

Ontario Basketball Association  
Financial Statements  
For the year ended August 31, 2025

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**Financial Statements**  
For the year ended August 31, 2025

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## Independent Auditor's Report

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To the Members of Ontario Basketball Association

### Opinion

We have audited the financial statements of Ontario Basketball Association (the "Association"), which comprise the statement of financial position as at August 31, 2025, and the statements of operations and changes in net assets and cash flows 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 flows 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related 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.



#### 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
June 17, 2026

## Ontario Basketball Association Statement of Financial Position

**August 31** **2025** **2024**

### Assets

#### Current

Cash	\$ 942,513	\$ 1,103,504
Accounts receivable	688,637	431,947
Inventory	11,768	8,428
Prepaid expenses	40,371	4,212

	1,683,289	1,548,091
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#### Capital assets (Note 2)

	154,298	181,481
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	\$ 1,837,587	\$ 1,729,572
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### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$ 659,263	\$ 541,908
Deferred revenue	143,395	124,422

	802,658	666,330
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#### Net assets

Unrestricted	1,034,929	1,063,242
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	\$ 1,837,587	\$ 1,729,572
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On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Ontario Basketball Association Statement of Operations and Changes in Net Assets

For the year ended August 31	2025	2024
<b>Revenue</b>		
Competitive development	\$ 7,569,978	\$ 6,771,618
Memberships	981,122	749,141
Government grants	330,245	504,204
Sponsorships	297,838	216,942
Merchandising	77,632	26,344
Fundraising	12,450	32,864
Other income	137,170	132,388
	<b>9,406,435</b>	<b>8,433,501</b>
<b>Expenditures</b>		
Competitive development (Schedule)	6,318,297	6,315,585
Administration (Schedule)	2,813,065	1,918,140
Membership and insurance	303,386	181,412
Merchandising and fundraising	-	10,399
	<b>9,434,748</b>	<b>8,425,536</b>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>(28,313)</b>	<b>7,965</b>
<b>Net assets, beginning of year</b>	<b>1,063,242</b>	<b>1,055,277</b>
<b>Net assets, end of year</b>	<b>\$ 1,034,929</b>	<b>\$ 1,063,242</b>

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

## Ontario Basketball Association Statement of Cash Flows

For the year ended August 31	2025	2024
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ (28,313)	\$ 7,965
Adjustments to reconcile excess (deficiency) of revenue over expenditures to net cash from operating activities		
Amortization	44,050	44,816
Changes in non-cash working capital balances		
Accounts receivable	(256,690)	(306,025)
Inventory	(3,340)	(3,748)
Prepaid expense	(36,159)	4,375
Accounts payable and accrued liabilities	117,355	238,781
Deferred revenue	18,973	108,922
	(144,124)	95,086
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(16,867)	(53,831)
Net increase in short-term investments	-	1,000,000
	(16,867)	946,169
<b>Increase (decrease) in cash during the year</b>	<b>(160,991)</b>	<b>1,041,255</b>
<b>Cash, beginning of year</b>	<b>1,103,504</b>	<b>62,249</b>
<b>Cash, end of year</b>	<b>\$ 942,513</b>	<b>\$ 1,103,504</b>

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

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# Ontario Basketball Association Notes to Financial Statements

August 31, 2025

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## 1. Significant Accounting Policies

### Nature of Operations

Ontario Basketball Association (the "Association"), is a non-profit organization incorporated without share capital in the province of Ontario. The Association is tax exempt under the Income Tax Act.

The purpose of the Association is to lead the development and promotion of the sport throughout the province of Ontario.

### Basis of Accounting

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are deferred and recognized as revenue in the year in which 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.

Revenue for competitive development, sponsorships, program fees, and registration are recognized when the services are rendered or programs offered and there is a reasonable assurance of collection. Amount received in advance of revenue recognition are treated as deferred revenue.

Membership fees are recognized over the term of the membership once the membership fees have been received or receivable, starting with the date of the member joining the Association.

Revenue is recorded for all retail merchandise upon the purchase of merchandise by customers.

### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined using the moving average method. The inventory consists of books, manuals, score sheets, clothing and miscellaneous items necessary for the conduct of the Association's operations.

### Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is calculated as follows:

Equipment	-	20% declining balance
Computer equipment	-	55% declining balance
Leasehold improvements	-	straight line, term of lease

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# Ontario Basketball Association Notes to Financial Statements

August 31, 2025

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## 1. Significant Accounting Policies (Continued)

### Measurement Uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimate. Assumptions are used in estimating the collectability of accounts receivable and accrued liabilities.

### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

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## 2. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 59,005	\$ 28,121	\$ 53,505	\$ 21,087
Computer equipment	103,903	84,458	94,167	69,421
Leasehold improvements	340,185	236,216	338,554	214,237
	<b>\$ 503,093</b>	<b>\$ 348,795</b>	<b>\$ 486,226</b>	<b>\$ 304,745</b>
Net book value		<b>\$ 154,298</b>		<b>\$ 181,481</b>

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# Ontario Basketball Association Notes to Financial Statements

August 31, 2025

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### 3. Commitments

The Association has leased office space and the minimum annual rent payments for the next year is as follows:

2026	\$ <u>18,750</u>
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### 4. Financial Instrument Risks

#### 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 resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations. Management considers its exposure to credit risk over cash and investments to be remote as the Association holds all its cash deposits at one major Canadian bank. Accounts receivable are not concentrated significantly and, therefore, the carrying amount of accounts receivable represents the maximum credit risk exposure.

#### Liquidity Risk

Liquidity risk is the risk that the Association encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the Association's accounts payable and accrued liabilities.

The risks have not changed from the previous year.

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### 5. Comparative Figures

Comparative figures have been reclassified to conform with the current year's financial statement presentation.

## Ontario Basketball Association Schedule of Expenditures

For the year ended August 31	2025	2024
<b>Competitive development</b>		
Travel, facility, tournament fees and administration	\$ 3,222,047	\$ 3,194,832
Officials	2,635,069	2,506,731
Clinic materials	219,742	147,080
Consultants	96,909	346,026
Awards	91,060	87,567
Clinicians	53,470	33,349
	<b>\$ 6,318,297</b>	<b>\$ 6,315,585</b>
<b>Administration</b>		
Salaries and benefits	\$ 1,981,527	\$ 1,422,270
Office and administration	325,775	117,238
Professional fees	175,253	96,654
Bank, credit card and payroll service charges	147,497	130,280
Website costs	81,816	40,032
Rent	56,647	56,250
Amortization	44,050	44,816
Donations	500	10,600
	<b>\$ 2,813,065</b>	<b>\$ 1,918,140</b>