

**ONTARIO AMATEUR WRESTLING
ASSOCIATION**

**FINANCIAL STATEMENTS
MARCH 31, 2017**

ONTARIO AMATEUR WRESTLING ASSOCIATION

MARCH 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Members of
Ontario Amateur Wrestling Association

Report on the Financial Statements

We have audited the accompanying financial statements of **Ontario Amateur Wrestling Association**, 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 years 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 audits. Except as explained in the following paragraph, we conducted our audits 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit associations, the association derives revenues from participant fees and fundraising programs, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of the association and we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenue over expenses, current assets and net assets.

Qualified Opinion

In our 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 the Ontario Amateur Wrestling Association as at March 31, 2017, its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

June 3, 2017
Markham, Ontario

Kreston GTA LLP
Licensed Public Accountants

ONTARIO AMATEUR WRESTLING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 247,880	\$ 195,395
Accounts receivable	31,847	15,382
Prepaid expenses	6,442	9,799
	<u>\$ 286,169</u>	<u>\$ 220,576</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 45,978	\$ 21,902
Government remittances payable	4,533	1,652
Membership fees collected in advance (Note 3)	59,972	39,611
Deferred participant fees and other grants (Note 3)	-	30,441
	<u>110,483</u>	<u>93,606</u>
NET ASSETS		
Unrestricted net assets	27,221	29,918
Externally restricted for youth and junior programs (Note 4)	24,880	23,995
Internally restricted reserve fund (Note 5)	44,895	44,508
Ontario wrestlers' educational trust fund (Note 6)	28,690	28,549
Ontario wrestlers' program funding reserve fund (Note 6)	50,000	-
	<u>175,686</u>	<u>126,970</u>
	<u>\$ 286,169</u>	<u>\$ 220,576</u>

Approved on Behalf of the Board

_____ Director

The accompanying notes are an integral part of these financial statements.

ONTARIO AMATEUR WRESTLING ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	Unrestricted	Net assets restricted for youth and junior programs (Note 4)	Internally restricted reserve fund (Note 5)	Ontario wrestlers' educational trust fund (Note 6)	Ontario wrestlers' program funding reserve fund (Note 6)	2017	2016
BALANCE, BEGINNING OF YEAR	\$ 29,918	\$ 23,995	\$ 44,508	\$ 28,549	\$ -	\$ 126,970	\$ 63,179
Excess of revenue over expenses	47,303	885	387	141	-	48,716	63,791
Inter-fund transfers	(50,000)	-	-	-	50,000	-	-
BALANCE, END OF YEAR	\$ 27,221	\$ 24,880	\$ 44,895	\$ 28,690	\$ 50,000	\$ 175,686	\$ 126,970

The accompanying notes are an integral part of these financial statements.

ONTARIO AMATEUR WRESTLING ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUES		
Contributions	\$ 214,829	\$ 196,659
Membership fees	80,554	87,567
Fundraising programs	129,176	55,537
Grants from Ontario Ministry of Culture, Tourism, and Sport	106,804	131,999
Interest and miscellaneous income	1,509	-
Participant fees and other grants	192,218	153,315
	725,090	625,077
EXPENSES		
Contributions	179,729	167,133
Competitor development	182,870	131,733
Salaries and wages	89,363	92,342
Wrestling Canada Lutte, insurance and other fees	56,908	60,987
Competitor development - travel	25,211	42,329
Executive planning meetings	28,424	25,043
Office and general	18,332	13,889
Fundraising programs	69,673	13,365
Human resource development	13,407	5,080
Staff and executive travel	8,236	5,059
Membership service costs	3,250	3,250
Interest and bank charges	971	1,076
	676,374	561,286
EXCESS OF REVENUE OVER EXPENSES	\$ 48,716	\$ 63,791

The accompanying notes are an integral part of these financial statements.

