

ONTARIO SAILING ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2006

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, 2006 and the statements of revenues and expenses, 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 30, 2006

Chartered Accountants



ONTARIO SAILING ASSOCIATION

Statement of Financial Position

March 31, 2006	2006 \$	2005 \$
ASSETS		
Current Assets		
Cash and short-term investments	198,216	132,653
Accounts receivable	63,189	43,814
Inventory	6,262	11,804
Prepaid expenses	13,106	21,328
	<u>280,773</u>	<u>209,599</u>
Capital assets (note 3)	74,016	78,139
	<u>354,789</u>	<u>287,738</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	86,263	60,547
Deferred revenue (note 4)	144,048	103,381
	<u>230,311</u>	<u>163,928</u>
NET ASSETS		
Net assets invested in capital assets	74,016	78,139
Unrestricted net assets	50,462	45,671
	<u>124,478</u>	<u>123,810</u>
	<u>354,789</u>	<u>287,738</u>

Approved on behalf of the Board:

Director

Director

ONTARIO SAILING ASSOCIATION

Statement of Revenues and Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Revenues		
Government funding (<i>note 5</i>)	329,199	334,012
Administration - membership fees	81,572	75,735
- other	11,708	5,367
Self-reliance - product sales	123,435	117,429
- advertising and other	17,896	20,628
Leadership development - participant fees	148,336	140,175
Participation development - BOOM program	82,027	133,356
- gain on sale of capital assets	2,258	4,500
- Camp Program	43,045	51,535
Sport environment (<i>note 6</i>)	11,981	5,991
Athlete development	42,473	31,927
Ontario Sailing Centre	(790)	1,531
Able Sail - gain on sale of capital assets	9,000	-
- other	31,461	47,002
	933,601	969,188
Expenses		
Administration (schedule) (<i>note 8</i>)	91,159	78,217
Self-reliance (schedule)	157,539	202,618
Leadership development (schedule)	243,441	232,091
Participation development (schedule)	180,299	215,732
Sport environment (schedule)	7,209	16,887
Athlete development (schedule)	194,787	156,401
Ontario Sailing Centre - amortization	-	1,531
Able Sail (schedule)	49,890	59,635
Access BOOM	8,609	11,001
	932,933	974,113
Excess of revenues over expenses (expenses over revenues) for year	668	(4,925)

ONTARIO SAILING ASSOCIATION

Statement of Changes in Net Assets

Year ended March 31, 2006	Invested in Capital Assets \$	Unrestricted for Operations \$	2006 \$	2005 \$
Balance, beginning of year	78,139	45,671	123,810	128,735
Excess of revenues over expenses (expenses over revenues) for year	-	668	668	(4,925)
Investment in capital assets	(4,123)	4,123	-	-
Balance, end of year	<u>74,016</u>	<u>50,462</u>	<u>124,478</u>	<u>123,810</u>

Statement of Cash Flows

Year ended March 31, 2006	2006 \$	2005 \$
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for year	668	(4,925)
Items not requiring a current cash payment		
Amortization of capital assets	45,054	44,934
Gain on sale of capital assets	(11,258)	(4,500)
	34,464	34,509
Changes in non-cash working capital		
Increase in accounts receivable	(19,375)	(10,711)
Decrease in inventory	5,542	3,125
Decrease in prepaid expenses	8,222	19,039
Increase in accounts payable and accrued liabilities	25,716	22,832
Increase in deferred revenue	40,667	5,179
	95,236	73,973
Cash flows from investing activities		
Additions to capital assets	(42,325)	(50,091)
Proceeds on sale of capital assets	12,652	4,500
	(29,673)	(45,591)
Net increase in cash during year	65,563	28,382
Cash and short-term investments, beginning of year	132,653	104,271
Cash and short-term investments, end of year	<u>198,216</u>	<u>132,653</u>

ONTARIO SAILING ASSOCIATION

Schedule of Administration Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	74,233	72,143
Audit and bookkeeping	19,779	19,763
Communications	11,415	9,409
Insurance	310	2,572
Meetings	8,428	10,757
Facilities	4,381	4,635
Telephone	5,471	5,228
Other	11,482	8,861
Amortization	10,660	899
	<u>146,159</u>	<u>134,267</u>
Less: administration expenses transferred to other program areas	<u>(55,000)</u>	<u>(56,050)</u>
	<u>91,159</u>	<u>78,217</u>

