

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur  
Financial Statements**

*March 31, 2018*

**Canadian Amateur Boxing Association /**  
**Association Canadienne de Boxe Amateur**  
**Contents**

*For the year ended March 31, 2018*

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## **Management's Responsibility**

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To the Members of Canadian Amateur Boxing Association / Association Canadienne de Boxe Amateur:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP SENCRL, srl is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 28, 2018



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Director of finance

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## Independent Auditors' Report

To the Members of Canadian Amateur Boxing Association / Association Canadienne de Boxe Amateur:

We have audited the accompanying financial statements of Canadian Amateur Boxing Association / Association Canadienne de Boxe Amateur, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net asset (deficiency), cash flows and the related schedules 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.

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*

As with many not-for-profit and charitable organizations, the Organization earns revenues from donations and other miscellaneous sources of revenue, the completeness of which is not susceptible to satisfactory audit verification. As such, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and miscellaneous sources of revenue, excess (deficiency) of revenue over expenses, or cash flows from operations for the year ended March 31, 2018, or to assets and net asset deficiency as at March 31, 2018.

### *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 Amateur Boxing Association / Association Canadienne de Boxe Amateur as at March 31, 2018 and the results of its operations, changes in net asset (deficiency) and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Montréal, Québec

June 28, 2018

**MNP** SENCRL, srl<sup>1</sup>

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A129294

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur  
Statement of Financial Position**

*As at March 31, 2016*

	2018	2017
<b>Assets</b>		
Current		
Cash (Note 3)	69,716	73,909
Accounts receivable (Note 4)	95,523	39,150
Prepaid expenses	29,188	16,851
	194,427	129,910
Capital assets (Note 5)	22,788	-
	217,215	129,910
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 7)	82,494	86,546
Deferred revenue (Note 8)	133,102	109,152
	215,596	195,698
<b>Net asset (deficiency)</b>		
Unrestricted net asset (deficiency)	1,619	(65,788)
	217,215	129,910

Approved on behalf of Director

Director

Director

The accompanying notes are an integral part of these financial statements

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur  
Statement of Financial Position**

*As at March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	69,716	73,909
Accounts receivable (Note 4)	95,523	39,150
Prepaid expenses	29,188	16,851
	<b>194,427</b>	<b>129,910</b>
<b>Capital assets (Note 5)</b>	<b>22,788</b>	<b>-</b>
	<b>217,215</b>	<b>129,910</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	82,494	86,546
Deferred revenue (Note 8)	133,102	109,152
	<b>215,596</b>	<b>195,698</b>
<b>Net asset (deficiency)</b>		
Unrestricted net asset (deficiency)	1,619	(65,788)
	<b>217,215</b>	<b>129,910</b>

Approved on behalf of Director

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Director

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Director

*The accompanying notes are an integral part of these financial statements*



**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur**

**Statement of Operations**

*For the year ended March 31, 2018*

	<i>2018</i>	<i>2017</i>
<b>Contributions</b>		
Sport Canada Contributions <i>(Note 10)</i>	484,800	621,000
Canadian Olympic Committee	198,485	93,065
Sponsorship	35,200	75,000
Donations	23,684	27,904
Coaching Association of Canada	17,436	4,318
Deferred revenues - prior year	109,152	137,239
Deferred revenues - current year	(133,102)	(109,152)
	735,655	849,374
<b>Other revenue</b>		
Membership fees	266,141	243,029
Administration, sanction and other fees	122,403	42,661
	388,544	285,690
<b>Total revenue</b>	1,124,199	1,135,064
<b>Sports Canada Funded Projects</b> <i>(Schedule 1)</i>	896,423	802,750
<b>Administration</b> <i>(Schedule 2)</i>	132,385	216,052
<b>Other</b> <i>(Schedule 3)</i>	27,984	35,263
<b>Total expenses</b>	1,056,792	1,054,065
<b>Excess of revenue over expenses</b>	67,407	80,999

*The accompanying notes are an integral part of these financial statements*

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur  
Statement of Changes in Net Asset (Deficiency)**

*For the year ended March 31, 2018*

	<i>2018</i>	<i>2017</i>
Net asset deficiency, beginning of year	(65,788)	(146,787)
Excess of revenue over expenses	67,407	80,999
Net asset (deficiency), end of year	1,619	(65,788)

*The accompanying notes are an integral part of these financial statements*



**Canadian Amateur Boxing Association /**  
**Association Canadienne de Boxe Amateur**  
**Statement of Cash Flows**  
*For the year ended March 31, 2018*

	<i>2018</i>	<i>2017</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from contributions	1,091,337	1,162,329
Cash paid for program service expenses	(715,868)	(726,206)
Cash paid for salaries and benefits	(356,337)	(344,086)
	<b>19,132</b>	<b>92,037</b>
<b>Financing</b>		
Net decrease in line of credit	-	(19,245)
<b>Investing</b>		
Purchase of capital assets	(23,325)	-
<b>Increase (decrease) in cash resources</b>	<b>(4,193)</b>	<b>72,792</b>
<b>Cash resources, beginning of year</b>	<b>73,909</b>	<b>1,117</b>
<b>Cash resources, end of year</b>	<b>69,716</b>	<b>73,909</b>

*The accompanying notes are an integral part of these financial statements*

**Canadian Amateur Boxing Association /**  
**Association Canadienne de Boxe Amateur**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**1. Purpose and legal form of the Organization**

Canadian Amateur Boxing Association (the "Organization") was incorporated under *Part II of the Canada Business Corporations Act* and is a not-for-profit organization and is a registered charity under the *Income Tax Act* and is thus exempt from income taxes. 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.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

***Revenue recognition***

The Organization 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.

Membership fees are recognized as revenue in the year earned and when collection is reasonably assured.

Revenue from administration, sanction and other fees are recognized when the amounts can be reasonably estimated and collection is reasonably assured.

***Measurement uncertainty***

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 date of the financial statements, and the reported amounts of revenues over expenses during the reporting period.

Accounts and contributions receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Equipment	10 %

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.



**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Association has no financial instruments requiring subsequent measurement at fair value, consequently, all of the Association's financial instruments are measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Financial asset impairment***

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**3. Restricted cash**

During the year, the Organization received \$23,684 (2017 - \$27,904) of externally restricted cash from individuals and organizations. The use of the cash is restricted to support athletes and fund their professional development.

As at March 31, 2018, the balance of the restricted cash was \$2,955 (2017 - \$1,147).

**Canadian Amateur Boxing Association /**  
**Association Canadienne de Boxe Amateur**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

**4. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Accounts receivable	59,907	31,370
Contributions receivable	30,000	4,318
Sales tax receivable	9,816	7,662
	<b>99,723</b>	<b>43,350</b>
Allowance for doubtful accounts	<b>(4,200)</b>	<b>(4,200)</b>
	<b>95,523</b>	<b>39,150</b>

**5. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>	<b>2017 Net book value</b>
Equipment	23,325	537	22,788	-

Equipment includes a boxing ring with a carrying value of \$12,576. No amortization of this asset has been recorded during the current year because it is currently not ready for its intended use.

**6. Line of credit**

The Organization has available an operating line of credit in the amount of \$75,000. As at March 31, 2018 the amount due on the line of credit was \$Nil (2017 - \$Nil). The line of credit is secured by a general security agreement over all present and future property, inventory and capital assets and bears interest at prime plus 1.5% per annum. The line of credit is renewable on an annual basis.

**7. Accounts payable and accrued liabilities**

	<b>2018</b>	<b>2017</b>
Accounts payable and accrued liabilities	82,494	72,850
Deductions at source payable	-	13,696
	<b>82,494</b>	<b>86,546</b>



**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur**  
**Notes to the Financial Statements**

*For the year ended March 31, 2018*

**8. Deferred revenue**

Deferred revenue consists of membership fees received during the period from September 1, 2017 to March 31, 2018 and are on account of the 2018 calendar membership year. Deferred revenue represents 75% of any memberships fees received during this period. Deferred revenues also includes \$17,000 in contribution and sponsorship revenues received in advance.

Changes in the deferred revenue balance are as follows:

	<i>Membership</i>	<i>Contribution and sponsorship</i>	<i>2018</i>	<i>2017</i>
Balance, beginning of year	109,152	-	109,152	137,239
Amount received during the year	375,293	53,000	428,293	315,330
Less: Amount recognized as revenue during the year	(368,343)	(36,000)	(404,343)	(343,417)
Balance end of year	116,102	17,000	133,102	109,152

**9. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk with respect to its line of credit which is subject to a floating interest rate. A variation of 1% in the prime rate will not have a significant effect on the operations and financial position of the Association.

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit and borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates.

The Association meets its liquidity requirements by maintaining cash balances sufficient to meet cash flow.

**10. Sports Canada Contributions**

	<i>2018</i>	<i>2017</i>
Sports Canada	371,000	371,000
Own the podium	101,000	250,000
Sports Canada - other	12,800	-
	484,800	621,000

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**11. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur**  
**Schedule 1 - Schedule of Sports Canada Funded Projects Expenses**  
*For the year ended March 31, 2018*

	<i>2018</i>	<i>2017</i>
<b>Sports Canada Funded Projects</b>		
Salaries and benefits	284,646	308,963
Own the podium programs	250,282	251,491
National team programs	230,149	199,154
National championships programs	65,798	4,275
Leadership development programs	24,549	4,562
Administration	24,000	24,000
Official languages	16,999	10,305
	<b>896,423</b>	<b>802,750</b>

**Canadian Amateur Boxing Association /**  
**Association Canadienne de Boxe Amateur**  
**Schedule 2 - Schedule of Administration Expenses**  
*For the year ended March 31, 2018*

	<i>2018</i>	<i>2017</i>
<b>Administration</b>		
Meeting and administrative	34,392	39,703
Employee benefits	25,691	35,123
Office supplies	22,515	27,010
Insurance	21,670	20,258
Rent	11,978	11,814
Secretarial support	10,573	52,364
Professional fees	9,567	22,340
Communications	8,415	12,219
Promotional materials	6,903	11,247
Bank charges	4,426	7,559
Memberships, affiliation and delegation fees	255	415
Sports Canada funding	(24,000)	(24,000)
	<b>132,385</b>	<b>216,052</b>



**Canadian Amateur Boxing Association /  
Association Canadienne de Boxe Amateur  
Schedule 3 - Schedule of Other Expenses**

*For the year ended March 31, 2018*

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	<i>2018</i>	<i>2017</i>
<hr/>		
<b>Other</b>		
Donations	21,657	27,482
Miscellaneous	5,350	-
Amortization	537	-
Bad debts	440	1,631
Coaching association program	-	6,150
	<hr/>	<hr/>
	27,984	35,263

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