

**ONTARIO SAILING ASSOCIATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

**Hilborn Ellis Grant** LLP  
Chartered Accountants  
Toronto, Ontario





**Hilborn Ellis Grant** LLP  
Chartered Accountants

## **Auditors' Report**

To the Members of  
**Ontario Sailing Association**

We have audited the statement of financial position of **Ontario Sailing Association** as at March 31, 2010 and the statements of revenues and expenses - operating fund, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 and the results of its revenues and expenses and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Hilborn Ellis Grant LLP*

Toronto, Ontario  
June 18, 2010

Chartered Accountants  
Licensed Public Accountants



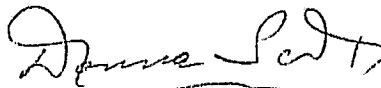
# ONTARIO SAILING ASSOCIATION

## Statement of Financial Position

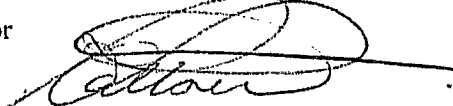
March 31	2010 \$	2009 \$
<b>ASSETS</b>		
Current assets		
Cash and short term investments	424,367	288,160
Accounts receivable	47,253	53,220
Inventory	9,073	9,695
Prepaid expenses	13,370	5,539
	<u>494,063</u>	<u>356,614</u>
Restricted investments (note 3)	32,318	-
Capital assets	<u>72,605</u>	<u>44,066</u>
	<u>598,986</u>	<u>400,680</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	52,714	49,660
Deferred revenue (note 4)	<u>278,416</u>	<u>214,396</u>
	<u>331,130</u>	<u>264,056</u>
<b>NET ASSETS</b>		
Net assets invested in capital assets	72,605	44,066
Unrestricted net assets	162,933	92,558
Net assets restricted for endowment funds (note 2(d))	<u>32,318</u>	<u>-</u>
	<u>267,856</u>	<u>136,624</u>
	<u>598,986</u>	<u>400,680</u>

Approved on behalf of the Board:

Director



Director



# ONTARIO SAILING ASSOCIATION

## Statement of Revenues and Expenses - Operating Fund

Year ended March 31	2010	2009
	\$	\$
<b>Revenues</b>		
Government funding (note 5)	280,807	256,660
Administration - membership fees	123,438	116,136
Administration - other	44,924	7,759
Self-reliance - product sales	48,433	72,689
Self-reliance - advertising and other	102,491	58,627
Leadership development - participant fees	164,608	161,166
Participation development - BOOM program	145,745	169,866
Sport environment	11,278	6,710
Athlete development	76,533	68,669
Regattas	22,105	26,092
Able sail	41,025	46,715
	<u>1,061,387</u>	<u>991,089</u>
<b>Expenses</b>		
Administration (schedule 1) (note 7)	122,190	111,344
Self-reliance (schedule 2)	124,493	129,729
Leadership development (schedule 3)	204,542	192,275
Participation development (schedule 4)	168,851	192,873
Sport environment	5,785	4,292
Athlete development (schedule 5)	269,738	262,868
Regattas	20,364	28,044
Able sail (schedule 6)	36,654	38,006
Access BOOM	9,856	7,690
	<u>962,473</u>	<u>967,121</u>
Excess of revenues over expenses, for year	<u>98,914</u>	<u>23,968</u>

**ONTARIO SAILING ASSOCIATION**

**Statement of Revenue and Expenses - Endowment Funds**

Year ended March 31

	<b>Hans Fogh Fund \$</b>	<b>Alice Boston Fund \$</b>	<b>2010 Total \$</b>	<b>2009 Total \$</b>
Revenues				
Contributions	20,748	11,570	32,318	-
Expenses	-	-	-	-
Excess of revenues over expenses	20,748	11,570	32,318	-

# ONTARIO SAILING ASSOCIATION

## Statement of Changes in Net Assets

Year ended March 31

	2010			
	Total	Invested in	Unrestricted	Endowment
	Capital Assets	Capital Assets	for	Funds
	\$	\$	Operations	\$
	\$	\$	\$	\$
Balance, beginning of year	136,624	44,066	92,558	-
Excess of revenues over expenses	131,232	-	98,914	32,318
Investment in capital assets	-	28,539	(28,539)	-
Balance, end of year	267,856	72,605	162,933	32,318

