

FINANCIAL STATEMENTS
For
ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION
For year ended
MARCH 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the directors of

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

We have audited the accompanying financial statements of Ontario Cerebral Palsy Sports Association, which comprise of the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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.

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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 similar charitable organizations, the Association derives revenue from fundraising activities and charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was 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 fundraising and donation revenue, net revenue and cash flows for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015 and net assets as at April 1, 2015 and 2014 and March 31, 2016 and 2015. The audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

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 Ontario Cerebral Palsy Sports Association as at March 31, 2016 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.

Other Matter

The financial statements of Ontario Cerebral Palsy Sports Association for the year ended March 31, 2015, were audited by another auditor who expressed a qualified opinion on those statements on September 28, 2015. The basis for qualified opinion was the same as that described above for the current year.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
August 22, 2016.

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 251,653	\$ 237,814
Short-term investments - note 4	150,000	-
Accounts receivable	19,344	20,268
Government remittances receivable	13,936	15,526
Inventories	16,116	19,239
Prepaid expenses	<u>5,393</u>	<u>3,813</u>
	\$ 456,442	\$ 296,660
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 47,524	\$ 66,300
Government remittances payable	1,576	1,952
Deferred revenue - note 5	<u>180</u>	<u>20,263</u>
	<u>49,280</u>	<u>88,515</u>
NET ASSETS		
Internally restricted - note 6	150,000	-
Unrestricted	<u>257,162</u>	<u>208,145</u>
	<u>407,162</u>	<u>208,145</u>
	\$ 456,442	\$ 296,660

Approved by the Board:

 Director

 Director

(See accompanying notes)

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Donations	\$ 612,365	\$ 420,002
Charitable programs:		
Competitions - note 7	59,307	50,821
Development - note 8	96,203	67,676
Memberships	2,740	2,800
Interest	1,115	713
Miscellaneous	<u>150</u>	<u>-</u>
	<u>771,880</u>	<u>542,012</u>
Expenses		
Fundraising	265,058	256,492
Charitable programs:		
Competitions - note 7	94,516	89,487
Development - note 8	167,849	136,010
Administrative	38,706	41,552
Professional fees	6,444	6,175
Memberships and dues	<u>290</u>	<u>259</u>
	<u>572,863</u>	<u>529,975</u>
Net revenue	<u>\$ 199,017</u>	<u>\$ 12,037</u>

(See accompanying notes)

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2016

	<u>Internally restricted</u>	<u>Unrestricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Balance, beginning of the year	\$ -	\$ 208,145	\$ 208,145	\$ 196,108
Net revenue	-	199,017	199,017	12,037
Interfund transfer	<u>150,000</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>
Balance, end of the year	<u>\$ 150,000</u>	<u>\$ 257,162</u>	<u>\$ 407,162</u>	<u>\$ 208,145</u>

(See accompanying notes)

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net revenue	\$ 199,017	\$ 12,037
Adjustments for:		
Amortization	<u>-</u>	<u>8,296</u>
	199,017	20,333
Changes in non-cash working capital components:		
Accounts receivable	924	9,455
Government remittances receivable	1,590	-
Inventories	3,123	(5,437)
Prepaid expenses	(1,580)	-
Accounts payable and accrued liabilities	(18,776)	32,322
Government remittances payable	(376)	-
Deferred revenue	<u>(20,083)</u>	<u>19,193</u>
	<u>163,839</u>	<u>75,866</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of short-term investments	<u>(150,000)</u>	<u>-</u>
INCREASE IN CASH	13,839	75,866
CASH AT BEGINNING OF YEAR	<u>237,814</u>	<u>161,948</u>
CASH AT END OF YEAR	\$ <u>251,653</u>	\$ <u>237,814</u>

(See accompanying notes)

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

1. NATURE OF OPERATIONS

Ontario Cerebral Palsy Sports Association (OCPSA) believes in the value of sport and that sport builds success in all aspects of life. It provides, promotes and coordinates competitive opportunities as well as encourages individual excellence through sport for athletes within the cerebral palsy family. To that end, OCPSA recruits, develops and supports athletes, coaches and volunteers.

OCPSA envisions a future where athletes with disabilities are an integral part of the sporting realm. In an ever-changing environment, OCPSA is committed to treating members and partners with integrity and respect, increasing public awareness and advocating for equal opportunity in sport.

The Association is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Association is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Boccia equipment sales are recognized when title of the goods has passed to the customer. Recognition of any revenue is subject to the provision that ultimate collection is assured.

Athlete assessments, project cost recoveries and registrations are recognized when the related event occurs and collection is reasonably assured.

Membership fees are recognized as revenue proportionately over the year to which they relate.

Investments

Short-term investments are measured at fair value and changes in fair value are recognized in the statement of operations.

Inventory

Inventory is valued at the lower of cost and net realizable value. The cost is determined on a weighted average basis.

