

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2018



MCCAY DUFF LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

141 LAURIER AVE., WEST, 6TH FLOOR
OTTAWA, ON, K1P 5J3
TEL: 1 (613) 236-2367
1 (800) 267-6551
FAX: 1 (613) 236-5041
EMAIL: INFO@MCCAYDUFF.COM
WEB: WWW.MCCAYDUFF.COM

INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Wheelchair Sports Association

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Wheelchair Sports Association, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in net assets 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.

Auditors' 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 auditors' 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.

.../2



MCCAY DUFF LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

141 LAURIER AVE., WEST, 6TH FLOOR
OTTAWA, ON, K1P 5J3
TEL: 1 (613) 236-2367
1 (800) 267-6551
FAX: 1 (613) 236-5041
EMAIL: INFO@MCCAYDUFF.COM
WEB: WWW.MCCAYDUFF.COM

Page 2.

INDEPENDENT AUDITORS' REPORT

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 many similar organizations, the Association derives revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue 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 revenue, net revenue and cash flows from operations for the years ended March 31, 2018 and March 31, 2017, current assets and net assets - unrestricted as of March 31, 2018 and March 31, 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 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 Canadian Wheelchair Sports Association as at March 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.

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
August 23, 2018.

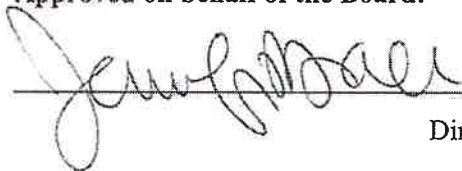
CANADIAN WHEELCHAIR SPORTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

		<u>2018</u>	<u>2017</u>
ASSETS			
CURRENT			
Cash	\$	410,575	\$ 544,612
Accounts receivable		70,978	64,056
Inventory		-	5,281
Prepaid expenses		<u>119,872</u>	<u>32,627</u>
	\$	<u><u>601,425</u></u>	\$ <u><u>646,576</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	143,377	\$ 138,628
Deferred contributions (note 7)		<u>-</u>	<u>6,000</u>
		143,377	144,628
ADA MACKENZIE STUDENT BURSARIES FUND (note 4)		<u>-</u>	<u>95,394</u>
		143,377	240,022
NET ASSETS			
UNRESTRICTED		358,048	306,554
INTERNALLY RESTRICTED RESERVE FUND (note 5)		<u>100,000</u>	<u>100,000</u>
		<u>458,048</u>	<u>406,554</u>
	\$	<u><u>601,425</u></u>	\$ <u><u>646,576</u></u>

Approved on behalf of the Board:



 Director



 Director

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
NET ASSETS - UNRESTRICTED		
Balance - beginning of year	\$ 306,554	\$ 288,643
Net revenue for the year	<u>51,494</u>	<u>17,911</u>
Balance - end of year	<u>\$ 358,048</u>	<u>\$ 306,554</u>
NET ASSETS - INTERNALLY RESTRICTED RESERVE FUND		
Balance - beginning and end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Sport Canada contributions (note 6)	\$ 541,500	\$ 594,500
Own the Podium (note 6)	1,006,500	882,000
Own the Podium - Innovation for Gold (note 6)	24,657	-
Coaching Association of Canada (note 6)	5,000	4,785
Canadian Paralympic Committee (note 6)	7,500	13,257
Fundraising	521,851	471,828
Grants, sponsorships and partnerships	68,000	153,249
Events	19,026	-
Other (note 9)	<u>143,667</u>	<u>24,297</u>
	2,337,701	2,143,916
EXPENSES		
National office operations	266,848	288,637
Member services	182,979	49,167
International representation	8,931	24,775
Communications	128,489	122,073
Marketing	252,000	257,353
Bridging The Gap	197,063	284,589
Sport programming	<u>1,249,897</u>	<u>1,099,411</u>
	<u>2,286,207</u>	<u>2,126,005</u>
NET REVENUE FOR THE YEAR	<u>\$ 51,494</u>	<u>\$ 17,911</u>

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

1. ORGANIZATION

The Canadian Wheelchair Sports Association is the national sports organization representing wheelchair athletes. The purpose of the Association is to promote excellence and develop opportunities for Canadians in wheelchair sport.

