ONTARIO VOLLEYBALL ASSOCIATION

Financial Statements

Year Ended August 31, 2025

MacNeill Edmundson
PROFESSIONAL CORPORATION

ONTARIO VOLLEYBALL ASSOCIATION
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Year Ended August 31, 2025

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MACNEILL EDMUNDSON
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Volleyball Association

Opinion

We have audited the financial statements of Ontario Volleyball Association (the Association), which comprise the statement of financial position as at August 31, 2025, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2025, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MacNeill Edmundson

London, Ontario
November 18, 2025

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

ONTARIO VOLLEYBALL ASSOCIATION
Statement of Financial Position
August 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	**$ 2,124,317**	$ 2,704,449
Short-term investments *(Note 2)*	**96,000**	62,000
Accounts receivable	**227,339**	237,942
Interest receivable	**5,163**	4,198
Harmonized sales tax recoverable	**134,954**	98,703
Prepaid expenses	**749,514**	305,229
	3,337,287	3,412,521
CAPITAL ASSETS *(Note 3)*	**615,012**	237,449
LONG TERM INVESTMENTS *(Note 2)*	**461,146**	466,193
DEPOSITS	**22,024**	22,024
	$ 4,435,469	$ 4,138,187
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,228,143**	$ 1,327,691
Deferred revenue *(Note 4)*	**289,805**	336,315
	1,517,948	1,664,006
DEFERRED REVENUE *(Note 4)*	**2,202**	4,202
	1,520,150	1,668,208
NET ASSETS		
Contingency reserve fund *(Note 6)*	**2,214,317**	1,843,103
Payable to members fund *(Note 7)*	**701,002**	626,876
	2,915,319	2,469,979
	$ 4,435,469	$ 4,138,187

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ONTARIO VOLLEYBALL ASSOCIATION
Statement of Changes in Net Assets
Year Ended August 31, 2025

	Contingency Reserve Fund	Payable to Members Fund	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 1,843,103	$ 626,876	**$ 2,469,979**	$ 2,213,977
Excess of revenue over expenditures	371,214	74,126	**445,340**	256,002
NET ASSETS - END OF YEAR	$ 2,214,317	$ 701,002	**$ 2,915,319**	$ 2,469,979

ONTARIO VOLLEYBALL ASSOCIATION
Statement of Revenues and Expenditures
Year Ended August 31, 2025

	2025	2024
REVENUE		
Programs - tournaments, fees and other	**$ 8,838,847**	$ 7,948,082
Memberships	**1,065,578**	873,833
Grants - Government of Ontario	**389,418**	387,537
Sponsorships	**188,858**	155,144
Investment income	**168,225**	205,858
Grants - Other	**127,012**	122,278
Other income	**54,503**	39,034
Grants - Trillium Fund	**22,236**	22,236
Fundraising	**9,144**	8,473
Publication sales	**1,006**	1,688
	10,864,827	9,764,163
EXPENDITURES		
Programs *(Notes 10, 12)*	**9,185,355**	8,234,038
Administrative salaries and benefits *(Note 10)*	**493,135**	431,632
Other administrative costs *(Note 13)*	**489,170**	678,797
Special events	**116,428**	86,701
Amortization of capital assets	**84,949**	64,452
Communications	**79,067**	77,047
Meetings	**29,605**	34,109
Publication costs	**15,904**	10,968
	10,493,613	9,617,744
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	**371,214**	146,419
PAYABLE TO MEMBERS FUND		
Officials' development income	**164,032**	143,520
Regional memberships	**116,829**	116,773
Region 6 legacy income	**26,833**	48,950
Regional expenses	**(67,584)**	(73,255)
Officials' development expenses	**(165,984)**	(126,405)
	74,126	109,583
EXCESS OF REVENUE OVER EXPENDITURES	**$ 445,340**	$ 256,002

