

ONTARIO BLIND SPORTS ASSOCIATION
Financial Statements
Year Ended March 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Blind Sports Association

We have audited the accompanying financial statements of Ontario Blind Sports Association, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flow 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT *(continued)*

Basis for Qualified Opinion

In common with many non-profit associations, the Association derives revenues in the form of fundraising, donations and a direct marketing campaign, the completeness of which is not susceptible to complete audit verification. Accordingly, our examination of revenues from this source 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, assets or net assets.

This matter also resulted in a qualified opinion of the year ended March 31, 2017.

Qualified Opinion

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 revenues referred to in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ontario Blind Sports Association as at March 31, 2018 and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario
August 21, 2018

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

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

ONTARIO BLIND SPORTS ASSOCIATION
Statement of Financial Position
March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 111,387	\$ 60,344
Marketable securities (Note 2)	623,358	656,108
Accounts receivable	4,790	5
Prepaid expenses	5,453	2,112
	<u>744,988</u>	<u>718,569</u>
CAPITAL ASSETS (Note 3)	<u>8,222</u>	<u>8,574</u>
	<u>\$ 753,210</u>	<u>\$ 727,143</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,064	\$ 22,400
Deferred revenue (Note 4)	8,115	17,551
	<u>30,179</u>	<u>39,951</u>
NET ASSETS	<u>723,031</u>	<u>687,192</u>
	<u>\$ 753,210</u>	<u>\$ 727,143</u>

ON BEHALF OF THE BOARD


 Director

 Director

ONTARIO BLIND SPORTS ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 687,192	\$ 718,865
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	35,839	(31,673)
NET ASSETS - END OF YEAR	<u>\$ 723,031</u>	<u>\$ 687,192</u>

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Operations

Year Ended March 31, 2018

	2018	2017
REVENUES		
Grants <i>(Note 7)</i>	\$ 125,780	\$ 62,008
Direct marketing campaign	72,123	79,453
Fundraising and donations	49,033	33,982
Provincial athletic assessment and memberships	22,713	33,735
Realized investment income	22,509	16,376
Unrealized gain (loss) on investments <i>(Note 2)</i>	<u>(14,059)</u>	<u>13,849</u>
	<u>278,099</u>	<u>239,403</u>
EXPENDITURES		
Salaries and benefits	88,964	126,449
Coaches, officials, competitions	58,715	61,517
Direct marketing campaign	35,058	33,704
Fundraising expenses	24,073	13,207
Administration, communication	22,788	17,603
Professional fees	7,212	8,249
Interest and bank charges	2,032	1,709
Amortization	2,016	2,189
Board meetings and planning	802	2,764
Membership dues	<u>600</u>	<u>3,685</u>
	<u>242,260</u>	<u>271,076</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 35,839</u>	<u>\$ (31,673)</u>

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Cash Flow

Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 35,839	\$ (31,673)
Items not affecting cash:		
Unrealized gain (loss) on investments	14,059	(13,849)
Amortization	2,016	2,189
	<u>51,914</u>	<u>(43,333)</u>
Changes in non-cash working capital:		
Accounts receivable	(4,785)	19,660
Prepaid expenses	(3,341)	(1,856)
Accounts payable and accrued liabilities	(336)	(15,767)
Deferred revenue	(9,436)	5,695
	<u>(17,898)</u>	<u>7,732</u>
Cash flow from (used by) operating activities	<u>34,016</u>	<u>(35,601)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(1,664)	(906)
Proceeds from sale of marketable securities	18,691	54,159
Cash flow from investing activities	<u>17,027</u>	<u>53,253</u>
INCREASE IN CASH FLOW	51,043	17,652
Cash - beginning of year	<u>60,344</u>	<u>42,692</u>
CASH - END OF YEAR	<u>\$ 111,387</u>	<u>\$ 60,344</u>

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2018

DESCRIPTION OF ASSOCIATION

The Ontario Blind Sports Association (the "association") was incorporated as a not-for-profit association without share capital under the Corporations Act of Ontario and, as such, is not taxable for income tax purposes.

