

ONTARIO MASTERS ATHLETICS

FINANCIAL STATEMENTS

DECEMBER 31, 2018

ORMSBY & CO

ONTARIO MASTERS ATHLETICS

(Incorporated in the Province of Ontario, August 27, 1997)

President

Doug Smith

Head Office

3701 Danforth Ave
Toronto, ON

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To The Members Of
Ontario Masters Athletics.:

I have reviewed the accompanying financial statements of Ontario Masters Athletics. that comprise the balance sheet as at December 31, 2018, and the statements of income, retained earnings 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 private enterprises, 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Ontario Masters Athletics. as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for

Comparative Information

Without modifying our conclusion, I draw your attention to Note 6, to the financial statements, which describes that the Ontario Masters Athletics, adopted the Canadian Accounting Standards for Not-for-Profit Organizations on January 1, 2018 with a transition date of January 1, 2017. These standards were applied retrospectively by management to the comparative information in these financial statements including the balance sheet as at December 31, 2017 and January 1, 2017 and the statements of income and fund balance for the year ended December 31, 2017 and related disclosures. We were not engaged to report on the restated comparative information and as such it is neither audited nor reviewed.



ORMSBY & Co.

Chartered Professional Accountants
Licensed Public Accountant

Mississauga, Ontario
February 20, 2019

ONTARIO MASTERS ATHLETICS

BALANCE SHEET

AS AT DECEMBER 31, 2018

(with comparative amounts as at December 31, 2017)

	<u>Dec 31 2018</u>	<u>Dec 31 2017</u>
ASSETS		
CURRENT ASSETS		
Cash In Bank	28,910	32,906
Prepaid Expenses	10,920	2,207
Inventory (Note 2)	<u>1,228</u>	<u>3,107</u>
	41,058	38,220
PROPERTY & EQUIPMENT (Note 3)	<u>70,744</u>	<u>70,377</u>
	<u>111,802</u>	<u>108,597</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Accrued Liabilities	<u>1,817</u>	<u>328</u>
FUND BALANCES		
OPERATING FUND	82,701	83,179
TO2020 RESERVE FUND	<u>27,284</u>	<u>25,090</u>
	<u>109,985</u>	<u>108,269</u>
	<u>111,802</u>	<u>108,597</u>

Approved By The Board:

_____ President _____ Treasurer

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ONTARIO MASTERS ATHLETICS

STATEMENT OF OPERATING REVENUE & EXPENDITURE & FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2018
 (with comparative amounts for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
REVENUE		
Memberships	34,870	35,600
Rentals	1,450	-
Sales	295	415
Interest	144	80
Event Revenue - Schedule I	<u>60,490</u>	<u>141,144</u>
	<u>97,249</u>	<u>177,239</u>
 EXPENDITURE		
Advertising & Promotional	2,525	8,389
Amortization	7,427	-
Athletic Ontario	22,240	23,650
Awards	2,327	1,687
Communications	136	936
Equipment	305	1,564
Insurance	1,380	1,380
Office & General	2,136	3,440
Professional Fees	1,582	-
Storage	2,895	1,252
Event Expenses - Schedule I	<u>52,580</u>	<u>114,402</u>
	<u>95,533</u>	<u>156,700</u>
 EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	 1,716	 20,539
 OPERATING FUND BALANCE - Beginning Of The Year	 83,179	 60,860
 TRANSFER (To)/From TO2020 RESERVE FUND	 <u>(2,194)</u>	 <u>1,780</u>
 OPERATING FUND BALANCE - End Of The Year	 <u>82,701</u>	 <u>83,179</u>

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ONTARIO MASTERS ATHLETICS

STATEMENT OF TO2020 RESERVE FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2018

(with comparative amounts for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
TO2020 RESERVE FUND BALANCE - Beginning Of The Year	25,090	26,870
TRANSFER (To)/From OPERATING FUND	<u>2,194</u>	<u>(1,780)</u>
TO2020 RESERVE FUND BALANCE - End Of The Year	<u><u>27,284</u></u>	<u><u>25,090</u></u>

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ONTARIO MASTERS ATHLETICS

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2018
(with comparative amounts for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash Provided By (Used In) Operating Activities:		
Net Income For The Year	1,716	20,539
Items Not Affecting Working Capital		
Amortization	7,427	-
	<u>9,143</u>	<u>20,539</u>
Net Change in Non-Cash Working Capital Balances Related to Operations:		
Change In Accounts Receivable	-	68
Increase In Inventory	1,879	(5,811)
Increase In Prepaid Expenses	(8,713)	(3,774)
Increase In Accounts Payable and Accrued Liabilities	1,489	(865)
	<u>3,798</u>	<u>10,157</u>
INVESTING ACTIVITIES		
Cash Provided By (Used In) Financing Activities		
Purchase of Equipment	(7,794)	(70,377)
	<u>(7,794)</u>	<u>(70,377)</u>
DECREASE IN CASH	(3,996)	(60,220)
BANK - Beginning Of The Year	<u>32,906</u>	<u>93,126</u>
BANK - End Of The Year	<u><u>28,910</u></u>	<u><u>32,906</u></u>

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ONTARIO MASTERS ATHLETICS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. PURPOSE OF THE ORGANIZATION

Ontario Masters Athletics was incorporated without share capital under the laws of Ontario, on August 27, 1997. The association was established for the support of athletics for Ontario residents who are thirty years of age or older. The corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principals.

Operating Fund - Consists of memberships, events and other revenues and expenses related to the day to day operations of the Organization (Unrestricted)

TO2020 Reserve Fund - In 2015, Toronto was awarded the right to host the 2020 World Masters Championship meet. As part of hosting the Ontario Masters Athletics has set aside the equivalent of US \$20,000, adjusted annually, in the event that the World Masters Athletics requirements are not met. (Internally Restricted)

Revenue

Membership revenues are recognized for the year to which they apply. Event revenues are recognized in the year the event occurs. Sales are recognized as they earned Sponsorships and grant revenues are recognized over the term of related agreements.

Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in first-out cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Property & Equipment/Amortization

Property & Equipment are recorded at cost. Amortization of property and equipment is calculated based on the estimated useful life of the assets using the following method and rate:

<u>Straight Line</u>	<u>Rate</u>
Measuring & Photo Timing Equipment	10 yrs

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of their revenues and expenses during the reporting period. Actual results could differ from those estimates.

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ONTARIO MASTERS ATHLETICS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES cont.

Financial Instruments

i) Measurement

Ontario Masters Athletics, initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Ontario Masters Athletics, subsequently measures all its financial assets and liabilities at amortized cost, except for investments that are quoted in an active market. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash, accounts receivable, and prepaid expenses. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and deferred revenue. Financial assets measured at fair market value include short term investments.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment. If there are indications of impairment, Ontario Masters Athletics, determines whether a significant adverse change has occurred.

- a) the present value of the expected cash flows to be generated by the assets;
- b) the amount that could be realized by selling the assets;
- c) the net realizable value of any collateral held to secure repayment of the assets.

When events occurring after the impairment confirm that a reversal is required, the reversal is recognized in net income, up to the amount of the previously recognized impairment.

3. PROPERTY & EQUIPMENT

	2018		2017
	Cost	Accumulated Amortization	Net Book Value
Measuring & Photo Timing Equipment	<u>78,171</u>	<u>7,427</u>	<u>70,744</u>
	<u>78,171</u>	<u>7,427</u>	<u>70,744</u>

4. COMMITMENTS

On November 6, 2018 Ontario Masters Athletics entered into an agreement with Athletics Ontario to undertake many of the administrative and operational requirements of the Ontario Masters Athletics, including permitting, managing of events, use of office and storage space, and other services. The agreement calls for annual support of \$20,000 for Athletics Ontario from Ontario Masters Athletics in 2019.

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ONTARIO MASTERS ATHLETICS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

5. FINANCIAL INSTRUMENTS

Risk Management Policy

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at December 31, 2018.

Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow due to changes in market interest rates. The company is exposed to this risk through its variable rate demand loan as described in Notes 5 and 6.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its obligation as they become due. The company is exposed to this risk mainly in respect to its accounts payable and its long term debt. The company expects to meet these obligations as they come due by generating cash flow from operations.

6. CHANGE IN THE BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Part III of the CiCA Handbook. Ontario Masters Athletics adopted Part III on January 1, 2018, with a transition date of January 1, 2017.

As these are the first financial statements for which Ontario Masters Athletics has applied Part III, they have been prepared in accordance with the provisions as set out in Section 1501, of Part III, First Time Adoption by Not-For-Profit Organizations.

Ontario Masters Athletics is required to apply Part III, effective for periods ending on December 31 2018 in:

- a) preparing and presenting its opening balance sheet as at January 1, 2017;
- b) preparing and presenting its statement of revenue and expenditure, and accumulated excess of revenue for the year ended December 31, 2018, including comparative amounts for the year ended December 31, 2017.

Ontario Masters Athletics' transition to the new ASNPO's has had no impact on the Fund Balances as at January 1, 2017, or the income statement of revenue, expenditure and accumulated excess of revenue, or cash flows for the year ended December 31, 2016. Therefore there are no reconciliations to present under Section 1501, First time adoption for not for profit organizations.

ONTARIO MASTERS ATHLETICS

Schedule I

SCHEDULES OF EVENTS REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2018

	Mini Meet 1/7/18	Mini Meet 1/21/18	Mini Meet 2/11/18	Indoor Champ.	Outdoor Champ.	XC 5K		XC 8K Sunnybrook	XC 5K King City	CMA Indoor	Road Race	Farquharson Mem XC	Total 2018
						Taylor Creek							
REVENUE													
Entry Fees	4,594	5,075	5,138	7,602	14,590	1,950	2,645	1,080	15,522	-	2,294	60,490	
	<u>4,594</u>	<u>5,075</u>	<u>5,138</u>	<u>7,602</u>	<u>14,590</u>	<u>1,950</u>	<u>2,645</u>	<u>1,080</u>	<u>15,522</u>	<u>-</u>	<u>2,294</u>	<u>60,490</u>	
EXPENDITURE													
Admin & General	166	117	86	86	276	97	226	-	267	-	373	1,694	
Awards	-	-	-	1,377	4,862	158	71	-	3,955	3,156	234	13,813	
Medical Services	311	337	337	400	737	226	226	-	1,803	-	226	4,603	
Officials	1,110	1,100	1,080	1,535	3,708	-	-	-	3,190	-	-	11,723	
Rent - Facility	1,155	1,155	1,155	1,076	7,708	337	144	-	2,252	-	144	15,126	
Saction Fee	-	-	-	-	-	-	-	-	150	-	-	300	
Supplies	-	-	-	786	2,076	100	159	-	2,100	-	100	5,321	
	<u>2,742</u>	<u>2,709</u>	<u>2,658</u>	<u>5,260</u>	<u>19,367</u>	<u>918</u>	<u>826</u>	<u>-</u>	<u>13,717</u>	<u>3,156</u>	<u>1,227</u>	<u>52,580</u>	
NET EXCESS OF EXPENSE	<u>1,852</u>	<u>2,366</u>	<u>2,480</u>	<u>2,342</u>	<u>(4,777)</u>	<u>1,032</u>	<u>1,819</u>	<u>1,080</u>	<u>1,805</u>	<u>(3,156)</u>	<u>1,067</u>	<u>7,910</u>	

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