

Ontario Amateur Kickboxing Council

Financial Statements

(Unaudited)

December 31, 2022



June 20, 2023

Independent Practitioner's Review Engagement Report

To the Directors of Ontario Amateur Kickboxing Council

We have reviewed the accompanying financial statements of Ontario Amateur Kickboxing Council that comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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 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 Amateur Kickboxing Council as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Chartered Professional Accountants
Licensed Public Accountants**

Hamilton, Ontario

PETTINELLI MASTROLUISI LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Ontario Amateur Kickboxing Council

Statement of Financial Position (Unaudited)

	December 31	
	2022	2021
Asset		
Current asset		
Cash	\$ 7,154	\$ 1,134
Liability		
Current liability		
Accounts payable and accrued liabilities	\$ 117,038	\$ 136,033
Deficiency	<u>(109,884)</u>	<u>(134,899)</u>
	<u>\$ 7,154</u>	<u>\$ 1,134</u>

See accompanying notes to the financial statements.

APPROVED BY THE BOARD:

_____ Director

_____ Director

Ontario Amateur Kickboxing Council

Statement of Operations and Changes in Net Assets (Unaudited)

	Year ended December 31	
	2022	2021
Revenues		
Grant income (Note 2)	\$ 452,642	\$ 202,658
Club dues	23,300	20,200
Membership fees	<u>22,341</u>	<u>11,967</u>
	498,283	234,825
Expenditures		
COVID-19 relief fund contributions (Note 2)	291,278	59,524
Contracted services	75,000	75,000
Office rent	33,900	29,832
Office and administration	23,990	46,890
Travel and automotive	13,030	500
Provincial championship	10,000	5,000
Directors and officers insurance	7,345	7,500
Professional fees	6,933	6,008
Advertising and promotion	5,000	5,000
Training Workshops	4,000	-
Telephone and utilities	2,712	1,220
Interest and bank charges	80	80
Consulting and website development	-	10,000
Sponsorship	-	9,880
Kickstart program	<u>-</u>	<u>7,748</u>
	<u>473,268</u>	<u>264,182</u>
Excess (deficiency) of revenues over expenditures for the year	25,015	(29,357)
Deficiency at beginning of the year	<u>(134,899)</u>	<u>(105,542)</u>
Deficiency at end of the year	<u>\$ (109,884)</u>	<u>\$ (134,899)</u>

See accompanying notes to the financial statements.

Ontario Amateur Kickboxing Council

Statement of Cash Flows

(Unaudited)

	Year ended December 31	
	2022	2021
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenditures for the year	\$ 25,015	\$ (29,357)
Net change in non-cash working capital balances related to operations		
(Decrease) increase in accounts payable and accrued liabilities	<u>(18,995)</u>	<u>27,333</u>
Net increase (decrease) in cash during the year	6,020	(2,024)
Cash at beginning of the year	<u>1,134</u>	<u>3,158</u>
Cash at end of the year	<u>\$ 7,154</u>	<u>\$ 1,134</u>

See accompanying notes to the financial statements.

Ontario Amateur Kickboxing Council

Notes to Financial Statements

(Unaudited)

December 31, 2022

Nature of operations

Ontario Amateur Kickboxing Council (the "Council") is a not-for-profit organization incorporated without share capital. The Council is affiliated with the Council of Amateur Sport Kickboxing.

The Council is committed to the development of amateur kickboxing in Ontario by promoting excellence in the sport through events, courses, and certification of athletes, coaches, and officials.

1. Significant accounting policies

The Council follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Cash

Cash consists of balances with financial institutions, net of outstanding cheques and deposits.

Revenue recognition

The Council follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. There are no restricted contributions.

Member fees are recognized as revenue proportionately over the fiscal year to which they relate.

Financial instruments

The Council initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Council subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash.

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

The Council has not designated any financial asset or financial liability to be measured at fair value.

Ontario Amateur Kickboxing Council

Notes to Financial Statements

(Unaudited)

December 31, 2022

1. Significant accounting policies, continued

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 and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Government grants

The Council receives annual funding from the province of Ontario to support the development of athletes, coaches, and officials in the sport of amateur kickboxing.

In 2022, the Federal and Provincial government provided COVID-19 Emergency Support Funds for Sports Organizations. These funds were to sustain these organizations' operations and to support the return of the sport once safe to do so. The Council received \$323,641 (2021 - \$88,742). Part of these funds were disbursed to member clubs as COVID-19 relief funding in the amount of \$291,278 (2021 - \$59,524).

3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

The Council does have a liquidity risk in the accounts payable and accrued liabilities of \$117,038 (2021 - \$136,033). Liquidity risk is the risk that the Council cannot repay its obligations when they become due to its creditors. The Council reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the Council is low and is not material.