	2009			
	Total	Invested in	Unrestricted	Endowment
	Capital Assets	Capital Assets	for	Funds
	\$	\$	Operations	\$
	\$	\$	\$	\$
Balance, beginning of year	112,656	61,026	51,630	-
Excess of revenues over expenses	23,968	-	23,968	-
Investment in capital assets	-	(16,960)	16,960	-
Balance, end of year	136,624	44,066	92,558	-

# ONTARIO SAILING ASSOCIATION

## Statement of Cash Flows

Year ended March 31	2010 \$	2009 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	131,232	23,968
Item not affecting cash		
Amortization of capital assets	26,004	25,981
	<u>157,236</u>	<u>49,949</u>
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	5,967	(30,555)
Decrease (increase) in inventory	622	(3,305)
Decrease (increase) in prepaid expenses	(7,831)	11,670
Increase in accounts payable and accrued liabilities	3,054	11,397
Increase in deferred revenue	64,020	90,423
	<u>223,068</u>	<u>129,579</u>
Cash flows from investing activities		
Restricted investments	(32,318)	-
Additions to capital assets	(54,543)	(9,020)
	<u>(86,861)</u>	<u>(9,020)</u>
Increase in cash and short term investments	136,207	120,559
Cash and short term investments, beginning of year	288,160	167,601
Cash and short term investments, end of year	<u>424,367</u>	<u>288,160</u>

# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

Schedule of administration expenses	Schedule 1	
	2010	2009
	\$	\$
Salaries	89,902	86,412
Audit and bookkeeping	22,817	24,483
Communications	12,414	13,453
Insurance	2,084	3,276
Meetings	14,097	9,178
Facilities	4,990	5,296
Telephone	6,595	5,641
Other	22,136	18,173
Amortization	2,155	432
Administration expenses transferred to other program areas (note 7)	(55,000)	(55,000)
	<u>122,190</u>	<u>111,344</u>

Schedule of self-reliance expenses	Schedule 2	
	2010	2009
	\$	\$
Salaries	19,439	18,427
Product cost of goods sold	42,860	57,600
Sail Ontario newsletter	1,200	9,992
Facilities	2,700	3,217
Fundraising	38,694	27,230
Security and other	19,600	13,263
	<u>124,493</u>	<u>129,729</u>



# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

### Schedule of leadership development expenses

Schedule 3

	2010	2009
	\$	\$
Salaries	63,913	61,074
Instructor development program	88,566	77,120
Conferences and workshops	9,127	8,364
Insurance	2,184	3,276
Facilities	8,068	8,190
Other	2,684	4,251
Transfer of administration expenses (note 7)	30,000	30,000
	<u>204,542</u>	<u>192,275</u>

### Schedule of participation development expenses

Schedule 4

	2010	2009
	\$	\$
Salaries	88,687	90,168
Camp program	3,512	7,672
Travel	26,275	35,823
Boats and equipment	7,891	13,898
Promotion	1,346	1,941
Cruising registration program	11,787	12,133
Conferences and workshops	3,291	1,711
Insurance	4,284	5,224
Facilities	10,939	10,713
Amortization	10,839	13,590
	<u>168,851</u>	<u>192,873</u>

# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

### Schedule of athlete development expenses

### Schedule 5

	2010	2009
	\$	\$
Salaries	79,073	45,389
Ontario team	14,702	67
Canadian Youth Championships	250	2,656
Ontario Games	867	6,871
CORK - Youth Festival	-	1,401
Travel	42,387	70,491
Boats and Equipment	11,735	7,796
Insurance	1,000	1,026
Facilities	12,267	8,458
Amortization	7,199	9,473
Active 2010 training centres	63,049	70,401
Other	12,209	13,839
Transfer of administration expenses (note 7)	25,000	25,000
	<u>269,738</u>	<u>262,868</u>

### Schedule of able sail expenses

### Schedule 6

	2010	2009
	\$	\$
Salaries	30,617	28,951
RCYC Spring Thaw	150	375
Boat repairs	213	76
Insurance	4,284	5,224
Facilities	1,390	1,516
HF Community	-	956
Amortization	-	908
	<u>36,654</u>	<u>38,006</u>

# ONTARIO SAILING ASSOCIATION

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## Notes to Financial Statements

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March 31, 2010

### 1. Nature of operations

The Ontario Sailing Association ("Association") was incorporated without share capital under the laws of Ontario.

The objectives of the Association are to generate interest in sailing particularly among young people in the Province of Ontario, promote sailboat racing events and encourage boating skill development.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

#### (a) Significant accounting policies adopted during the year

During the year, the association adopted new standards recommended in the Canadian Institute of Chartered Accountants (CICA) Handbook on disclosure of allocated expenses by not-for-profit organizations.

