

**ONTARIO AMATEUR WRESTLING
ASSOCIATION**

**FINANCIAL STATEMENTS
MARCH 31, 2019**

Draft

ONTARIO AMATEUR WRESTLING ASSOCIATION

MARCH 31, 2019

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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, 2019 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, 2019, its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

June 8, 2019
Markham, Ontario

Kreston GTA LLP
Licensed Public Accountants

ONTARIO AMATEUR WRESTLING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 387,229	\$ 342,982
Accounts receivable	23,767	29,805
Prepaid expenses	19,604	27,152
	\$ 430,600	\$ 399,939
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 89,433	\$ 79,288
Government remittances payable	646	1,720
Deferred membership revenue	79,518	85,336
	169,597	166,344
NET ASSETS		
Unrestricted net assets	70,016	83,962
Externally restricted for youth and junior programs (Note 3)	43,839	25,527
Internally restricted reserve fund (Note 4)	45,675	45,120
Ontario wrestlers' educational trust fund (Note 5)	28,423	28,611
Ontario wrestlers' program funding reserve fund (Note 5)	73,050	50,375
	261,003	233,595
	\$ 430,600	\$ 399,939

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, 2019

	Unrestricted	Net assets restricted for youth and junior programs (Note 3)	Internally restricted reserve fund (Note 4)	Ontario wrestlers' educational trust fund (Note 5)	Ontario wrestlers' program funding reserve fund (Note 5)	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 83,962	\$ 25,527	\$ 45,120	\$ 28,611	\$ 50,375	\$ 233,595	\$ 152,797
Excess of revenue over expenses	(13,946)	18,312	555	(188)	22,675	27,408	80,798
BALANCE, END OF YEAR	\$ 70,016	\$ 43,839	\$ 45,675	\$ 28,423	\$ 73,050	\$ 261,003	\$ 233,595

ONTARIO AMATEUR WRESTLING ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUES		
Contributions	\$ 122,444	\$ 348,192
Membership fees	114,945	113,195
Fundraising programs	114,666	152,622
Grants from Ontario Ministry of Culture, Tourism, and Sport	146,635	154,293
Interest and miscellaneous income	6,823	12,572
Participant fees and other grants	120,662	111,672
	626,175	892,546
EXPENSES		
Contributions	119,236	327,886
Competitor development	117,297	158,114
Salaries and wages	92,158	93,009
Wrestling Canada Lutte, insurance and other fees	99,016	54,491
Competitor development - travel	30,890	9,681
Executive planning meetings	15,394	19,259
Office and general	19,015	19,814
Fundraising programs	79,033	114,759
Human resource development	15,944	4,476
Staff and executive travel	5,216	5,373
Membership service costs	4,500	3,750
Interest and bank charges	1,068	1,136
	598,767	811,748
EXCESS OF REVENUE OVER EXPENSES	\$ 27,408	\$ 80,798

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, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 27,408	\$ 80,798
Changes in components of non-cash working capital items:		
Accounts receivable	6,038	2,041
Prepaid expenses and other assets	7,550	(20,708)
Accounts payable and accrued liabilities	10,143	33,309
Government remittances payable	(1,074)	(2,813)
Deferred membership revenue	(5,818)	2,475
	16,839	14,304
CASH PROVIDED BY OPERATING ACTIVITIES	44,247	95,102
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	342,982	247,880
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 387,229	\$ 342,982

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

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

1. 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:

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments which are readily convertible to cash. Cash and cash equivalents are stated at fair market value.

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.

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

4. 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.

5. 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.

6. 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 \$4,271 (2018 - \$19,756) for their services, out of which \$NIL was payable as at March 31, 2019 (2018 - \$2,346). The Association also recorded contributions of \$Nil (2018 - \$23,150), out of which \$NIL was receivable as at March 31, 2019 (2018 - \$NIL). The transactions were in the normal course of operations and were measured at the exchange amount.

ONTARIO AMATEUR WRESTLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

7. 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, 2019.

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.

8. CONTINGENCIES

In December 2018, the Association and one of its staff members were named in a complaint by Wrestling Canada Lutte. The complaint pertains to a claim that the Association and its staff member did not follow the Association's Complaint Policy. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the consolidated financial statements.

In March 2017, a former member initiated an action against the Association for damages for economic and non-economic losses pursuant to the Insurance Act and Family Law Act. This action is covered by the Associations liability insurance and no economic impact is expected.