

**ONTARIO AMATEUR WRESTLING  
ASSOCIATION**

**FINANCIAL STATEMENTS  
MARCH 31, 2016**

# ONTARIO AMATEUR WRESTLING ASSOCIATION

MARCH 31, 2016

## CONTENTS

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	Page
<b>AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Changes in Net Assets (Deficit)	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 9

## 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, 2016 and the statements of operations, changes in net assets (deficit) 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 (deficit).

### **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, 2016, its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**June 11, 2016**  
**Markham, Ontario**

**Kreston GTA LLP**  
**Licensed Public Accountants**

# ONTARIO AMATEUR WRESTLING ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	2016	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 195,395	\$ 102,097
Accounts receivable	15,382	17,899
Prepaid expenses	9,799	7,533
	<u>\$ 220,576</u>	<u>\$ 127,529</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 21,902	\$ 29,151
Government remittances payable	1,652	2,920
Membership fees collected in advance (Note 3)	39,611	32,279
Deferred program revenue	30,441	-
	<u>93,606</u>	<u>64,350</u>
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted net deficit	29,918	(34,925)
Externally restricted for youth and junior programs (Note 4)	23,995	25,035
Internally restricted reserve fund (Note 5)	44,508	44,403
Ontario wrestlers' education trust fund (Note 6)	28,549	28,666
	<u>126,970</u>	<u>63,179</u>
	<u>\$ 220,576</u>	<u>\$ 127,529</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 (DEFICIT)**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	Unrestricted	Net assets restricted for youth and junior programs (Note 4)	Internally restricted reserve fund (Note 5)	Ontario wrestlers' educational trust fund (Note 6)	2016	2015
<b>BALANCE, BEGINNING OF YEAR</b>	\$ (34,925)	\$25,035	\$44,403	\$ 28,666	\$ 63,179	\$ 69,303
Excess (deficiency) of revenue over expenses	64,843	(1,040)	105	(117)	63,791	(6,124)
<b>BALANCE, END OF YEAR</b>	\$ 29,918	\$ 23,995	\$ 44,508	\$ 28,549	\$ 126,970	\$ 63,179

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

# ONTARIO AMATEUR WRESTLING ASSOCIATION

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
<b>REVENUES</b>		
Contributions	\$ 196,659	\$ 278,644
Membership fees	87,567	75,470
Fundraising programs	55,537	58,876
Grants from Ontario Ministry of Culture, Tourism, and Sport	131,999	79,629
Interest and miscellaneous income	-	1,652
Participant fees and other grants	153,315	118,259
	<b>625,077</b>	<b>612,530</b>
<b>EXPENSES</b>		
Office and general	13,889	17,356
WCL, insurance and other fees	60,987	45,552
Salaries and wages	92,342	91,494
Executive planning meetings	25,043	25,502
Competitor development	131,733	110,613
Human resource development	5,080	5,623
National training centres	-	28,115
Membership service costs	3,250	2,525
Fundraising programs	13,365	13,608
Contributions	167,133	260,759
Staff and executive travel	5,059	5,022
Competitor development - travel	42,329	11,556
Interest and bank charges	1,076	929
	<b>561,286</b>	<b>618,654</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 63,791</b>	<b>\$ (6,124)</b>

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, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of revenue over expenses	\$ 63,791	\$ (6,124)
Changes in components of non-cash working capital items:		
Accounts receivable	2,518	16,515
Prepaid expenses and other assets	(2,267)	10,180
Accounts payable and accrued liabilities	(7,249)	186
Government remittances payable	(1,268)	1,247
Fees collected in advance	7,332	1,998
Deferred program revenue	30,441	-
	<b>29,507</b>	<b>30,126</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>93,298</b>	<b>24,002</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>102,097</b>	<b>78,095</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 195,395</b>	<b>\$ 102,097</b>

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

# ONTARIO AMATEUR WRESTLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016 AND 2015

### 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, 2016 AND 2015

### 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 and accrued liabilities.

#### 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. MEMBERSHIP FEES COLLECTED IN ADVANCE

	2016	2015
Balance, beginning of year	\$ 32,279	\$ 30,280
Less amount recognized as revenue in the year	(32,279)	(30,280)
Add amount received related to subsequent periods	39,611	32,279
Balance, end of year	\$ 39,611	\$ 32,279
Consists of :		
Deferred membership fees	\$ 39,611	\$ 32,279
	\$ 39,611	\$ 32,279

### 4. EXTERNALLY RESTRICTED NET ASSETS

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

# ONTARIO AMATEUR WRESTLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016 AND 2015

### 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. As at March 31, 2016, the balance in this reserve fund is set at \$44,508 (2015 - \$44,403).

### 6. INTERNALLY RESTRICTED NET ASSETS

The internally restricted amounts for the Ontario Wrestlers' Educational Trust 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 \$13,093 (2015 - \$18,134) for their services, out of which \$NIL was payable as at March 31, 2016 (2015 - \$NIL). The Association also recorded contributions of \$12,695 (2015 - \$16,605), out of which \$NIL was receivable as at March 31, 2016 (2015 - \$NIL). The transactions were in the normal course of operations and were measured at the exchange amount.

### 8. COMMITMENT

The Association has a commitment for a premises lease until June 30, 2016. The minimum lease payments up to this period are \$2,962.

### 9. 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, 2016.

#### 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.

# **ONTARIO AMATEUR WRESTLING ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016 AND 2015**

### **9. FINANCIAL INSTRUMENTS (Continued)**

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.

### **10. COMPARATIVE FIGURES**

Certain figures in the 2015 financial statements have been restated to conform with the basis of presentation used in 2016.