

ONTARIO BLIND SPORTS ASSOCIATION
Financial Statements
Year Ended March 31, 2022

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, 2022, 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, 2022, 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, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2021 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)

Jeremy A. Giles CPA, CA Lissa Savage CPA, CA, CPA (Illinois)

Mark Snyders CPA, CA Dillon O'Henly CPA, CA

James B. MacNeill FCPA, FCA, CFP (Counsel) 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
November 1, 2022

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

Jeremy A. Giles CPA, CA Lissa Savage CPA, CA, CPA (Illinois)

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ONTARIO BLIND SPORTS ASSOCIATION

Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 204,361	\$ 86,133
Marketable securities (Note 2)	782,476	725,521
Accounts receivable	4,725	2,862
Prepaid expenses	2,814	2,814
	<u>994,376</u>	<u>817,330</u>
CAPITAL ASSETS (Note 3)	<u>4,914</u>	<u>4,546</u>
	<u>\$ 999,290</u>	<u>\$ 821,876</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,553	\$ 17,383
Deferred revenue (Note 4)	203,182	38,392
	<u>225,735</u>	<u>55,775</u>
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 8)	<u>40,000</u>	<u>40,000</u>
	<u>265,735</u>	<u>95,775</u>
NET ASSETS	<u>733,555</u>	<u>726,101</u>
	<u>\$ 999,290</u>	<u>\$ 821,876</u>

ON BEHALF OF THE BOARD



Director



Director

ONTARIO BLIND SPORTS ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 726,101	\$ 599,716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,454</u>	<u>126,385</u>
NET ASSETS - END OF YEAR	<u>\$ 733,555</u>	<u>\$ 726,101</u>

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Operations

Year Ended March 31, 2022

	2022	2021
REVENUES		
Grants <i>(Note 7)</i>	\$ 85,132	\$ 104,719
Realized investment income	49,368	49,978
Direct marketing campaign	46,802	26,165
Unrealized gain (loss) on investments <i>(Note 2)</i>	19,436	30,590
Fundraising and donations	9,637	17,522
Provincial athletic assessment and memberships	320	1,344
Debt forgiveness <i>(Note 8)</i>	-	20,000
Wage subsidy	-	18,097
	210,695	268,415
EXPENDITURES		
Salaries and benefits	128,409	88,293
Direct marketing campaign	27,924	12,670
Administration, communication	18,425	17,599
Fundraising expenses	13,423	9,795
Professional fees	8,510	8,602
Coaches, officials, competitions	2,754	854
Interest and bank charges	1,492	1,328
Membership dues	1,217	699
Amortization	1,087	1,194
Board meetings and planning	-	996
	203,241	142,030
EXCESS OF REVENUES OVER EXPENDITURES	\$ 7,454	\$ 126,385

ONTARIO BLIND SPORTS ASSOCIATION

Statement of Cash Flow

Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 7,454	\$ 126,385
Items not affecting cash:		
Unrealized loss (gain) on investments	(19,436)	(30,590)
Amortization	1,087	1,194
Debt forgiveness	-	(20,000)
	<u>(10,895)</u>	<u>76,989</u>
Changes in non-cash working capital:		
Accounts receivable	(1,863)	(1,782)
Prepaid expenses	-	322
Accounts payable and accrued liabilities	5,170	1,560
Deferred revenue	<u>164,790</u>	<u>35,496</u>
	<u>168,097</u>	<u>35,596</u>
Cash flow from operating activities	<u>157,202</u>	<u>112,585</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(1,455)	-
Purchase of marketable securities	<u>(37,519)</u>	<u>(116,737)</u>
Cash flow used by investing activities	<u>(38,974)</u>	<u>(116,737)</u>
FINANCING ACTIVITY		
Proceeds from Canada Emergency Business Account loan	<u>-</u>	<u>60,000</u>
INCREASE IN CASH FLOW	118,228	55,848
Cash - beginning of year	<u>86,133</u>	<u>30,285</u>
CASH - END OF YEAR	\$ 204,361	\$ 86,133

ONTARIO BLIND SPORTS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2022

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, 2022

2. MARKETABLE SECURITIES

	2022	2022 Market value	2021 Cost	2021 Market value
Corporate bonds	\$ 69,293	\$ 71,280	\$ 69,293	\$ 78,052
Strip and coupon bonds	99,743	164,545	124,175	207,659
Mutual funds and common stocks	472,123	546,651	410,172	439,810
	\$ 641,159	\$ 782,476	\$ 603,640	\$ 725,521

As of March 31, 2022, the association had an unrealized gain on marketable securities of \$141,317 (2021 - unrealized gain of \$121,881). The change during the year of \$19,436 has been recorded on the Statement of Operations.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment and office furniture	\$ 21,514	\$ 16,825	\$ 4,689	\$ 4,224
Computer equipment	7,202	6,977	225	322
	\$ 28,716	\$ 23,802	\$ 4,914	\$ 4,546

4. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2022	2021
Canadian Paralympic Committee blind soccer grant	\$ 26,075	\$ 26,075
Canadian Paralympic Committee equipment grant	1,853	2,317
Canadian Tire Jumpstart grant	17,663	10,000
Minister of Heritage, Sport, Tourism and Culture Industries grants to support member community sport clubs and athletes	157,591	-
	\$ 203,182	\$ 38,392

ONTARIO BLIND SPORTS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2022

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:

2023	<u>\$ 6,181</u>
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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, 2022

7. GRANTS

Grants revenue is comprised of the following:

	2022	2021
Minister of Tourism, Culture and Sport		
Ontario Amateur Sport Fund	\$ 47,505	\$ 47,505
COVID-19 Emergency Support Funds for Provincial Sport and Multi-Sport Organizations	13,448	20,277
Member Community Sport Clubs	12,200	22,621
Federal Sport Participation Program	-	2,945
	-	-
Other Grants		
Talent Opportunities Grant	4,725	-
Canada Summer Jobs Grant	4,454	3,934
Canadian Tire Jumpstart Charities	2,337	-
Canadian Paralympic Committee Equipment Grant	463	579
True Sport Foundation Grant	-	3,200
Summer Student Grant	-	3,658
	-	-
	\$ 85,132	\$ 104,719

8. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

	2022	2021
Canada Emergency Business Account loan, non-interest bearing with no terms of repayment. The loan matures on December 31, 2023, with \$20,000 forgivable if \$40,000 is paid prior to maturity. The forgivable portion was recorded as income during the prior year.	\$ 40,000	\$ 40,000