The Ontario Blind Sports Association services and administers sports for blind persons in Ontario.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

The association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Restricted contributions are recognized as revenue in the same period as the related expenditure.

Contributed services

During the year, the association benefits greatly from donated services in the form of volunteer work to assist the 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. Annual amortization is provided on the declining balance basis utilizing the following rates:

Equipment and office furniture	20%
Computer equipment	30%

Amortization for one-half of the year is provided on assets acquired during the year.

Measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for non-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 estimates. Assumptions are used in estimating the collectibility of accounts receivable, accrued liabilities, and deferred revenue. Amortization of capital assets is provided based on the Association's estimate of useful lives of those assets.

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2018

2. MARKETABLE SECURITIES

	2018 Cost	2018 Market value	2017 Cost	2017 Market value
Corporate bonds	\$ 124,818	\$ 135,002	\$ 150,608	\$ 167,778
Strip and coupon bonds	180,980	270,791	207,063	299,681
Mutual funds and common stocks	217,890	217,565	184,708	188,649
	\$ 523,688	\$ 623,358	\$ 542,379	\$ 656,108

As of March 31, 2018, the association had an unrealized gain on marketable securities of \$99,670 (2017 - unrealized gain of \$113,729). The change during the year of \$14,059 has been recorded on the Statement of Operations.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment and office furniture	\$ 19,199	\$ 11,917	\$ 7,282	\$ 7,231
Computer equipment	7,202	6,262	940	1,343
	\$ 26,401	\$ 18,179	\$ 8,222	\$ 8,574

4. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2018	2017
Canadian Paralympic Committee equipment grant	\$ 4,525	\$ 5,656
Ministry of Tourism, Culture and Sport grant	-	5,445
Accessible Media Inc. hall of fame gala sponsorship	-	5,000
Receipts for future tournaments and events	3,590	1,450
	\$ 8,115	\$ 17,551

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2018

5. LEASE COMMITMENTS

The association leases premises at 100 Sunrise Avenue, Unit 1, Toronto, Ontario on a monthly basis from G&N Developments Inc. Future minimum lease payments for the rent and maintenance of the office space are as follows:

2019	\$	8,352
2020		8,477
2021		8,602
2022		2,150

6. FINANCIAL INSTRUMENTS

All assets and liabilities, with the exception of prepaid expenses, are financial instruments, and are initially recorded at fair market value and are subsequently recorded at amortized cost. Unless otherwise noted, it is the Board's opinion that the association is not exposed to significant risks arising from its financial instruments.

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuation in fair value of future cash flow of financial instruments due to changes in market interest rates. The association is exposed to this risk through its interest bearing investments. The association manages this risk through investing in fixed rate securities of short to medium term maturity and plans to hold the securities to maturity.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The association places its cash and investments with high quality, government-backed institutions and believes its exposure is not significant. The associations credit risk from receivables is also not significant as they are with members or government agencies.

Liquidity risk

Liquidity risk is the risk that the association will not be able to meet its obligations as they become due. The association manages this risk by establishing budgets. Cash is held in an interest bearing account which provides a rate of return as well as liquidity.

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2018

7. GRANTS

Grants revenue is comprised of the following:

	<u>2018</u>	<u>2017</u>
Minister of Tourism, Culture and Sport		
Ontario Amateur Sport Fund	\$ 47,505	\$ -
Regional and Provincial Games	18,500	-
Ontario Sport and Recreation Communities Fund	14,135	32,982
Celebrating Canadian Paralympic History - Summer Sports Camp	9,950	-
Junior National Goalball Championships	6,050	-
Operating Grant	-	15,835
	<u>96,140</u>	48,817
Other Grants		
Canadian Tire Jumpstart Charities	13,600	-
Summer Student Grant	6,659	3,150
Coaches Association of Ontario	4,000	3,241
Accessible Media	3,000	-
Canadian Paralympic Committee Systems Grant	1,250	3,750
Canadian Paralympic Committee Equipment Grant	1,131	3,050
	<u>\$ 125,780</u>	<u>\$ 62,008</u>