

**COLLEGE OF KINESIOLOGISTS OF ONTARIO**

**FINANCIAL STATEMENTS**

**MARCH 31, 2017**

# **COLLEGE OF KINESIOLOGISTS OF ONTARIO**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2017**

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## INDEPENDENT AUDITORS' REPORT

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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, 2017 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, 2017 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 26, 2017

**COLLEGE OF KINESIOLOGISTS OF ONTARIO**  
**STATEMENT OF FINANCIAL POSITION**

At March 31

2017

2016

**ASSETS**

**Current**

Cash - unrestricted	\$ 1,256,403	\$ 894,834
Cash - restricted, internally (Note 3)	260,000	220,000
Prepaid expenses and sundry	90,524	175,907

**1,606,927**      1,290,741

**Capital assets (Note 4)**

**321,135**      396,600

**\$ 1,928,062**    \$ 1,687,341

**LIABILITIES**

**Current**

Accounts payable and accrued liabilities	\$ 72,174	\$ 43,882
Deferred revenue	722,129	580,843

**794,303**      624,725

**Deferred rent**

**159,811**      175,531

**954,114**      800,256

**Commitments (Note 6)**

**NET ASSETS**

Net assets invested in capital assets	321,135	396,600
Internally restricted net assets (Note 3)	260,000	220,000
Unrestricted net assets	392,813	270,485

**973,948**      887,085

**\$ 1,928,062**    \$ 1,687,341

*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	<b>Total 2017</b>	Total 2016
Net assets, beginning of year	\$ 396,600	\$ 220,000	\$ 270,485	\$ <b>887,085</b>	\$ 1,143,940
Excess (deficiency) of revenue over expenses	(95,152)	-	182,015	<b>86,863</b>	(256,855)
Interfund transfers ( <i>Note 3</i> )	19,687	40,000	(59,687)	-	-
Net assets, end of year	\$ 321,135	\$ 260,000	\$ 392,813	\$ <b>973,948</b>	\$ 887,085

*The accompanying notes are an integral part of the financial statements*

**COLLEGE OF KINESIOLOGISTS OF ONTARIO**  
**STATEMENT OF OPERATIONS**

**Year ended March 31**

**2017**

**2016**

**Revenue**

Registration fees	<b>\$ 1,557,363</b>	\$ 1,019,418
Examination fees	<b>197,315</b>	179,045
Application fees	<b>52,900</b>	115,400
Jurisprudence fees	<b>27,647</b>	54,619
Ministry of Health and Long-Term Care funding (repayment)	<b>-</b>	(23,442)
	<b>1,835,225</b>	1,345,040

**Expenses**

Salaries and benefits	<b>828,637</b>	807,890
Rent	<b>211,740</b>	210,254
Registration costs	<b>161,576</b>	159,364
Communications and media costs	<b>149,910</b>	52,465
Office and general	<b>112,264</b>	88,204
Quality assurance	<b>68,442</b>	32,709
Council and committee costs	<b>55,247</b>	65,196
Professional fees	<b>36,280</b>	47,002
Professional conduct	<b>29,114</b>	24,848
Special project	<b>-</b>	11,860
Amortization of capital assets	<b>95,152</b>	102,103
	<b>1,748,362</b>	1,601,895

<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 86,863</b>	\$ (256,855)
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*The accompanying notes are an integral part of the financial statements*



**COLLEGE OF KINESIOLOGISTS OF ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

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**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 College 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**  
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**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 net assets**

The purpose of the internally restricted net assets is to address unplanned expenses, any increases in investigation costs and hearings and provide support to victims of sexual abuse in the future.

During the year, the College's council internally restricted additional resources amounting to \$40,000 for investigations and hearings and abuse therapy. The College also renamed the general contingency fund to the property and technology fund. Transfer of \$40,000 was made from the unrestricted net assets to the internally restricted net assets. These internally restricted amounts are not available for other purposes without approval of the council. The internally restricted net asset of \$260,000 (2016 - \$220,000) is comprised of the abuse therapy fund of \$30,000 (2016 - \$10,000), investigations and hearings fund of \$140,000 (2016 - \$120,000) and property and technology fund of \$90,000 (2016 - \$90,000).

In addition, \$19,687 was transferred from the unrestricted net assets to the capital assets fund in order to fund the cash outlays for capital asset acquisitions.

**COLLEGE OF KINESIOLOGISTS OF ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2017**

**4. Capital assets**

				2017 Net Carrying Amount	2016 Net Carrying Amount
	Cost	Accumulated Amortization			
Furniture and fixtures	\$ 131,180	\$ 63,063	\$	<b>68,117</b>	\$ 90,138
Computer equipment	29,455	23,924		<b>5,531</b>	12,970
Computer software	112,993	112,993		-	27,846
Leasehold improvements	326,662	79,175		<b>247,487</b>	265,646
	<b>\$ 600,290</b>	<b>\$ 279,155</b>	<b>\$</b>	<b>321,135</b>	<b>\$ 396,600</b>

**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 and accrued liabilities. 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 2017 and a marketing agreement which expires in July 2018. 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) for the next five years and thereafter are approximately as follows:

Year ending March 31, 2018	\$ 238,000
2019	119,000
2020	113,000
2021	113,000
2022	118,000
Thereafter	265,000
	<b>\$ 966,000</b>

**COLLEGE OF KINESIOLOGISTS OF ONTARIO**  
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**7. Comparative figures**

Certain reclassifications for the year ended March 30, 2016 have been made for the purpose of comparability.