The Canadian Wheelchair Sports Association is incorporated under the Canada Corporations Act, and is a registered amateur athletic association. As a not-for-profit, the Association is exempt from income taxes. The Association filed for continuance under the Canada Not-for-Profit Corporations Act, and on December 4, 2013, continuance was approved.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue Recognition

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

The Association employs the services of a professional fundraising organization to raise funds on its behalf. This organization collects and accumulates funds and then makes periodic remittances, net of expenses, to the Association. The Association's policy is to recognize the gross amount of revenue from fundraising in the period in which it is received.

All other income is recognized when received or receivable, if the amount can be reasonably estimated and collectibility is reasonably assured.

Sport Canada contributions are subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(b) Inventory

Inventory consists of items for resale and is stated at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling costs.

(c) Financial Instruments

The Association's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

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

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue.

(d) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

(e) Volunteer Services

The Association receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Association is not exposed to significant interest rate, liquidity or market risks arising from its financial instruments. There has been no change to the risk exposure from 2017.

Credit Risk

Credit risk arises from the potential that a customer may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk through accounts receivable. The Association's primary customers are federal and provincial government departments which contain minimal risk. For all other customers, the Association performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when considered necessary. The Association also obtains deposits from customers, when required, to mitigate credit risk. There has been no change to the risk exposure from 2017.

Currency Risk

Currency risk is the exposure of the Association's earnings that arises from fluctuations in exchange rates. The Association is exposed to currency risk through an ongoing contract relating to coaching services with a non-resident of Canada and its transactions with other international organizations. The Association holds foreign currency to minimize the loss exposure on these transactions. There has been no change to the risk exposure from 2017.

4. ADA MACKENZIE STUDENT BURSARIES FUND

The Ada MacKenzie Memorial Foundation was founded in memory of the late Miss Ada MacKenzie, one of Canada's premier female amateur athletes. Although no longer active, the aim of the Foundation was to provide financial assistance to athletes with a disability. The Canadian Wheelchair Sports Association (CWSA) was a recipient of funds raised through the Foundation and as such, set up a bursary fund. This fund distributes educational bursaries to national level wheelchair athletes, providing support for both their academic and competitive endeavours.

The Board of Directors can approve the issuance of bursaries and the payment of a management fee by the Fund to the Association on a bi-annual basis. During the 2018 fiscal year, the Board of Directors approved to use the deferred funds to cover the expenses relating to the 70-50-40 Celebration and to provide financial support for the attendance of alumni at the event, thus dissolving the Ada Mackenzie Student Bursaries Fund.

CANADIAN WHEELCHAIR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

5. NET ASSETS - INTERNALLY RESTRICTED RESERVE FUND

The Board of Directors has established a reserve fund in the amount of \$100,000 which represents their estimate of six months' operating expenses. This reserve fund is to sustain operations in the event of interruptions in funding or other unusual circumstances.

6. SPONSORSHIPS AND FINANCIAL SUPPORT

The Canadian Wheelchair Sports Association gratefully acknowledges the support of Sport Canada, Own the Podium, Coaching Association of Canada, IBEW Local 258, Canadian Paralympic Committee, 49 Bespoke Inc. and Hollister.

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent resources restricted for the funding of a program to be delivered in future periods.

	<u>Balance - Beginning of Year</u>	<u>Less: Revenue Recognized</u>	<u>Plus: Amounts Received</u>	<u>Balance - End of Year</u>
2017 National Wheelchair Rugby Championships	\$ <u>6,000</u>	\$ <u>6,000</u>	\$ <u>-</u>	\$ <u>-</u>

8. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as all of the relevant information is apparent from the other financial statements.

9. OTHER REVENUE

	<u>2018</u>	<u>2017</u>
70-50-40 Celebration (note 4)	\$ 95,394	\$ -
Sponsorship	30,500	11,830
Miscellaneous revenue	5,433	461
Annual dues - members	5,000	4,000
Interest - investments	4,113	2,875
Sales	2,982	-
Officials development fees	245	600
Sports development fund	<u>-</u>	<u>4,531</u>
	\$ <u>143,667</u>	\$ <u>24,297</u>