The standards provide that when allocations of fundraising and general support expenses have been made to other functions, the accounting policy disclosure note should explain the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made. In addition, the amounts allocated from each of fundraising and general support expenses, and the amounts and the functions to which they have been allocated, should be disclosed. The association adopted the standard for the fiscal year ended March 31, 2010.

#### (b) Inventory

Inventory is recorded at the lower of cost and net realizable value.

#### (c) Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Sailboats	- 5 years
Safety boats and motors	- 5 years
Computer equipment	- 3 years
Website development	- 3 years
Vans	- 5 years
Docks	- 5 years
Rotary Mobile	- 5 years

# ONTARIO SAILING ASSOCIATION

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## Notes to Financial Statements (continued)

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March 31, 2010

2. **Significant accounting policies (continued)**

(d) **Endowment funds**

During the year, the Association established the Hans Fogh Fund and the Alice Boston Fund. Contributions received by these endowment funds are invested separately (note 3) and only the investment returns may be used to support the related programs. Investment returns in the Hans Fogh Fund are to be used to support development of high performance athletes, coaches and officials in Ontario, as recommended by the board of directors and approved by the Fogh family. Investment returns in the Alice Boston Fund are to be used to support competitive sailing in the Sarnia area, as recommended by the board of directors and approved by the trustees as named by the Boston family. In the current year, there were no investment returns and no expenditures from the endowment funds.

(e) **Revenue recognition**

The Association follows the restricted fund method of accounting for contributions. Restricted contributions for which there is an appropriate restricted fund are recognized as revenue in the year. Restricted contributions for which there is not an appropriate restricted fund are recognized as revenue in the operating fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(f) **Contributed services**

Volunteer time is contributed during the year to assist the Association in carrying out its sailing events and activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2010

### 2. Significant accounting policies (continued)

#### (g) Financial instruments

Financial instruments are classified based on the underlying purpose of the instrument when the financial instrument is initially recorded. The classification determines the accounting treatment of the instrument.

The financial assets and financial liabilities of the association are classified and measured as follows:

Financial Asset/Liability	Category	Measurement
Cash	Held for trading	Fair value
Short-term investments	Held for trading	Fair Value
Restricted investments	Held for trading	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs.

The fair value of a financial instrument is the estimated amount that the association would receive or pay to settle a financial asset or financial liability as at the reporting date.

The carrying amounts of the above financial instruments approximate fair value due to the short-term nature of these financial instruments.

It is management's opinion that, unless otherwise noted, the association is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

#### (h) Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key areas where management has estimates include, among others, the useful lives of depreciable assets. Actual results could differ from those estimates.

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2010

### 3. Restricted investments

	2010	2009
	\$	\$
Restricted investments - Hans Fogh Fund	20,748	-
Restricted investments - Alice Boston Fund	11,570	-
	<u>32,318</u>	<u>-</u>

Restricted investments are held in money market accounts, are classified as held for trading and are recorded at fair value.

The investments are recorded as non-current assets given the underlying contributions are to be used solely in accordance with restrictions stipulated by the related endowment fund and are not available to fund general operations as disclosed in note 2(d).

### 4. Deferred revenue

Deferred revenue consists of program and membership fees paid in advance, which will be realized in the following fiscal year.

### 5. Government funding

Funding has been provided as follows:

	2010	2009
	\$	\$
Ontario Ministry of Health Promotion	<u>280,807</u>	<u>256,660</u>

### 6. Income taxes

As the Association is a not-for-profit organization, it is not subject to income taxes.

### 7. Allocated expenses

Expenses such as computer costs, telephone, printing, postage, insurance and some staff costs are all charged to Administration. In order to more accurately reflect the cost of program services, \$30,000 of these costs has been allocated to leadership development and \$25,000 has been allocated to athlete development based on usage and time spent.

# ONTARIO SAILING ASSOCIATION

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## Notes to Financial Statements (continued)

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March 31, 2010

### 8. Capital disclosure

The Association's objectives in managing its capital, which it defines as its net assets, are to maintain a sufficient level to provide for normal operating requirements on an ongoing basis and to continue its mission as disclosed in note 1. The Association monitors its capital in order to ensure it has sufficient revenue before committing to expenditures. Changes in capital during the year are set out in the Statement of Changes in Net Assets.



*We give your business a hand to succeed.*

**Hilborn Ellis Grant LLP**  
Chartered Accountants  
*Since 1930*

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