ONTARIO VOLLEYBALL ASSOCIATION
Statement of Cash Flow
Year Ended August 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	**$ 445,340**	$ 256,002
Items not affecting cash:		
Amortization of capital assets	**84,949**	64,452
Amortization reported under program expenses	**-**	24,422
	530,289	344,876
Changes in non-cash working capital:		
Accounts receivable	**10,603**	240,965
Interest receivable	**(965)**	1,981
Accounts payable and accrued liabilities	**(99,548)**	536,447
Deferred revenue	**(46,510)**	49,711
Prepaid expenses	**(444,285)**	(8,286)
Harmonized sales tax recoverable	**(36,251)**	(37,046)
Deferred revenue - long-term	**(2,000)**	(2,000)
	(618,956)	781,772
Cash flow from (used by) operating activities	**(88,667)**	1,126,648
INVESTING ACTIVITIES		
Purchase of capital assets	**(462,512)**	-
Proceeds on disposal of capital assets	**-**	127
Net (increase) decrease in investments	**(28,953)**	(29,990)
Cash flow used by investing activities	**(491,465)**	(29,863)
INCREASE (DECREASE) IN CASH FLOW	**(580,132)**	1,096,785
Cash - beginning of year	**2,704,449**	1,607,664
CASH - END OF YEAR	**$ 2,124,317**	$ 2,704,449

PURPOSE OF THE ORGANIZATION

Ontario Volleyball Association ("the Association") is a provincial organization operating programs to lead in the development and promotion of the sport throughout Ontario. Ontario Volleyball Association is incorporated in the province of Ontario under the Corporations Act as a not-for-profit organization.

1. ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

Contingency Reserve Fund

The objective of the contingency reserve fund is to maintain funds sufficient to meet the Association's annual working capital requirements and any planned future capital commitments. This reserve was established to ensure that the Association will be able to continue to operate as a going concern.

Payable to Members Fund

The payable to members fund is made up of a combination of internally restricted funds as follows:

Regional Reserve Fund

The regional reserve fund is an internally restricted fund that was established to set aside $3 per member each year to be spent on regional activities.

Officials' Development Fund

The officials' development fund is an internally restricted fund that was established to set aside 5% of match fees to be utilized on officials development programs.

Region 6 Legacy Fund

The region 6 legacy fund is an internally restricted fund to support Region 6 initiatives. The account is funded by region 6's support of Volleyball Canada in the delivery of National and International events.

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1. ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Association follows the deferral method of accounting for grants. Grants are recognized as revenue in the year in which the related expenses are incurred. Program fees are recognized as revenue when the programs are held. Investment income includes interest income, realized investment gains and losses, and unrealized gains.

Donated services

The Association benefits greatly from donated services in the form of volunteer work to assist the Ontario Volleyball Association in carrying out its service delivery activities. Because of the difficulty in determining their fair value, donated services are not recognized in the financial statements.

Capital assets

Capital assets are recorded at cost. Amortization is provided on the basis and at the annual rates indicated as follows:

Equipment	10 years	straight-line method
Volleyball courts and equipment	10 years	straight-line method
Improvements to beach volleyball courts under license	over license term	straight-line method
Leasehold improvements	over lease term	straight-line method

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of 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, 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, investments, accounts receivable and interest receivable.

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

Deferred government assistance

Capital asset grants are accounted for as deferred government assistance and amortized on the same basis as the related capital assets.

2. INVESTMENTS

	2025	2024
Fixed Income Investments (at cost)	**$ 566,557**	$ 570,661
Less: change in fair market value	**(9,411)**	(42,468)
Less: short-term investments	**(96,000)**	(62,000)
Long Term Investments	**$ 461,146**	$ 466,193

Investments consist of GIC's and bonds that mature from June 2026 to October 2030 and earn interest at rates between 2.05% and 3.72% annually.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Equipment	$ 33,645	$ 33,645	**$ -**	$ -
Volleyball courts and equipment	1,334,364	719,352	**615,012**	233,211
Improvements to beach volleyball courts under license	228,522	228,522	**-**	-
Leasehold improvements	28,486	28,486	**-**	4,238
	$ 1,625,017	$ 1,010,005	**$ 615,012**	$ 237,449

4. DEFERRED REVENUE

Deferred revenue represents monies received prior to the year end which relate to events which will not occur until after year end, or specifically will be designated as subsequent year revenues.