Capital assets

Capital assets are stated at acquisition cost less accumulated amortization. Amortization is provided at the following methods and annual rates:

Sports equipment	10 years straight-line basis
Furniture and fixtures	10 years straight-line basis
Computer equipment	2 years straight-line basis

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Contributed materials and services

Contributed materials and services which are used in the normal course of operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management makes accounting estimates in the determination of the potentially uncollectible accounts receivable, in the valuation of the Association's inventory and in the estimation of the Association's significant accrued liabilities.

By their nature, these estimates are subject to uncertainty and the impact on the financial statements of the current and future years could be material.

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures its financial assets and liabilities at amortized cost, except for investments which are measured at fair value.

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments.

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association's maximum exposure to credit risk represents the sum of the carrying value of its cash, short-term investments and accounts receivable.

The Association's cash and short-term investments are deposited with a Chartered Canadian bank. As a result management believes the risk of loss on these items to be remote.

The Association manages its credit risk by reviewing accounts receivable on a continuous basis and follows up on outstanding amounts. Management believes that all accounts receivable at year end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

3. **FINANCIAL INSTRUMENTS - Cont'd.**

Liquidity risk

Liquidity risk is the risk that the Association cannot meet its demand for cash or fund its obligations as they become due. The Association meets its liquidity requirements by preparing and monitoring forecasts of cash flow from operations, anticipating investment activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

i) Currency risk

The Association transacts primarily in Canadian dollars and as a result the Association is not subject to significant currency risk.

ii) Interest rate risk

The Association is exposed to interest rate risks that arise from fluctuations in interest rates. The Association's fixed income investments results in an exposure to interest rate movements.

iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk.

Changes in risks

There have been no significant changes in the Association's risk exposures from the prior year.

4. **SHORT-TERM INVESTMENTS**

	<u>2016</u>	<u>2015</u>
ING Business Guaranteed Investment Certificate - 1% interest rate, matures January 12, 2017	<u>\$ 150,000</u>	<u>\$ -</u>

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2016

5. DEFERRED REVENUE

Deferred revenue represents funds received in the current year to cover operating expenses in the subsequent year. The variations in the balance of deferred revenue is as follows:

	<u>2016</u>	<u>2015</u>
Balance - beginning of the year	\$ 20,263	\$ 1,070
Less: amounts recognized as revenue in the year	(20,263)	(1,070)
Add: amounts received for the subsequent year	<u>180</u>	<u>20,263</u>
 Balance - end of the year	 \$ <u>180</u>	 \$ <u>20,263</u>

6. INTERNALLY RESTRICTED

This fund, which represents the amounts bequeathed to the Association by the Late Thomas Weatherall, has been internally restricted. The purpose of the restriction and the use of the funds will be determined at a later date by the Board of Directors once the full amount of the bequest is determined and received.

7. COMPETITIONS

	<u>2016</u>	<u>2015</u>
Revenues		
MTCS Base Funding	\$ 30,148	\$ 30,148
Athletics National Championships	13,841	7,993
Boccia Nationals	6,400	3,850
Ontario ParaSport Summer Games	6,032	2,070
Ontario Boccia Championships - Host	2,886	2,960
Quest for Gold - Coaches development	<u>-</u>	<u>3,800</u>
	\$ <u>59,307</u>	\$ <u>50,821</u>
 Expenses		
Athletics National Championship	\$ 28,254	\$ 18,082
Boccia Nationals	26,238	17,061
Staff	23,659	24,150
Ontario Boccia Championships - Host	7,866	18,126
Ontario ParaSport Summer Games	6,032	4,740
Ontario Para-Athletics Championships	1,967	3,528
National Para Challenge	500	-
Quest for Gold - Coaches development	<u>-</u>	<u>3,800</u>
	\$ <u>94,516</u>	\$ <u>89,487</u>

ONTARIO CEREBRAL PALSY SPORTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2016

8. DEVELOPMENT

	<u>2016</u>	<u>2015</u>
Revenues		
MTCS - Revitalization Project	\$ 40,810	\$ 28,945
Athletics training camp	22,569	14,863
Boccia equipment sales	18,824	18,668
Main Even Sport Club - GoodLife Kids	10,000	-
CCPSA Provincial Development Program	3,000	3,000
Other	1,000	-
Coaches development grants	<u>-</u>	<u>2,200</u>
	<u>\$ 96,203</u>	<u>\$ 67,676</u>
Expenses		
MTCS - Revitalization Project	\$ 52,475	\$ 28,945
Athletics training camp	45,425	39,968
Staff	23,659	24,150
Boccia equipment sales	12,317	16,771
Main Even Sport Club - GoodLife Kids	10,000	-
Boccia training camp	5,208	6,167
Boccia Blast	4,786	7,438
Association meetings	4,358	3,667
CCPSA Provincial Development Program	3,000	3,871
Coaches development	2,257	2,200
Community outreach and club development	2,184	1,942
Website	<u>2,180</u>	<u>891</u>
	<u>\$ 167,849</u>	<u>\$ 136,010</u>

9. COMPARATIVE FIGURES

Comparative figures have been audited by another auditor.

Comparative figures have been reclassified to reflect the financial statement presentation adopted in the current year.