ONTARIO AMATEUR WRESTLING ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 48,716	\$ 63,791
Changes in components of non-cash working capital items:		
Accounts receivable	(16,465)	2,518
Prepaid expenses and other assets	3,357	(2,267)
Accounts payable and accrued liabilities	24,076	(7,249)
Government remittances payable	2,881	(1,268)
Fees collected in advance	20,361	7,332
Deferred program revenue	(30,441)	30,441
	3,769	29,507
CASH PROVIDED BY OPERATING ACTIVITIES	52,485	93,298
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	195,395	102,097
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 247,880	\$ 195,395

The accompanying notes are an integral part of these financial statements.

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017 AND 2016

I. PURPOSE OF THE ORGANIZATION

Ontario Amateur Wrestling Association (the "Association") is an Ontario corporation without share capital and is exempt from income taxes in Canada. The purpose of the Association is to promote and develop amateur wrestling in Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook, and include the following significant accounting policies:

Unrestricted net assets

The unrestricted assets accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Ontario Wrestler's Educational Trust Fund

The Ontario Wrestlers' Educational Trust Fund reports resources that are to be used for assistance of graduating high school athletes attending post-secondary institutes in Ontario with training and living expenses. Interest earned on resources of the Ontario Wrestlers' Educational Trust Fund is reported in the Ontario Wrestlers' Educational Trust Fund.

Revenue recognition

The Association follows the deferral fund method of accounting for contributions. 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 fees are set annually by the board of directors and are recognized as revenue proportionately over the fiscal year to which they relate. Fees received in advance are recorded in fees collected in advance and recognized into revenue during the appropriate period.

Revenue from fundraising programs is recorded as revenue when the event is held and when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants are recognized as revenue in the period received. Amounts received in relation to future expenses are recorded as deferred revenue.

Participant fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Certain services have been contributed to the Association to assist in its operations. Because of the difficulty of determining their fair value, these contributions are not recognized in the financial statements.

Contributed materials are recognized when fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

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 amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. The areas requiring significant estimates are the collectability of accounts receivable, accrued liabilities and deferred revenue.

Financial Instruments Measurement

The Association initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and fees collected in advance.

3. DEFERED REVENUE

	2017	2016
Balance, beginning of year	\$ 70,052	\$ 32,279
Less amount recognized as revenue in the year	(70,052)	(32,279)
Add amount received related to subsequent periods	59,972	70,052
Balance, end of year	\$ 59,972	\$ 70,052
Consists of :		
Deferred membership fees	\$ 59,972	\$ 39,611
Participant fees and other grants	-	30,441
	\$ 59,972	\$ 70,052

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017 AND 2016

4. EXTERNALLY RESTRICTED NET ASSETS

Operating Fund Restricted for Youth and Junior Programs consists of funds raised from bingo events which are restricted for youth and junior programs.

5. INTERNALLY RESTRICTED RESERVE FUND

At the November 7, 1998 meeting, the board of directors of the Association passed a motion that the Association establish a cash reserve fund in the event that the Association fell upon financial hardship significant enough that would cause the Association to disband.

6. EDUCATIONAL TRUST FUND AND PROGRAM FUNDING RESERVE FUND

The internally restricted amounts for the Ontario Wrestlers' Educational Trust Fund and Program Funding Reserve Fund are not available for unrestricted purposes without approval of the board of directors.

7. RELATED PARTY TRANSACTIONS

During the year, several members of the board of directors and management provided services to the Association to assist in its operations. As a result, the Association recorded an expense of \$36,180 (2016 - \$13,093) for their services, out of which \$2,346 was payable as at March 31, 2017 (2016 - \$NIL). The Association also recorded contributions of \$20,875 (2016 - \$12,695), out of which \$NIL was receivable as at March 31, 2017 (2016 - \$NIL). The transactions were in the normal course of operations and were measured at the exchange amount.

8. FINANCIAL INSTRUMENTS

Risk Management Policy

The Association is exposed to various risks through its financial instruments. The following analysis provides the Association's exposures to significant risk at the reporting date, March 31, 2017.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk with respect to accounts receivable and grants receivable.

Liquidity risk

The Association is exposed to liquidity risk in that the Association will not have sufficient cash resources to meet its financial obligations as they come due in the normal course of business. The Association manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available.