	2025	2024
Ontario Trillium Foundation	**$ 82,909**	$ 105,145
Ministry of Tourism, Culture and Sport - OASF	**79,514**	79,514
Ontario championships travel fund	**68,813**	78,953
Other fund previously Performance bonds	**23,900**	23,900
Ashbridges Bay Beach Volleyball	**21,422**	22,280
Athlete assistance fund	**11,247**	16,623
Solars fund	**4,202**	6,202
Programs - tournaments, fees and other	**-**	7,900
Subtotal	**292,007**	340,517
Current portion of deferred revenue	**(289,805)**	(336,315)
Long term portion of deferred revenue	**$ 2,202**	$ 4,202

Performance bonds payable represent amounts collected from all clubs for ongoing participation in the Association's programs. These funds were collected at the time of registration. In a prior year, the Association eliminated the requirement for performance bonds and refunded bonds where possible. The remaining funds will be used for operational indoor club volleyball.

Previously, a volleyball club contributed $18,500 to the Association for its use. The Association has decided that the funds along with other internal fund contributions will be used for athlete assistance for athletes who are national team candidates. This fund is known as the Solars Fund. The full amount, less $2,000 for current awards, has been presented as long term.

5. SPONSORSHIPS

The Association's financial statements reflect only cash sponsorships received from various sponsors. During the current fiscal year, the Association received additional donations of products from various sponsors with a retail value of approximately $92,643 (2024 - $65,831).

6. CONTINGENCY RESERVE FUND

The Net Asset position is being presented in the financial statements as the Contingency Reserve Fund, which is comprised of operating and capital funds. The Fund grew by $371,214 as a result of the excess revenues over expenditures during the fiscal year.

The Finance and Audit Committee has recommended and the Board has approved a target amount of reserve funds required to support operations and capital funding to be $2,485,000. The target amount is based on the following:

Reserve for Operations (50% of annual wages & admin costs)	**$ 1,175,000**
Reserve for Capital Projects	**500,000**
Reserve for Ministry Funding ($270,000 x 3 year funding cycle)	**810,000**
Total Contingency Reserve Fund	**$ 2,485,000**

7. PAYABLE TO MEMBERS FUND

The Payable to Members fund on the statement of financial position consists of the following amounts:

Regional reserve fund	$412,592
Region 6 legacy fund	$208,251
Officials' development fund	$80,159
Total	$701,002

The regional reserve fund consists of a portion of membership revenues ($3/member) that is designated for use by the OVA Regions. This is an internally restricted fund that can only be accessed for approved regional initiatives. Each region is required to develop an annual regional budget that is submitted to the regional council for approval. The role of the regions is to provide their expertise to collaboratively integrate the OVA's strategic plan into programs at the regional level. All approved regional initiatives must align with the strategic priorities of the OVA within the regional setting.

The region 6 legacy fund consists of revenue generated by the region for supporting Volleyball Canada in the delivery of National and International Volleyball events and related programming. This is an internally restricted fund that can only be accessed for approved region 6 legacy fund initiatives.

The officials' development fund consists of a portion of officials' fees (5% of officials' match fees) that is collected to support officials' development programs. This is an internally restricted fund that can only be accessed for approved officials' development and support initiatives at the regional and provincial levels.

8. OFFICE RENT & MAINTENANCE

The Association leases premises at 60 Scarsdale Road, Toronto, Ontario on a monthly basis from Scarsdale Investments Inc. The association previously entered into a lease agreement that runs to September 2024. During the prior year, the association agreed to a lease extension that runs to September 2029. The leases have the following required annual payments:

2026	**$ 103,755**
2027	**103,755**
2028	**103,755**
2029	**103,755**
2030	**8,646**
	$ 423,666

9. FINANCIAL INSTRUMENTS

The Association as part of its operations carries a number of financial instruments, which include cash, investments, accounts receivable, interest receivable, accounts payable and accrued liabilities and amounts payable to members. The carrying amount of the Association's financial instruments approximates their face value due to their relatively short-term maturities. It is management's opinion that the Association is not exposed to significant interest rate, currency or credit risks arising from its financial instruments, except as otherwise disclosed.

