

**ONTARIO SAILING ASSOCIATION**

FINANCIAL STATEMENTS

MARCH 31, 2020

**HILBORN**<sub>LLP</sub>

## **Independent Auditor's Report**

To the Members of the Ontario Sailing Association

### **Opinion**

We have audited the financial statements of the Ontario Sailing Association (the "Association"), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenses - operating fund, revenues and expenses - restricted funds, 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 March 31, 2020, 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 for our 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 ability of the Association 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 financial reporting process of the Association.

### **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 the financial statements.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Association.
- 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 ability of the Association 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
July 22, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# ONTARIO SAILING ASSOCIATION

## Statement of Financial Position

| March 31                                 | 2020           | 2019    |
|--|----------------|---------|
|  | \$             | \$      |
| <b>ASSETS</b>                            |                |         |
| Current assets                           |                |         |
| Cash and short term investments (note 3) | 478,517        | 500,903 |
| Accounts receivable                      | 126,146        | 163,684 |
| Inventory                                | 11,211         | 5,524   |
| Prepaid expenses                         | 10,663         | 9,853   |
|  | <b>626,536</b> | 679,964 |
| Restricted investments (note 4)          | 120,299        | 113,258 |
| Capital assets (note 5)                  | 217,310        | 172,106 |
|  | <b>964,145</b> | 965,328 |
| <b>LIABILITIES</b>                       |                |         |
| Current liabilities                      |                |         |
| Accounts payable and accrued liabilities | 127,570        | 61,601  |
| Deferred revenue (note 6)                | 196,595        | 279,425 |
|  | <b>324,165</b> | 341,026 |
| <b>NET ASSETS</b>                        |                |         |
| Net assets invested in capital assets    | 217,310        | 172,106 |
| Unrestricted net assets                  | 302,371        | 338,938 |
| Restricted funds (note 1(a))             | 120,299        | 113,258 |
|  | <b>639,980</b> | 624,302 |
|  | <b>964,145</b> | 965,328 |

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director



Director



# ONTARIO SAILING ASSOCIATION

## Statement of Revenues and Expenses - Operating Fund

| Year ended March 31  | 2020<br>\$       | 2019<br>\$       |
|--|------------------|------------------|
| Revenues   |                  |                  |
| Administration   | 60,651           | 58,924           |
| Membership   | 329,426          | 305,613          |
| Leadership development   | 254,233          | 257,265          |
| Participation development  | 202,457          | 190,530          |
| Athlete development  | 294,664          | 392,062          |
| Gain on sale of capital assets                                     | 9,630            | 5,000            |
|  | <u>1,151,061</u> | <u>1,209,394</u> |
| Expenses   |                  |                  |
| Administration (schedule 1)  | 320,268          | 308,889          |
| Membership (schedule 2)  | 189,345          | 170,122          |
| Leadership development (schedule 3)                                | 176,527          | 181,942          |
| Participation development (schedule 4)                             | 158,743          | 192,068          |
| Athlete development (schedule 5)                                   | 297,541          | 366,580          |
|  | <u>1,142,424</u> | <u>1,219,601</u> |
| Excess of revenues over expenses (expenses over revenues) for year | <u>8,637</u>     | <u>(10,207)</u>  |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Statement of Revenue and Expenses - Restricted Funds

Year ended March 31

|  | <b>General<br/>Restricted<br/>Fund<br/>\$</b> | <b>Hans<br/>Fogh<br/>Fund<br/>\$</b> | <b>Alice<br/>Boston<br/>Fund<br/>\$</b> | <b>Council of<br/>Commodores<br/>\$</b> | <b>2020<br/>Total<br/>\$</b> | <b>2019<br/>Total<br/>\$</b> |
|--|---|--------------------------------------|---|---|------------------------------|------------------------------|
| Revenues   |   |                                      |   |   |                              |                              |
| Interest   | -   | 710                                  | 131                                     | -                                       | 841                          | 1,539                        |
| Contributions  | -   | 2,025                                | -                                       | 11,000                                  | 13,025                       | 12,606                       |
|  | -   | 2,735                                | 131                                     | 11,000                                  | 13,866                       | 9,938                        |
| Expenses   |   |                                      |   |   |                              |                              |
| Distributions  | -   | -                                    | -                                       | 6,825                                   | 6,825                        | 9,938                        |
| Excess of revenues over<br>expenses (expenses over<br>revenues) for year | -   | 2,735                                | 131                                     | 4,175                                   | 7,041                        | 4,207                        |
| Net assets, beginning of year  | 50  | 63,616                               | 18,139                                  | 31,453                                  | 113,258                      | 109,051                      |
| Net assets, end of year (note 4)   | 50  | 66,351                               | 18,270                                  | 35,628                                  | 120,299                      | 113,258                      |