Schedule of Self-Reliance Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	25,984	54,642
Product cost of goods sold	87,221	80,629
Sail Ontario newsletter	12,520	14,692
Facilities	2,855	4,299
Fundraising	15,184	16,458
Other	13,775	19,648
	<u>157,539</u>	<u>190,368</u>
Add: transfer of administration expenses	<u>-</u>	<u>12,250</u>
	<u>157,539</u>	<u>202,618</u>



ONTARIO SAILING ASSOCIATION

Schedule of Leadership Development Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	65,240	66,847
Instructor development program	107,499	104,281
Conferences and workshops	14,203	6,549
Insurance	2,935	3,079
Facilities	15,370	13,711
Other	8,194	19,624
	<u>213,441</u>	<u>214,091</u>
Add: transfer of administration expenses	<u>30,000</u>	<u>18,000</u>
	<u><u>243,441</u></u>	<u><u>232,091</u></u>

Schedule of Participation Development Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Camp Program	48,018	60,178
Salaries	55,777	28,260
Website development	13,260	-
Travel	16,433	17,746
Boats and equipment	5,100	9,155
Promotion	4,265	5,836
Trillium-Learn to Sail	-	47,500
Cruising registration program	8,832	12,749
Conferences and workshops	3,950	1,617
Insurance	3,412	3,448
Facilities	10,116	10,778
Amortization	11,136	10,865
	<u>180,299</u>	<u>208,132</u>
Add: transfer of administration expenses	<u>-</u>	<u>7,600</u>
	<u><u>180,299</u></u>	<u><u>215,732</u></u>



ONTARIO SAILING ASSOCIATION

Schedule of Sport Environment Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	2,137	8,504
SPARK START program (<i>note 6</i>)	1,225	1,216
Insurance	-	1,142
Facilities	3,353	3,501
Amortization	494	2,524
	7,209	16,887
Add: transfer of administration expenses	-	-
	7,209	16,887

Schedule of Athlete Development Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	91,445	74,018
Ontario team	1,536	3,167
Youth team	(480)	-
Wind circuit	-	517
Canadian Youth Championships	1,683	855
Ontario Games	238	6,661
CORK - Youth Festival	2,169	1,321
Travel	38,152	30,492
Boats and equipment	11,344	6,423
Insurance	982	1,454
Facilities	12,384	12,069
Amortization	2,278	2,175
Other	8,056	5,249
	169,787	144,401
Add: transfer of administration expenses	25,000	12,000
	194,787	156,401

ONTARIO SAILING ASSOCIATION

Schedule of Able Sail Expenses

Year ended March 31, 2006	2006 \$	2005 \$
Salaries	31,049	33,397
RCYC Spring Thaw	-	1,000
Able Sail boat repairs	-	1,697
Insurance	9,169	7,107
Facilities	648	454
Amortization	9,024	10,830
	49,890	54,485
Add: transfer of administration expenses	-	5,150
	49,890	59,635



ONTARIO SAILING ASSOCIATION

Notes to Financial Statements

March 31, 2006

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 and General

The financial statements of the Association have been prepared in accordance with accounting principles that are considered appropriate for organizations of this type. The more significant of these accounting policies are summarized below.

a) Inventory

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

b) Capital assets

Capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at the date of contribution.

Amortization is provided for on a straight-line basis over the assets’ estimated useful lives as follows:

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

c) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

d) 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 in determining their fair market value, contributed services are not recognized in the financial statements.



ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2006

2. Significant Accounting Policies and General (continued)

e) Financial instruments

The Association's financial instruments consist of cash and short-term investments, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

f) 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. Actual results could differ from those estimates.

3. Capital Assets

	Cost \$	Accumulated Amortization \$	2006 Net \$	2005 Net \$
Sailboats	159,189	133,943	25,246	38,893
Safety boats and motors	67,618	62,116	5,502	7,303
Computer equipment	44,385	23,063	21,322	483
Website development	9,895	6,596	3,299	6,597
Van	31,078	12,431	18,647	24,863
Docks	6,936	6,936	-	-
Rotary Mobile	27,900	27,900	-	-
	<u>347,001</u>	<u>272,985</u>	<u>74,016</u>	<u>78,139</u>

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

	2006 \$	2005 \$
Funding has been provided as follows:		
Ontario Ministry of Tourism and Recreation	<u>329,199</u>	<u>334,012</u>

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2006

6. **Sport Environment**

Revenues include \$11,981 (2005 - \$5,991) from the SPARK START program.

Expenses include \$1,225 (2005 - \$1,216) from the SPARK START program.

7. **Income Taxes**

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

8. **Administration**

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, a portion of these costs has been distributed to the other program areas.





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Hilborn Ellis Grant LLP
Chartered Accountants
Since 1930

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