10. SALARIES AND BENEFITS

Salaries and benefits consist of:

	2025	2024
Administrative salaries and benefits	**$ 493,135**	$ 431,632
Programs	**1,374,280**	1,366,928
	$ 1,867,415	$ 1,798,560

Salaries and benefits allocated to programs are reported under program expenditures.

11. COMMITMENTS

The Association has entered into license agreements with various Centres for events to be held annually in November 2025 to November 2031, January 2026 to January 2031, February 2026 to February 2032, and April 2026 to April 2029. Net rental cost (including HST) is $4,233,501 for the events, of which $674,459 has been paid and is included in deposits and prepaid expenses. Future required payments (including HST) are $715,276 in 2026, $691,888 in 2027, $802,273 in 2028, $671,613 in 2029, $256,216 in 2030, $362,220 in 2031, and $59,558 in 2032.

In the prior year, the Association also entered into license agreements for the properties where the beach volleyball courts were renovated or constructed. The license agreement for the courts located in Barrie has an initial term from July 1, 2018 to September 30, 2028 and a renewal option from May 1, 2029 to September 30, 2033. The license fee is calculated as 15% of the revenue generated from the courts plus HST and is payable annually by October 15th.

The license agreement for the courts located in the City of Pickering has a term from May 1, 2023 to September 30, 2027. The total commitment remaining over the term is $12,713 (including HST).

The Association has an agreement to purchase medals for 2026 at a cost of $212,423 (including HST). $106,212 has been paid and is included in prepaid expenses. The balance will be paid in 2026.

The Association has entered into court rental agreements with various organizations for 2026 at a cost of $125,492 (including HST). The balance will be paid in 2026.

12. PROGRAM EXPENSES

	2025	2024
Programs - Learn To Compete	**$ 2,336,459**	$ 1,798,550
Provincial championships	**1,954,102**	1,773,064
Programs - Train To Train	**1,630,614**	1,518,426
Officials	**1,186,703**	1,273,006
Beach	**694,514**	586,497
Programs - OVA Beach Facilities	**545,896**	542,427
Programs - Learn To Train	**512,360**	412,712
Coaching	**201,942**	164,637
Programs - Sitting Volleyball	**65,700**	26,851
Programs - Train To Compete	**57,065**	137,868
	$ 9,185,355	$ 8,234,038

Programs - OVA Beach Facilities includes amortization of capital assets (improvements to volleyball courts under license) of $nil (2024 - $24,422).

13. OTHER ADMINISTRATION COSTS

	2025	2024
Professional services *(Note 14)*	**$ 308,044**	$ 520,676
Insurance	**96,777**	68,671
Rent	**31,633**	31,646
Phone & internet	**24,547**	23,837
Bank, credit card & payroll service charges	**16,746**	19,129
Postage & courier	**3,125**	3,250
Bad debt expense	**2,886**	1,165
Office supplies and other	**2,212**	4,602
Printing & copying	**1,857**	2,142
Leasehold improvements	**1,343**	1,524
Sundry	**-**	2,155
	$ 489,170	$ 678,797

14. LEGAL FEES

Legal fees are included in the professional services line of other administration costs (Note 13). The total amount of legal fees expensed is $252,388 (2024 - $497,716) and consists of amounts invoiced of $172,076 plus an accrual for amounts not yet billed for cases originating in fiscal 2025 or prior. The accrual is calculated based on the estimated hours or cost for each case to its resolution.

Fiscal 2024 legal costs were much higher than fiscal 2025 because complaints for alleged violations of The Universal Code of Conduct to Prevent and Address Maltreatment in Sport (UCCMS) were being processed by the Office of the Sport Integrity Commissioner (OSIC). The OSIC process was very slow and costly. A significant reduction in legal costs occurred this year and is anticipated to continue into fiscal 2026 now that the processing of safe sport complaints has moved back to third party complaint service providers contracted by the Association.