition of capital assets (15,685) (477,825)

Cash used in investing activities (15,685) (477,825)

Net increase in cash 34,856 255,404

Cash, beginning of year 1,079,978 824,574

Cash, end of year \$ 1,114,834 \$ 1,079,978

Represented by:

Cash - restricted, internally \$ 220,000 \$ 70,000

Cash - unrestricted 894,834 966,865

Cash - restricted, externally - 43,113

\$ 1,114,834 \$ 1,079,978

The accompanying notes are an integral part of the financial statements

COLLEGE OF KINESIOLOGISTS OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

1. Purpose of the organization and income tax status

The College of Kinesiologists of Ontario (“the College”) was created April 1, 2013 pursuant to the proclamation of the Kinesiology Act, 2007. The College is a non-profit organization mandated through legislation and regulations to regulate the profession of kinesiology in Ontario in the interest of the public. The College is committed to ensuring excellent professional practice by registered kinesiologists. Through the establishment of entry-to-practice requirements and through the provision of continuous practice support, the College ensures that registered kinesiologists deliver competent, safe and ethical services.

The College is exempt from income tax under Section 149(1)(1) of the Income Tax Act. Registration remains valid so long as the organization continues to fulfill the requirements of the Act and regulations in respect of non-profit organizations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in accordance 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 statement of financial position date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting

The capital assets fund reports the assets, liabilities, revenues and expenses related to the College's capital assets.

The internally restricted net assets of the College represent resources internally restricted by the Council for specific use.

Expenditures at the discretion of the College are included in unrestricted fund.

Revenue recognition

Non-refundable application and jurisprudence fees are recognized as revenue when received.

Examination fees are recorded in the fiscal year to which they relate.

Registration fees are recognized as revenue proportionately over the fiscal year to which they relate. Registration fees received in advance of the membership year to which they relate are recorded as deferred revenue.

COLLEGE OF KINESIOLOGISTS OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

2. Significant accounting policies (continued)

Financial instruments

The College initially measures its financial assets and liabilities at fair value.

The College subsequently measures all its financial instruments at amortized cost using the straight line method, except for investments in equity instruments that are quoted in an active market and derivatives, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Transaction costs are recognized in the statement of operations in the period incurred.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually on bases designed to amortize the assets over their estimated useful lives, as follows:

Furniture and fixtures	-	straight line over 5 years
Computer equipment	-	straight-line over 3 years
Computer software	-	straight-line over 3 years
Leasehold improvements	-	straight-line over 10 years

Deferred rent

Deferred rent includes reduced rent benefits and tenant inducements received in cash.

The College recognizes rental expenses using the straight-line method whereby any contractual rents over the term of a lease are recognized into income evenly over that term. The difference between the rental expense recognized and rental payments made is shown as deferred rent. Lease incentives received in connection with leasehold improvements are amortized to income on a straight-line basis over the terms of the lease.

3. Interfund transfers and internally restricted fund balances

During the year, the College's council internally restricted resources amounting to \$220,000 to be used as follows: \$90,000 reserve for unanticipated expenses, \$120,000 investigations and discipline reserve, and \$10,000 victim therapy reserve. Transfers of \$70,000 and \$150,000 were made from the Capital Assets Fund and Unrestricted Net Assets Fund respectively to the Internally Restricted Net Assets Fund. These internally restricted amounts are not available for other purposes without approval of the council.

In addition, \$15,685 was transferred from the Unrestricted Fund to the Capital Assets Fund in order to fund the cash outlays for capital asset acquisitions. The net change in the Capital Asset Fund is a \$54,315 decrease to the fund. \$19,671 was transferred from the Externally Restricted Fund to the Unrestricted Fund as the College no longer receives funding from the Ministry of Health and Long-Term Care and the remaining funds have been cleared for use at the College's discretion.

COLLEGE OF KINESIOLOGISTS OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

4. Capital assets

				2016		2015
				Net		Net
				Carrying		Carrying
				Amount		Amount
	Cost	Accumulated				
		Amortization				
Furniture and fixtures	\$ 127,348	\$ 37,210	\$	90,138	\$	110,140
Computer equipment	27,416	14,446		12,970		17,900
Computer software	112,993	85,147		27,846		65,510
Leasehold improvements	312,846	47,200		265,646		289,468
	\$ 580,603	\$ 184,003	\$	396,600	\$	483,018

5. Financial instruments

The College regularly evaluates and manages the principal risks assumed with its financial instruments. The risks that arise from transacting in financial instruments include liquidity risk, credit risk, market risk, interest rate risk, and foreign currency risk. The following analysis provides a measure of the College's risk exposure and concentrations. There are no significant changes in the risk exposures from the prior period.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities as they come due. The College is exposed to this risk mainly in respect of its accounts payable. Accounts payable are generally repaid within the credit terms.

The College is not exposed to any significant credit risk, market risk, interest rate risk, and foreign currency risk at the statement of financial position date.

6. Commitments

The College is committed under an examination development and implementation agreement which expires in June 1, 2017. The College is also committed under a long-term lease for premises which expires in June 2024. Annual contract and lease payments (exclusive of requirement to pay taxes, insurance and maintenance costs) are approximately as follows:

Year ending March 31, 2017	\$ 173,000
2018	185,000
2019	113,000
2020	113,000
2021	113,000
Thereafter	383,000
	\$ 1,080,000