

**OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION (operating as)  
OTTAWA TITANS WATER POLO**

FINANCIAL STATEMENTS  
AUGUST 31, 2008

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## AUDITORS' REPORT

To the Members,  
Ottawa-Carleton Titans Water Polo Association:

We have audited the balance sheet of Ottawa-Carleton Titans Water Polo Association as at August 31, 2008 and the statements of changes in net assets, revenue and expenditure and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with similar organizations, the Association derives revenue from fundraising and other activities, 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 revenue, excess of revenue over expense for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Ottawa-Carleton Titans Water Polo Association as at August 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa, Ontario  
November 13, 2008

*OHCD LLP.*

OUSELEY HANVEY CLIPSHAM DEEP LLP  
Licensed Public Accountants

# OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

## BALANCE SHEET AS AT AUGUST 31, 2008

|  | 2008       | 2007       |
|--|------------|------------|
| <b>CURRENT ASSETS</b>                    |            |            |
| Cash                                     | \$ 46,387  | \$ 50,952  |
| Short term investment (note 3)           | 75,000     | 75,000     |
| Accounts receivable                      | 12,244     | 6,170      |
| Prepaid expenses                         | 2,608      | 2,037      |
| Merchandise for resale                   | 17,578     | 12,500     |
|  | 153,817    | 146,659    |
| <b>CAPITAL ASSETS (note 4)</b>           |            |            |
|  | 23,476     | 22,454     |
|  | \$ 177,293 | \$ 169,113 |
| <b>CURRENT LIABILITIES</b>               |            |            |
| Accounts payable and accrued liabilities | \$ 9,221   | \$ 4,942   |
| Deferred revenue (note 5)                | 25,045     | 15,500     |
|  | 34,266     | 20,442     |
| <b>NET ASSETS</b>                        |            |            |
| Invested in capital assets               | 23,476     | 22,454     |
| Unrestricted                             | 119,551    | 126,217    |
|  | 143,027    | 148,671    |
|  | \$ 177,293 | \$ 169,113 |

Approved by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED AUGUST 31, 2008

|  | 2008      | 2007      |
|--|-----------|-----------|
| <b>NET ASSETS INVESTED IN CAPITAL ASSETS</b> |           |           |
| Balance - beginning of year                  | \$ 22,454 | \$ 20,184 |
| Purchase of capital assets                   | 6,125     | 9,795     |
| Amortization                                 | (5,103)   | (7,525)   |
| Balance - end of year                        | \$ 23,476 | \$ 22,454 |

### UNRESTRICTED NET ASSETS

|                                      |            |            |
|--------------------------------------|------------|------------|
| Balance - beginning of year          | \$ 126,217 | \$ 152,999 |
| Net expenditure for the year         | (5,644)    | (24,512)   |
| Net change related to capital assets | (1,022)    | (2,270)    |
| Balance - end of year                | \$ 119,551 | \$ 126,217 |

## OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

### STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED AUGUST 31, 2008

|   | 2008              | 2007               |
|---|-------------------|--------------------|
| <b>REVENUE</b>                            |                   |                    |
| Program fees                              |                   |                    |
| Competitive                               | \$ 181,916        | \$ 159,639         |
| Enhanced programs                         | 36,198            | 14,723             |
| I Love Water Polo                         | 23,419            | 34,004             |
| House League                              | 17,198            | 5,270              |
| Adult                                     | 8,894             | 8,804              |
|   | 267,625           | 222,440            |
| Events                                    |                   |                    |
| Hosted camps                              | 10,390            | 29,142             |
| Hosted tournaments                        | 13,729            | 7,751              |
| Out-of-town tournaments (net of expenses) | 4,387             | 2,782              |
| Banquet                                   | 5,947             | 6,919              |
|   | 34,453            | 46,594             |
| Grants                                    | 14,487            | 1,750              |
| Merchandise sales                         | 11,721            | 15,411             |
| Major club sponsorships                   | 4,522             | 3,252              |
| Other revenue                             | 2,318             | 2,627              |
|   | 33,048            | 23,040             |
| <b>TOTAL REVENUE</b>                      | <b>335,126</b>    | <b>292,074</b>     |
| <b>EXPENDITURE</b>                        |                   |                    |
| Coaching                                  | 107,393           | 93,279             |
| Pool rental                               | 80,334            | 92,767             |
| Staffing and support                      | 64,561            | 46,723             |
| Event costs                               | 17,764            | 29,847             |
| Accounting and audit                      | 15,474            | 17,399             |
| Training modules                          | 15,000            | -                  |
| Cost of sales - merchandise               | 14,373            | 8,929              |
| Ontario Water Polo registration fees      | 9,688             | 9,932              |
| Amortization of capital assets            | 5,103             | 7,525              |
| Marketing                                 | 4,771             | 3,379              |
| Other                                     | 6,309             | 6,806              |
|   | 340,770           | 316,586            |
| <b>NET EXPENDITURE FOR THE YEAR</b>       | <b>\$ (5,644)</b> | <b>\$ (24,512)</b> |

## OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2008

|  | 2008             | 2007             |
|--|------------------|------------------|
| <b>CASH PROVIDED BY (USED FOR)</b>                 |                  |                  |
| <b>OPERATING ACTIVITIES</b>                        |                  |                  |
| Net expenditure for the year                       | \$ (5,644)       | \$ (24,512)      |
| Items not requiring cash:                          |                  |                  |
| - amortization of capital assets                   | 5,103            | 7,525            |
|  | (541)            | (16,987)         |
| Change in non-cash current assets and liabilities: |                  |                  |
| Accounts receivable                                | (6,074)          | (6,170)          |
| Prepaid expenses                                   | (571)            | (2,037)          |
| Merchandise for resale                             | (5,078)          | (1,614)          |
| Accounts payable and accrued liabilities           | 4,279            | (839)            |
| Deferred revenue                                   | 9,545            | 15,500           |
|  | 1,560            | (12,147)         |
| <b>INVESTING ACTIVITIES</b>                        |                  |                  |
| Redemption (purchase) of short term investment     | -                | (75,000)         |
| Acquisition of capital assets                      | (6,125)          | (9,794)          |
|  | (6,125)          | (84,794)         |
| <b>DECREASE IN CASH</b>                            | <b>(4,565)</b>   | <b>(96,941)</b>  |
| Cash beginning of year                             | 50,952           | 147,893          |
| <b>CASH END OF YEAR</b>                            | <b>\$ 46,387</b> | <b>\$ 50,952</b> |

# OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Organization

Ottawa-Carleton Titans Water Polo Association was incorporated under the Ontario Corporations Act by letters patent and operates under the name Ottawa Titans Water Polo. The objective of the Association is to promote and sponsor athletic activities and games along with affiliated social activities.

#### b) Revenue recognition

Revenue is recognized using the deferral method of accounting. Restricted contributions are recorded as revenue in the year in which the related expenses are incurred.

#### c) Use of estimates

The preparation of these financial statements in conformance with Canadian 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 those estimates.

#### (d) Merchandise for resale

Merchandise for resale consists of swimsuits, caps, clothing, balls and other items and is recorded at the lower of cost, calculated on the first-in, first-out basis, and net realizable value. During the year, various merchandise items were sold below cost. These items consisted of older items, over-stocked sizes and less popular items. At year end, a further adjustment was recorded to write down the inventory to net realizable value.

#### (e) Financial instruments

The Association's financial instruments consist of cash, short term investment, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, currency, or credit risks arising from these financial instruments and that the carrying amounts approximate their fair value.

### 2. CHANGE IN ACCOUNTING POLICY

During the year, the Association changed its rate of amortization of capital assets from 30% declining balance to 20% declining balance. It is the judgement of management that this rate better reflects the life span of the assets of the Association. This change has been applied prospectively.

## OTTAWA-CARLETON TITANS WATER POLO ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008

#### 3. SHORT TERM INVESTMENT

Short term investment consists of a one year cashable GIC that matures on February 11, 2009 and earns interest at a rate that varies based on the bank's Canadian Prime Rate.

#### 4. CAPITAL ASSETS

Capital assets consist of athletic equipment and are recorded at cost with amortization provided using the declining balance basis at the rate of 20% per year.

|                    | Cost     | Accumulated<br>Amortization | 2008<br>NBV | 2007<br>NBV |
|--------------------|----------|-----------------------------|-------------|-------------|
| Athletic equipment | \$78,043 | \$54,567                    | \$23,476    | \$22,454    |

#### 5. DEFERRED REVENUE

Deferred revenue consists of \$25,045 (2007 - \$15,500) received from the Communities In Action Fund for the purpose of expanding and growing the sport of water polo in Ottawa during the next fiscal year.

#### 6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current year's financial statement presentation.