
**CANADIAN AMATEUR BOXING ASSOCIATION
L'ASSOCIATION CANADIENNE DE BOXE AMATEUR**

FINANCIAL STATEMENTS

MARCH 31, 2014

**CANADIAN AMATEUR BOXING ASSOCIATION
L'ASSOCIATION CANADIENNE DE BOXE AMATEUR**

March 31, 2014

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RHEAUME
WILLIAMS
KALBFLEISCH
Accountants & Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Directors of the
Canadian Amateur Boxing Association

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Amateur Boxing Association, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net assets (net liabilities) 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 accounting principles generally accepted in Canada, 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 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.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

In common with many charitable associations, Canadian Amateur Boxing Association derives revenue from donations and other miscellaneous sources of revenue, 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 organization and we were not able to determine whether any adjustments might be necessary to donations and other other miscellaneous sources of revenue, excess of revenue over expenditures, current assets and net assets (net liabilities).

Qualified opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles general accepted in Canada. As required by the Canada Business Corporations Act, we report that in our opinion these principles have been applied on a basis consistent with that of the preceding year.



Rheaume Williams Kalbfleisch, LLP

Chartered Professional Accountants, Chartered Accountants

Licensed Public Accountants

Ottawa, Ontario

June 12, 2014

CANADIAN AMATEUR BOXING ASSOCIATION
L'ASSOCIATION CANADIENNE DE BOXE AMATEUR

STATEMENT OF FINANCIAL POSITION

	2014	2013
As at March 31,		
ASSETS		
CURRENT ASSETS		
Cash (Note 3)	\$ 57,847	\$ 8,035
Accounts receivable (Note 4)	129,004	166,003
Inventory	-	3,488
Prepaid expenses	34,731	27,975
	<hr/> \$ 221,582	<hr/> \$ 205,501
LIABILITIES AND NET ASSETS (NET LIABILITIES)		
CURRENT LIABILITIES		
Accounts payable and accrued charges	\$ 107,759	\$ 48,892
Source deductions payable to CRA	6,687	6,148
Deferred revenue (Note 5)	136,604	144,549
	<hr/> 251,050	<hr/> 199,589
NET ASSETS (NET LIABILITIES)	<hr/> (29,468)	<hr/> 5,912
Unrestricted (deficit)		
Lease commitment (Note 6)	\$ 221,582	\$ 205,501

On behalf of the Board:

Mark Keelhouse Director

See accompanying notes to the financial statements

CANADIAN AMATEUR BOXING ASSOCIATION
L'ASSOCIATION CANADIENNE DE BOXE AMATEUR

STATEMENT OF OPERATIONS

For the year ended March 31,	2014	2013
REVENUE		
Government contributions:		
Sport Canada Contributions (Schedule A)	\$ 495,750	\$ 502,429
Other revenue:		
Canadian Olympic Committee	4,000	57,500
Commonwealth Games	8,000	-
Coaching Association of Canada	10,195	15,682
Membership fees	246,552	238,014
Administration, sanction and other fees	48,016	37,967
Donations	52,949	55,454
Sales - Sundry	2,238	5,321
Sponsorship	50,000	1,340
Support program	25,461	65,313
Rebates and refunds	5,183	2,869
	452,594	479,460
	948,344	981,889
OPERATING EXPENDITURES		
Sport Canada funded projects (Schedule A)	731,307	687,184
Coaching association program	14,798	20,465
Administration (Schedule B)	144,251	179,865
Non-funded government project costs	-	2,203
Membership grants	15,000	15,000
Donations	49,252	53,115
Event applications	9,245	-
Cost of sales	3,488	1,350
Bad debts	17,216	13,131
Miscellaneous	(833)	7,961
	\$ 983,724	980,274
EXCESS (EXPENDITURES) REVENUE	\$ (35,380)	\$ 1,615

See accompanying notes to the financial statements

CANADIAN AMATEUR BOXING ASSOCIATION
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STATEMENT OF CHANGES IN NET ASSETS (NET LIABILITIES)

	2014	2013
For the year ended March 31,		
NET ASSETS, beginning of year	\$ 5,912	\$ 4,297
Excess (expenditures) revenue	(35,380)	1,615
NET ASSETS (NET LIABILITIES), end of year	\$ (29,468)	\$ 5,912

STATEMENT OF CASH FLOWS

	2014	2013
For the year ended March 31,		
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (expenditures) revenue	\$ (35,380)	\$ 1,615
Changes in non-cash working capital balances		
Decrease in accounts receivable	36,999	15,654
Decrease in inventory	3,488	1,350
Increase in prepaid expenses	(6,756)	(9,411)
Increase (decrease) accounts payable and accrued liabilities	59,406	(31,859)
Increase (decrease) deferred revenue	(7,945)	728
INCREASE (DECREASE) IN CASH	49,812	(21,923)
CASH, beginning of year	8,035	29,958
CASH, end of year	\$ 57,847	\$ 8,035

See accompanying notes to the financial statements

CANADIAN AMATEUR BOXING ASSOCIATION L'ASSOCIATION CANADIENNE DE BOXE AMATEUR

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

The association is a registered Canadian Amateur Athletic Association and was incorporated under Part II of the Canada Business Corporations Act. Its primary purpose includes the instruction in and co-ordination of matters concerning the sport of amateur boxing in Canada at the national and international level. The association is a registered charity and as such is exempt from income taxes and may issue income tax receipts to its donors.

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) **Government grants receivable:**

Government grants receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

(b) **Capital assets:**

It is the association's policy to expense all capital expenditures less than \$3000.00 in the year of acquisition.

(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 in the year for which they are committed unless they are for on-going projects in which case revenue is deferred to a future period when additional expenses are to be incurred.

Seventy five percent of registration fees received during period from September through March of each year are deferred to the following year.

Revenue from miscellaneous sales, donations and interest are recognized on a cash basis.

(d) **Use of estimates:**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the association 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. Actual results could differ from the organization's best estimates, as additional information becomes available in the future.

CANADIAN AMATEUR BOXING ASSOCIATION

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NOTES TO FINANCIAL STATEMENTS

March 31, 2013

1. ACCOUNTING POLICIES: (Cont'd):

(e) Adjustments to prior year's funding

Adjustments to prior year's funding by Sport Canada and the Coaching Association of Canada are recorded in the accounts in the year of assessment.

(f) Donated materials and services

The value of donated materials and services are recorded when a fair value can be reasonably estimated and when the materials and services are normally purchased and would be paid for if not donated.

(g) Inventory

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

(h) Financial instruments

The association initially measures its financial assets and financial liabilities at fair value. The association subsequently measures all its financial assets and financial liabilities at amortized cost which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable and HST receivable.

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

2. FINANCIAL INSTRUMENTS:

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association's main credit risks relate to its accounts receivable. The association provides credit to its members for registration fees and athletes for cost recoveries in the normal course of its operations. Historically the credit risk associated with the athlete accounts has been high.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of delay in realizing the fair value of financial instruments. The largest asset of the association is its accounts receivables which is not readily converted into cash. The liabilities of the organization are limited to accounts payable and accrued liabilities. The association is exposed to a moderate degree of liquidity risk.

CANADIAN AMATEUR BOXING ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS

As at March 31,

2. FINANCIAL INSTRUMENTS (Cont'd)

Interest rate risk

The association holds no interest bearing investments or interest bearing debt and is not exposed to any interest rate risk.

Market risk

The market risk associated with the short term investments is low as the investment is small and represents cash.

3. BANKING FACILITY

During the year the association established a line of credit with the Canadian Imperial Bank of Commerce, not to exceed \$75,000, which is secured by a general security agreement. Interest will be calculated at Prime Rate plus 1.5% per annum. As at March 31, 2014 there was no balance outstanding.

4. ACCOUNTS RECEIVABLE

	2014	2013
Memberships and cost recoveries	\$ 132,902	\$ 162,070
GST / HST recoverable	20,102	21,933
Allowance for doubtful accounts	(24,000)	(18,000)
	\$ 129,004	\$ 166,003

5. DEFERRED REVENUE:

Membership fees received during the period from September 1, 2013 through to March 31, 2014 are all on account of the 2014 calendar membership year. Deferred revenue represents 9/12th's (75%) of any memberships fees received during this period.

6. LEASE COMMITMENT:

As of the date of the audit report, the association is committed to a month to month agreement that will require three months notice to terminate the lease. The minimum lease commitment for fiscal 2015 is \$4,650.00

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

CANADIAN AMATEUR BOXING ASSOCIATION
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SCHEDULE A

For the year ended March 31, 2014 2013

SPORTS CANADA FUNDED PROJECTS

National team program	\$ 224,824	\$ 366,851
Staff salaries	215,357	199,281
Own the podium	156,474	63,948
National championships	84,226	-
Administration (Schedule B)	36,100	38,600
Official languages	9,622	15,168
Leadership development	4,554	2,471
Women's initiatives	150	495
Long term athlete development	-	370
	\$ 731,307	687,184

FUNDING

Sports Canada	\$ 373,000	\$ 427,000
Own the podium	122,750	75,429
	495,750	502,429
Other	235,557	184,755
	\$ 1,227,057	\$ 1,189,613

SCHEDULE B

For the year ended March 31, 2014 2013

ADMINISTRATIVE EXPENDITURES

Communications	\$ 12,663	\$ 45,988
Meetings	45,721	39,712
Office supplies	16,598	59,390
Rent	18,417	18,417
Promotional materials	656	3,194
Insurance	23,482	16,235
Audit	8,500	6,184
Membership, affiliation and delegation fees	4,300	2,591
Secretarial support	29,489	11,517
Employee benefits	17,231	13,743
Bank charges	3,294	1,494
	180,351	218,465
Sports Canada funding	(36,100)	(38,600)
	\$ 144,251	\$ 179,865