

ONTARIO FOOTBALL ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

ONTARIO FOOTBALL ALLIANCE
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YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Ontario Football Alliance

We have reviewed the accompanying financial statements of Ontario Football Alliance that comprise the statement of financial position as at December 31, 2018 and the statements of changes in net assets, revenue and expenditures - general fund 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the 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, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ontario Football Alliance 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 not for profit organizations.

Guelph, Ontario
May 30, 2019

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO FOOTBALL ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 118,620	\$ 151,807
Restricted fund investment 50/50 draw (note 4)	15,913	15,913
Accounts receivable	7,050	0
Prepaid expenses	<u>96,097</u>	<u>36,636</u>
	237,680	204,356
CAPITAL ASSETS (note 5)	<u>15,462</u>	<u>9,624</u>
	<u>\$ 253,142</u>	<u>\$ 213,980</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 9)	\$ 7,259	\$ 56,822
Deferred grant revenue (note 8)	31,250	31,250
Deferred membership fees	<u>26,300</u>	<u>0</u>
	<u>64,809</u>	<u>88,072</u>
NET ASSETS		
Externally restricted fund	15,913	15,913
General fund	<u>172,420</u>	<u>109,995</u>
	<u>188,333</u>	<u>125,908</u>
	<u>\$ 253,142</u>	<u>\$ 213,980</u>

ONTARIO FOOTBALL ALLIANCE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

	EXTERNALLY RESTRICTED FUND	GENERAL FUND (UNRESTRICTED)	2018 TOTAL	2017 TOTAL
NET ASSETS, beginning of year	\$ 15,913	\$ 109,995	\$ 125,908	\$ 81,658
EXCESS OF REVENUE OVER EXPENDITURES for the year	<u>0</u>	<u>62,425</u>	<u>62,425</u>	<u>44,250</u>
NET ASSETS, end of year	<u>\$ 15,913</u>	<u>\$ 172,420</u>	<u>\$ 188,333</u>	<u>\$ 125,908</u>

ONTARIO FOOTBALL ALLIANCE**STATEMENT OF REVENUE AND EXPENDITURES - GENERAL FUND****FOR THE YEAR ENDED DECEMBER 31, 2018**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
REVENUE		
Membership fees	\$ 401,050	\$ 286,274
Team Ontario membership fees	260,226	302,840
Government grant	125,000	129,261
Coaching and training	22,287	56,087
2017 membership fees	20,118	0
Other	<u>0</u>	<u>250</u>
	<u>828,681</u>	<u>774,712</u>
EXPENDITURES		
Team Ontario	357,943	335,340
Salaries	206,106	143,835
Insurance	86,436	98,880
Coaching and training	37,374	46,365
Office	18,733	21,130
Website	17,268	15,000
Professional fees	12,186	9,377
Rent	9,606	10,419
Telephone	6,099	6,256
Advertising	4,265	4,507
Amortization	3,299	2,576
Flag football expenses	2,941	19,700
Directors	2,658	5,400
Interest and bank charges	1,342	3,745
Programs and grant	0	5,650
Bad debts	<u>0</u>	<u>2,282</u>
	<u>766,256</u>	<u>730,462</u>
EXCESS OF REVENUE OVER EXPENDITURES for the year	<u>\$ 62,425</u>	<u>\$ 44,250</u>

ONTARIO FOOTBALL ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures - general fund, for the year	\$ 62,425	\$ 44,250
Items not requiring an outlay of cash		
Amortization	<u>3,299</u>	<u>2,576</u>
	65,724	46,826
Changes in non-cash working capital		
Accounts receivable	(7,050)	0
Deferred membership fees	26,300	0
Prepaid expenses	(59,461)	23,927
Accounts payable and accrued liabilities	(49,563)	(20,013)
Deferred grant revenue	<u>0</u>	<u>(29,260)</u>
	<u>(24,050)</u>	<u>21,480</u>
CASH USED IN INVESTING ACTIVITIES		
Additions to capital assets	<u>(9,137)</u>	<u>(1,966)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(33,187)	19,514
CASH, beginning of year	<u>151,807</u>	<u>132,293</u>
CASH, end of year	<u>\$ 118,620</u>	<u>\$ 151,807</u>

ONTARIO FOOTBALL ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

1. NATURE OF ORGANIZATION

The organization is a not for profit provincial sport organization incorporated without share capital. Letters patent were issued May 23, 2006. The organization's goal is to develop football in Ontario by providing programs to improve the game through participation and mandates developed by its membership.

The organization is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) **BASIS OF ACCOUNTING**

The organization follows the restricted fund method of accounting for contributions.

General fund

The general fund reports resources available for the organization's general operating activities.

Externally restricted fund

The restricted fund reports resources that are externally restricted and are to be expended in accordance with the external restrictions placed on them. Eligible expenditures comprise charges that will benefit the team overall as opposed to any one individual team member.

(b) **CAPITAL ASSETS**

Amortization is taken on assets at the following rates:

Equipment	- 20% declining balance basis
Computer hardware	- 50% declining balance basis

(c) **IMPAIRMENT OF LONG LIVED ASSETS**

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(d) **REVENUE RECOGNITION**

Revenue is recognized when earned, if the amount can be reasonably estimated and collection is reasonably assured.

Government grant contributions are recognized in the period the related expenditures occur.

ONTARIO FOOTBALL ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(f) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted fund investment 50/50 draw and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in the statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenditures.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 compared to the previous period.

ONTARIO FOOTBALL ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's Review Engagement Report)

4. RESTRICTED FUND INVESTMENT 50/50 DRAW

The investment consists of a guaranteed investment certificate with interest at 1.00%, due May 4, 2019.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Equipment	\$ 32,158	\$ 17,465	\$ 14,693	\$ 8,087
Computer hardware	<u>10,226</u>	<u>9,457</u>	<u>769</u>	<u>1,537</u>
	<u>\$ 42,384</u>	<u>\$ 26,922</u>	<u>\$ 15,462</u>	<u>\$ 9,624</u>

6. LEASE OBLIGATIONS

The organization leases its premises expiring in 2020. Future annual minimum lease payments are as follows:

2019	\$ 6,334
2020	<u>6,334</u>
	<u>\$ 12,668</u>

7. CONTRIBUTED SERVICES AND DONATIONS IN KIND

During the year, a number of volunteers may contribute a significant amount of their time and the organization may receive donated materials and supplies. Because of the difficulty in determining the fair value, contributed services and donations in kind are not recorded in the financial statements.

8. DEFERRED GRANT REVENUE

Deferred government grant revenue consists of the unexpended portion of government grant revenue received in the current year relating to future periods less related expenditures as follows:

	2018	2017
Deferred grant revenue, beginning of the year	\$ 31,250	\$ 60,510
Advances received	31,250	31,250
Expenditures paid	<u>(31,250)</u>	<u>(60,510)</u>
	<u>\$ 31,250</u>	<u>\$ 31,250</u>

9. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities is government remittances in the amount of \$3,795 (2017 - \$0).