

ONTARIO BLIND SPORTS ASSOCIATION
Financial Statements
Year Ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Blind Sports Association

Qualified Opinion

We have audited the financial statements of Ontario Blind Sports Association (the Association), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues in the form of fundraising, donations and a direct marketing campaign, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2021, current assets and net assets as at March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 qualified audit 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.

(continues)

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Mark Snyders CPA, CA Robert F. Edmundson CPA, CA (Retired)

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
September 2, 2021

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

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Mark Snyders CPA, CA Robert F. Edmundson CPA, CA (Retired)


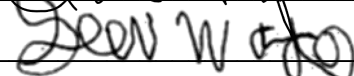
ONTARIO BLIND SPORTS ASSOCIATION

Statement of Financial Position

March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 86,133	\$ 30,285
Marketable securities (Note 2)	725,521	578,197
Accounts receivable	2,862	1,080
Prepaid expenses	2,814	3,136
	<u>817,330</u>	612,698
CAPITAL ASSETS (Note 3)	<u>4,546</u>	5,740
	<u>\$ 821,876</u>	<u>\$ 618,438</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,383	\$ 15,826
Deferred revenue (Note 4)	38,392	2,896
	<u>55,775</u>	18,722
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 8)	<u>40,000</u>	-
	<u>95,775</u>	18,722
NET ASSETS	<u>726,101</u>	599,716
	<u>\$ 821,876</u>	<u>\$ 618,438</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

ONTARIO BLIND SPORTS ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 599,716	\$ 669,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>126,385</u>	<u>(69,652)</u>
NET ASSETS - END OF YEAR	<u>\$ 726,101</u>	<u>\$ 599,716</u>

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Operations

Year Ended March 31, 2021

	2021	2020
REVENUES		
Grants <i>(Note 7)</i>	\$ 104,719	\$ 56,251
Realized investment income	49,978	15,942
Unrealized gain (loss) on investments <i>(Note 2)</i>	30,590	(23,365)
Direct marketing campaign	26,165	34,345
Debt forgiveness <i>(Note 8)</i>	20,000	-
Wage subsidy	18,097	-
Fundraising and donations	17,522	28,723
Provincial athletic assessment and memberships	1,344	23,587
	<u>268,415</u>	<u>135,483</u>
EXPENDITURES		
Salaries and benefits	88,293	91,953
Administration, communication	17,599	18,795
Direct marketing campaign	12,670	14,889
Fundraising expenses	9,795	12,006
Professional fees	8,602	8,665
Interest and bank charges	1,328	1,595
Amortization	1,194	1,517
Board meetings and planning	996	489
Coaches, officials, competitions	854	54,412
Membership dues	699	814
	<u>142,030</u>	<u>205,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 126,385</u>	<u>\$ (69,652)</u>

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Cash Flow

Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 126,385	\$ (69,652)
Items not affecting cash:		
Unrealized loss (gain) on investments	(30,590)	23,365
Amortization	1,194	1,517
Debt forgiveness	(20,000)	-
	<u>76,989</u>	<u>(44,770)</u>
Changes in non-cash working capital:		
Accounts receivable	(1,782)	5,077
Prepaid expenses	322	(656)
Accounts payable and accrued liabilities	1,560	(9,881)
Deferred revenue	35,496	(1,624)
	<u>35,596</u>	<u>(7,084)</u>
Cash flow from (used by) operating activities	<u>112,585</u>	<u>(51,854)</u>
INVESTING ACTIVITY		
Proceeds from sale (purchase) of marketable securities	<u>(116,737)</u>	4,146
FINANCING ACTIVITY		
Proceeds from Canada Emergency Business Account loan	<u>60,000</u>	-
INCREASE (DECREASE) IN CASH FLOW	55,848	(47,708)
Cash - beginning of year	<u>30,285</u>	<u>77,993</u>
CASH - END OF YEAR	<u>\$ 86,133</u>	<u>\$ 30,285</u>

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

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, 2021

2. MARKETABLE SECURITIES

	2021 Cost	2021 Market value	2020 Cost	2020 Market value
Corporate bonds	\$ 69,293	\$ 78,052	\$ 82,417	\$ 89,612
Strip and coupon bonds	124,175	207,659	173,000	284,048
Mutual funds and common stocks	410,172	439,810	231,489	204,537
	\$ 603,640	\$ 725,521	\$ 486,906	\$ 578,197

As of March 31, 2021, the association had an unrealized gain on marketable securities of \$121,881 (2020 - unrealized gain of \$91,291). The change during the year of \$30,590 has been recorded on the Statement of Operations.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment and office furniture	\$ 20,059	\$ 15,835	\$ 4,224	\$ 5,280
Computer equipment	7,202	6,880	322	460
	\$ 27,261	\$ 22,715	\$ 4,546	\$ 5,740

4. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2021	2020
Canadian Paralympic Committee blind soccer grant	\$ 26,075	\$ -
Canadian Paralympic Committee equipment grant	2,317	2,896
Canadian Tire Jumpstart grant	10,000	-
	\$ 38,392	\$ 2,896

ONTARIO BLIND SPORTS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

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:

2022	\$	10,233
2023		<u>6,181</u>
	\$	<u>16,414</u>

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, 2021

7. GRANTS

Grants revenue is comprised of the following:

	<u>2021</u>	<u>2020</u>
Minister of Tourism, Culture and Sport		
Ontario Amateur Sport Fund	\$ 93,348	\$ 47,505
Other Grants		
Canada Summer Jobs Grant	3,934	1,374
Summer Student Grant	3,658	6,648
True Sport Foundation Grant	3,200	-
Canadian Paralympic Committee Equipment Grant	579	724
	<u>\$ 104,719</u>	<u>\$ 56,251</u>

8. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

	<u>2021</u>	<u>2020</u>
Canada Emergency Business Account loan, non-interest bearing with no terms of repayment. The loan matures on December 31, 2022, with \$20,000 forgivable if \$40,000 is paid prior to maturity. The forgivable portion has been recorded as income during the year.	\$ 40,000	\$ -

9. COVID-19

The outbreak of Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the association or its members, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time.

Specifically, the association has experienced a significant decrease in program and membership related income as a direct result of the pandemic. The impact of said decrease has been mitigated through corresponding decreases to program related expenses, while also utilizing additional grants, as well as government emergency relief programs where available, such as the emergency wage subsidy and the CEBA loan.

The extent to which the COVID-19 outbreak impacts the association's future financial results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.