

**CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE**

FINANCIAL STATEMENTS  
MARCH 31, 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members,  
**Canadian Fitness and Lifestyle Research Institute:**

### **Opinion**

We have audited the financial statements of Canadian Fitness and Lifestyle Research Institute ("the Entity"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, 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.

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity 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 opinion.

### **Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

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

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



**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario

June 20, 2024

# CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

|                                   | 2024              | 2023              |
|-----------------------------------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>             |                   |                   |
| Cash                              | \$ 211,576        | \$ 244,100        |
| Deposit certificates              | 10,125            | 10,036            |
| Accounts receivable               | 135,621           | 124,095           |
| Government remittances receivable | 11,045            | 19,183            |
| Prepaid expenses                  | 11,062            | 17,378            |
|                                   | <u>379,429</u>    | <u>414,792</u>    |
| <b>CAPITAL ASSETS (note 2)</b>    |                   |                   |
|                                   | 1,651             | 1,526             |
|                                   | <u>\$ 381,080</u> | <u>\$ 416,318</u> |
| <b>CURRENT LIABILITIES</b>        |                   |                   |
| Accounts payable (note 5, 6)      | \$ 22,209         | \$ 23,336         |
| Deferred contributions (note 3)   | -                 | 67,537            |
|                                   | <u>22,209</u>     | <u>90,873</u>     |
| <b>NET ASSETS</b>                 |                   |                   |
| Reserve fund (note 4)             | 55,250            | 55,250            |
| Unrestricted                      | 303,621           | 270,195           |
|                                   | <u>358,871</u>    | <u>325,445</u>    |
|                                   | <u>\$ 381,080</u> | <u>\$ 416,318</u> |

Approved on behalf of the Board:

Originals signed \_\_\_\_\_ Director

Originals signed \_\_\_\_\_ Director

**CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE**

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2024

|   | 2024       | 2023       |
|---|------------|------------|
| <b>NET ASSETS RESTRICTED TO RESERVE FUND (note 4)</b> |            |            |
| Balance beginning of year                             | \$ 55,250  | \$ 55,250  |
| Balance end of year                                   | \$ 55,250  | \$ 55,250  |
| <b>UNRESTRICTED NET ASSETS</b>                        |            |            |
| Balance beginning of year                             | \$ 270,195 | \$ 257,238 |
| Excess revenue for the year                           | 33,426     | 12,957     |
| Balance end of year                                   | \$ 303,621 | \$ 270,195 |

**CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE**

STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED MARCH 31, 2024

|                                      | 2024           | 2023           |
|--------------------------------------|----------------|----------------|
| <b>REVENUE</b>                       |                |                |
| Federal and Provincial contributions | \$ 86,814      | \$ 8,189       |
| Interest and sundry                  | 1,149          | 1,145          |
| SPARC                                | 326,500        | 436,630        |
| Other                                | 72,820         | 54,386         |
|                                      | <b>487,283</b> | <b>500,350</b> |
| <b>EXPENDITURE</b>                   |                |                |
| Research                             | 453,857        | 487,393        |
| <b>NET REVENUE</b>                   | <b>33,426</b>  | <b>12,957</b>  |

## CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

|   | 2024              | 2023              |
|---|-------------------|-------------------|
| <b>CASH PROVIDED BY (USED FOR)</b>            |                   |                   |
| <b>OPERATIONS</b>                             |                   |                   |
| Excess revenue for the year                   | \$ 33,426         | \$ 12,957         |
| Non cash item - amortization                  | 676               | 645               |
| Change in non-cash working capital items:     |                   |                   |
| Accounts receivable                           | (11,526)          | (112,156)         |
| Government remittances receivable             | 8,138             | 8,043             |
| Prepaid expenses                              | 6,316             | (5,650)           |
| Accounts payable                              | (1,127)           | (14,148)          |
| Deferred contributions                        | (67,537)          | 34,614            |
|   | (31,634)          | (75,695)          |
| <b>INVESTING ACTIVITIES</b>                   |                   |                   |
| Acquisition of property, plant, and equipment | (801)             | (1,222)           |
| Change in deposit certificates                | (89)              | 47                |
|   | (890)             | (1,175)           |
| Net change in cash                            | (32,524)          | (76,870)          |
| <b>CASH BEGINNING OF YEAR</b>                 | <b>244,100</b>    | <b>320,970</b>    |
| <b>CASH END OF YEAR</b>                       | <b>\$ 211,576</b> | <b>\$ 244,100</b> |

# CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

The Canadian Fitness & Lifestyle Research Institute is incorporated under the Canada Corporations Act as a registered charitable organization. The objective of the Institute is to enhance the well-being of Canadians through research and communication of information about physically active lifestyles.

## 1. 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:

### a) Revenue recognition

The Institute follows the deferral method of accounting for revenue. Project revenues are recorded in accordance with contractual agreements and any portion remaining at year end is deferred to the subsequent fiscal year to match expenditures to be made. Interest and sundry are recognized as revenue in the period interest and sundry are earned.

### b) Capital assets

Capital assets are initially recorded at cost. Amortization is recorded on a declining balance basis based upon the estimated useful life of the assets as follows:

Depreciation of computer equipment is provided on the straight line basis over 3 years.

Depreciation of furniture is provided on the straight line basis over 5 years.

### c) Use of estimates

The preparation of 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 revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

### d) Financial instruments

The Institute's financial instruments consist of cash, deposit certificates, accounts receivable, and accounts payable. Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment. Unless otherwise noted, it is management's opinion that CFLRI is not exposed to significant interest, currency, or credit risks arising from these financial instruments and the carrying amount of the financial instruments approximate their fair value.



## CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

### 2. CAPITAL ASSETS

|                    |          |             | 2024     | 2023  |
|--------------------|----------|-------------|----------|-------|
|                    |          | Accumulated |          |       |
|                    | Cost     |             | Net      | Net   |
| Computer equipment | \$ 4,931 | 3,280       | \$ 1,651 | 1,526 |

### 3. DEFERRED CONTRIBUTIONS

Deferred contributions consisted of project funds that were received and used for projects in the current fiscal year.

### 4. RESERVE FUND

The Board has established a special fund to assist in providing for costs associated with the potential change to the Institute's funding sources and to help with the internal management of cash flow.

### 5. COMMITMENTS

The Institute has a lease commitment for until August 31, 2026. Annual lease payments including operating costs are:

|      |                  |
|------|------------------|
| 2025 | \$ 9,888         |
| 2026 | 10,283           |
|      | <u>\$ 20,171</u> |

In 2024 the commitment for vacation pay is \$10,272 (2023- \$12,392).

### 6. LETTER OF CREDIT

The Institute has a credit facility to a maximum of \$100,000. No amount of the facility is in use at the year end.

### 7. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to presentation adopted in the current period.

**CANADIAN FITNESS & LIFESTYLE RESEARCH INSTITUTE**

**SCHEDULE FOR REVENUES AND EXPENSES INCURRED FOR THE SPORT, PHYSICAL ACTIVITY AND RECREATION COUNCIL  
FOR THE YEAR ENDED MARCH 31, 2024**

|   | Approved   | Actual     |
|---|------------|------------|
| <b>REVENUES</b>                                 |            |            |
| Sport, Physical Activity and Recreation Council | \$340,500* | \$ 326,500 |
| <b>EXPENSES</b>                                 |            |            |
| <b>Eligible expenditures breakdown</b>          |            |            |
| General Administration & Governance             | 47,600     | 48,102     |
| Salaries, Fees & Benefits                       | 248,400    | 248,735    |
| Operations & Programming*                       | 44,500     | 29,663     |
|   | 340,500    | 326,500    |
| <b>NET REVENUE</b>                              | -          | -          |

\* SPARC funding of \$340,500 specified in the 2023-2024 service contract was reduced by \$14,000 since an element of the project deliverable was not conducted