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

# ONTARIO SAILING ASSOCIATION

## Statement of Changes in Net Assets

Year ended March 31

|  | <b>Invested in<br/>Capital Assets<br/>\$</b> | <b>Unrestricted<br/>for<br/>Operations<br/>\$</b> | <b>Restricted<br/>Funds<br/>\$</b> | <b>Total<br/>2020<br/>\$</b> |
|--|--|---|------------------------------------|------------------------------|
| Balance, beginning of year                                   | 172,106                                      | 338,938   | 113,258                            | <b>624,302</b>               |
| Excess of revenues over expenses<br>(expenses over revenues) | -  | 8,637   | 7,041                              | <b>15,678</b>                |
| Increase in capital assets                                   | 45,204                                       | (45,204)  | -                                  | -                            |
| Balance, end of year   | <b>217,310</b>                               | <b>302,371</b>                                    | <b>120,299</b>                     | <b>639,980</b>               |

  

|  | <b>Invested in<br/>Capital Assets<br/>\$</b> | <b>Unrestricted<br/>for<br/>Operations<br/>\$</b> | <b>Restricted<br/>Funds<br/>\$</b> | <b>Total<br/>2019<br/>\$</b> |
|--|--|---|------------------------------------|------------------------------|
| Balance, beginning of year                                   | 122,387                                      | 398,864   | 109,051                            | 630,302                      |
| Excess of revenues over expenses<br>(expenses over revenues) | -  | (10,207)  | 4,207                              | (6,000)                      |
| Increase in capital assets                                   | 49,719                                       | (49,719)  | -                                  | -                            |
| Balance, end of year   | <b>172,106</b>                               | <b>338,938</b>                                    | <b>113,258</b>                     | <b>624,302</b>               |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Statement of Cash Flows

| Year ended March 31  | 2020<br>\$       | 2019<br>\$ |
|--|------------------|------------|
| Cash flows from operating activities                               |                  |            |
| Excess of revenues over expenses (expenses over revenues) for year | 15,678           | (6,000)    |
| Adjustments to determine net cash provided by operating activities |                  |            |
| Gain on sale of capital assets                                     | (9,630)          | (5,000)    |
| Amortization of capital assets                                     | 68,879           | 53,742     |
|  | <u>74,927</u>    | 42,742     |
| Change in non-cash working capital items                           |                  |            |
| Decrease (increase) in accounts receivable                         | 37,538           | (33,370)   |
| Decrease (increase) in inventory                                   | (5,687)          | 2,539      |
| Decrease (increase) in prepaid expenses                            | (811)            | 40,976     |
| Increase (decrease) in accounts payable and accrued liabilities    | 65,969           | (2,408)    |
| Increase (decrease) in deferred revenue                            | (82,830)         | 4,667      |
|  | <u>89,106</u>    | 55,146     |
| Cash flows from investing activities                               |                  |            |
| Net purchase of restricted investments                             | (7,041)          | (4,207)    |
| Additions to capital assets  | (114,451)        | (103,461)  |
| Proceeds on disposal of capital assets                             | 10,000           | 5,000      |
|  | <u>(111,492)</u> | (102,668)  |
| Net change in cash during the year                                 | (22,386)         | (47,522)   |
| Cash and short term investments, beginning of year                 | 500,903          | 548,425    |
| Cash and short term investments, end of year                       | <u>478,517</u>   | 500,903    |

The accompanying notes are an integral part of these financial statements



# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

### Schedule of administration (schedule 1)

### Schedule 1

|                   | 2020           | 2019           |
|-------------------|----------------|----------------|
|                   | \$             | \$             |
| Salaries          | 146,789        | 152,894        |
| Professional fees | 16,844         | 14,632         |
| Communications    | 11,634         | 8,099          |
| Insurance         | 34,123         | 32,493         |
| Meetings          | 5,008          | 8,003          |
| Facilities        | 33,832         | 29,546         |
| Telephone         | 7,559          | 3,391          |
| Other             | 57,851         | 56,013         |
| Amortization      | 6,628          | 3,818          |
|                   | <b>320,268</b> | <b>308,889</b> |

### Schedule of membership (schedule 2)

### Schedule 2

|                             | 2020           | 2019           |
|-----------------------------|----------------|----------------|
|                             | \$             | \$             |
| Salaries                    | 70,327         | 48,543         |
| Product cost of goods sold  | 21,160         | 27,969         |
| Participation Fees          | 71,631         | 60,275         |
| Fundraising                 | 8,976          | 10,691         |
| Trade shows and conferences | 17,251         | 22,644         |
|                             | <b>189,345</b> | <b>170,122</b> |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

### Schedule of leadership development expenses

### Schedule 3

|                                | 2020           | 2019           |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| Salaries                       | 93,473         | 89,409         |
| Instructor development program | 73,005         | 79,618         |
| