

FINANCIAL STATEMENTS
For
OTTAWA CARLETON ULTIMATE ASSOCIATION
For year ended
OCTOBER 31, 2024

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors of

OTTAWA CARLETON ULTIMATE ASSOCIATION

We have reviewed the accompanying financial statements of Ottawa Carleton Ultimate Association ("the Association") that comprise the statement of financial position as at October 31, 2024, 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Association derives revenue from registration fees the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to registration fees revenue, deficiency of revenues over expenses, and cash flows from operations for the year ended October 31, 2024, current assets as at October 31, 2024, and net assets as at November 1, 2023 and October 31, 2023. Our review conclusion on the financial statements for the year ended October 31, 2023 was modified accordingly because of the possible affects of this limitation on the scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, 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 the Association as at October 31, 2024, and its results of the operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
April 28, 2025.

OTTAWA CARLETON ULTIMATE ASSOCIATION

STATEMENT OF FINANCIAL POSITION

OCTOBER 31, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 514,225	\$ 248,009
Short term investments (note 4)	-	18,480
Accounts receivable	70,972	9,253
Prepaid expenses	<u>57,568</u>	<u>29,335</u>
	642,765	305,077
TANGIBLE CAPITAL ASSETS (note 5)	<u>536,050</u>	<u>541,912</u>
	<u>\$ 1,178,815</u>	<u>\$ 846,989</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 23,400	\$ 21,176
Deferred revenue	452,990	289,977
Government remittances payable	30,377	19,179
Current portion of loan payable (note 6)	<u>11,373</u>	<u>9,262</u>
	518,140	339,594
LOAN PAYABLE (note 6)	156,179	169,365
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (note 7)	<u>-</u>	<u>40,000</u>
	674,319	548,959
NET ASSETS - UNRESTRICTED	<u>504,496</u>	<u>298,030</u>
	<u>\$ 1,178,815</u>	<u>\$ 846,989</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

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OTTAWA CARLETON ULTIMATE ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED OCTOBER 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Registration fees	\$ 1,038,108	\$ 817,048
Field subrentals	59,336	33,365
Other (note 8)	<u>177,979</u>	<u>50,391</u>
	<u>1,275,423</u>	<u>900,804</u>
Expenses		
Field rental	428,322	435,590
Event supplies	200,433	44,713
Salaries and employee benefits	174,011	163,629
Land maintenance	147,722	119,050
Administrative	49,325	37,843
Professional fees	23,218	17,617
Insurance	14,778	12,584
Interest on long-term debt	12,291	12,226
Membership dues	11,846	5,866
Amortization	5,862	6,521
Advertising and promotion	1,149	8,028
Profit sharing - Elevate	<u>-</u>	<u>7,977</u>
	<u>1,068,957</u>	<u>871,644</u>
Excess of revenue over expenses	206,466	29,160
Net assets, beginning of year	<u>298,030</u>	<u>268,870</u>
Net assets, end of year	<u>\$ 504,496</u>	<u>\$ 298,030</u>

(See accompanying notes)

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OTTAWA CARLETON ULTIMATE ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED OCTOBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 206,466	\$ 29,160
Adjustment for amortization of tangible capital assets	5,862	6,521
Change in non-cash working capital items:		
Accounts receivable	(61,719)	(3,906)
Accounts payable and accrued liabilities	2,224	(18,954)
Prepaid expenses	(28,233)	7,278
Government remittances receivable	11,198	7,412
Deferred revenue	<u>163,013</u>	<u>1,770</u>
	<u>298,811</u>	<u>29,281</u>
INVESTING ACTIVITIES		
Disposal (purchase) of short term investments - net	<u>18,480</u>	<u>(2,757)</u>
FINANCING ACTIVITIES		
Repayment of Canada Emergency Business Account loan	(40,000)	-
Repayment of long-term debt	<u>(11,075)</u>	<u>(10,462)</u>
	<u>(51,075)</u>	<u>(10,462)</u>
INCREASE IN CASH	266,216	16,062
CASH AT BEGINNING OF YEAR	<u>248,009</u>	<u>231,947</u>
CASH AT END OF YEAR	\$ <u>514,225</u>	\$ <u>248,009</u>

(See accompanying notes)

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OTTAWA CARLETON ULTIMATE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2024

1. NATURE OF OPERATIONS

The Association was incorporated without share capital under Section 211 of the Canada Not-for-profit Corporations Act for the purpose of promoting the sport of Ultimate Frisbee. It is a not-for-profit organization under the Income Tax Act, and as such is not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Association uses the deferral method of accounting for revenue recognition. Upon receipt, the registration fees are deferred and recognized, over registration terms, on a straight-line basis. Field subrental income is recognized as revenue as at the date the fields are used. Grant revenue is recognized once the requirements of the grant have been met. Other revenue is recognized when persuasive evidence of an arrangement exists, the amount is fixed, or determinable, and collection is reasonably assured.

Financial instruments

The Association initially measures its financial instruments at fair market value.

The Association subsequently reports cash and short term investments at fair market value at the date of the statement of financial position.

All other financial instruments are subsequently reported at cost or amortized cost at the date of the statement of financial position.

Tangible capital assets

Tangible capital assets are stated at acquisition cost. Amortization is provided at the following methods and annual rates:

Computer Equipment	30 - 55% declining balance
Furniture and fixtures	10 - 30% declining balance
Irrigation system	4% declining balance
Fence	4% declining balance
Field Equipment	20% declining balance

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from these estimates.

Management makes estimates regarding the collectibility of its accounts receivable, the useful life of its tangible capital assets and in determining certain accrued liabilities. Actual results could differ materially from these estimates.

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OTTAWA CARLETON ULTIMATE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED OCTOBER 31, 2024

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at October 31, 2024.

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 is exposed to credit risk on its cash and accounts receivable.

The Association's cash is on deposit with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote.

Management believes that the Association's credit risk with respect to accounts receivable to be limited. The Association manages its credit risk by reviewing accounts receivable aging monthly and diligently following up on collection of outstanding amounts. As such, there were no bad debts nor amounts allowed for doubtful accounts for the current or prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its current liabilities and manages this risk through its budgeting process.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Association is not exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of future cash flows of a financial instruments or future cash flows will fluctuate due to changes in market interest rates.

The Association's loans bear interest at fixed rates. Consequently, the Association's exposure to interest rate risk is minimal.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. As the Association does not have financial instruments that are quoted in an active market, management does not believe the Association is exposed to significant other price risk.

Changes in risk

There were no significant changes to the Association's risk exposure from the prior year.

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OTTAWA CARLETON ULTIMATE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED OCTOBER 31, 2024

4. SHORT TERM INVESTMENTS

The Association invests in GICs for the sole purpose of setting aside cash for short-term unexpected events. These short term investments consisted of the following:

	<u>2024</u>	<u>2023</u>
Guaranteed investment certificates - matured in January 2024	\$ -	\$ 18,480

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 424,083	\$ -	\$ 424,083	\$ -
Computer equipment	18,642	18,606	18,642	18,562
Furniture and fixtures	9,826	8,689	9,826	8,202
Irrigation system	245,235	143,561	245,235	139,325
Fence	9,175	3,818	9,175	3,595
Field equipment	14,593	11,331	14,593	10,515
Deep well	<u>850</u>	<u>349</u>	<u>850</u>	<u>293</u>
	722,404	\$ 186,354	722,404	\$ 180,492
Accumulated amortization	<u>186,354</u>		<u>180,492</u>	
	<u>\$ 536,050</u>		<u>\$ 541,912</u>	

6. LOAN PAYABLE

Long-term liabilities consists of the following:

	<u>2024</u>	<u>2023</u>
Loan, secured by land in the amount of \$210,544, bearing interest at the rate of 7.57%, payable in monthly payments of \$1,972, maturing August 2026	\$ 167,552	\$ 178,627
Less current portion	<u>11,373</u>	<u>9,262</u>
	<u>\$ 156,179</u>	<u>\$ 169,365</u>

7. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN

The Canada Emergency Business Account (CEBA) loan consisted of the following:

	<u>2024</u>	<u>2023</u>
Loan, capital of \$60,000 (less forgivable portion of \$20,000) - fully repaid in year	\$ -	\$ 40,000

As the balance of the CEBA loan was repaid prior to March 28, 2024, the \$20,000 was forgiven.

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OTTAWA CARLETON ULTIMATE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED OCTOBER 31, 2024

8. OTHER REVENUE

Other revenue consists of the following:

	<u>2024</u>	<u>2023</u>
Comp Alliance Membership Fees	\$ 60,667	\$ 32,904
Grants	55,000	-
Food and beverage	19,555	10,774
Merchandise	15,782	2,904
Other miscellaneous	14,789	3,257
Sponsorship	10,000	508
Investment income	2,186	-
Product sales	<u>-</u>	<u>44</u>
	<u>\$ 177,979</u>	<u>\$ 50,391</u>

9. COMMITMENTS

The Association has entered into a lease agreement which calls for the following payments for maintenance services:

2025	\$ 97,125
2026	97,125

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