

**Ontario Association of Home  
Inspectors  
Financial Statements**  
For the year ended December 31, 2001

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## Auditors' Report

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**To the Members of  
Ontario Association of Home Inspectors**

We have audited the balance sheet of Ontario Association of Home Inspectors as at December 31, 2001 and the statement of operations and changes in fund balance 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.

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 many not-for-profit organizations, the Association derives revenue from education and conventions and seminars the completeness of which is not susceptible to satisfactory audit verification. Our verification of this 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 education and conventions and seminars, excess of revenue over expenditures, assets and members' equity.

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 revenue from education and conventions and seminars as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2001 and the results of its operations and changes in fund balance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

***BDO Dunwoody L.L.P.***

Chartered Accountants

Markham, Ontario  
February 5, 2002

**Ontario Association of Home Inspectors  
Balance Sheet**

December 31 2001 2000

(Note 3)

**Assets**

Cash and short term deposits (Note 1)	\$	163,593	\$	9,237
Accounts receivable		10,000		4,080
		\$ 173,593		\$ 13,317

**Liabilities and Members' Equity**

Accounts payable	\$	84,636	\$	4,881
Deferred revenue		22,521		-
		107,157		4,881

**Members' Equity**

Unrestricted funds		66,436		8,436
		\$ 173,593		\$ 13,317

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Ontario Association of Home Inspectors**  
**Statement of Operations and Changes in Fund Balance**

For the year ended December 31	2001	2000
		(Note 3)
<b>Revenue</b>		
Professional dues and fees	\$ 132,283	\$ 114,368
Board of examiners and education	113,448	59,329
Education program committee, conventions and seminars	138,490	21,456
Interest and other	5,681	1,353
	<u>389,902</u>	<u>196,506</u>
<b>Expenditures</b>		
Administration and support	46,225	32,124
Amortization	-	4,950
Audit fees	4,600	4,100
Bank charges and interest	4,704	574
Bookkeeping	5,314	4,182
Canadian Association of Home Inspectors fees	15,469	29,524
Board of examiners and education costs	83,525	37,434
Education program committee, conventions and seminars costs	154,849	23,187
Insurance	90	775
Legal	39,043	14,340
Office and general	10,714	5,376
Postage	8,743	5,135
Printing	7,498	6,190
Public relations	19,919	18,519
Telephone	3,378	6,755
	<u>404,071</u>	<u>193,165</u>
<b>Excess of (expenditures) revenue over (revenue) expenditures</b>	<b>(14,169)</b>	<b>3,341</b>
<b>Unrestricted funds, beginning of year</b>	<b>8,436</b>	<b>5,095</b>
<b>Adjustment for the amalgamation with PACHI (Note 3)</b>	<b>72,169</b>	<b>-</b>
<b>Unrestricted funds, end of year</b>	<b>\$ 66,436</b>	<b>\$ 8,436</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

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## **Ontario Association of Home Inspectors** **Summary of Significant Accounting Policies**

**December 31, 2001**

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**Nature and Purpose  
of Organization**

The Ontario Association of Home Inspectors ("OAHI") was established to provide its members with professional development opportunities and to uphold the standards of Home Inspectors in Ontario. OAHI is incorporated under the Ontario Association of Home Inspectors Act, 1994 as a not-for-profit organization. It is exempt from income taxes under Section 149 of the Income Tax Act.

**Basis of Presentation**

The financial statements have been prepared by management in accordance with generally accepted accounting principles as they apply to not-for-profit organizations.

OAHI follows the deferral method of accounting for contributions.

Members dues are recognized over the period of their related membership. Education and convention fees are recognized when the courses and conventions are held.

**Development Costs**

Development costs are recorded at cost. Amortization, based on the useful life of the assets, is provided on a straight line basis over three years. Development costs have been fully amortized.

**Capital Expenditures**

Items of a capital nature are expensed in the period incurred.

**Contributed Services**

Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Financial Instruments**

It is the Association's management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from its financial instruments. All cash is held at one financial institution.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Ontario Association of Home Inspectors Notes to Financial Statements

December 31, 2001

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**1. Cash and short term deposit**

The term deposit of \$48,514 is for a term of one year and matures on October 17th, 2002.

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**2. Statement of Cash Flows**

A statement of cash flows has not been provided since management believes that it does not provide any additional useful information.

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**3. Significant events**

Due to the national perspective on home inspection organizations, there was an amalgamation between OAHI (Ontario Association of Home Inspectors) and PACHI (Provincial Association of Certified Home Inspectors) on November 7, 2001. Therefore, these financial statements represents the total assets and liabilities of the two organizations as at December 31, 2001.

On the date of amalgamation, the assets and liabilities of PACHI were as follows:

Cash and short term deposits	\$ 72,774
Accounts receivable	8,000
Accounts payable	<u>(8,605)</u>
Net Assets	<u>\$ 72,169</u>

The statement of operations and changes in fund balances for 2001 includes the results of the amalgamated entity from November 7, 2001 to the year end date.

The comparative figures do not include PACHI.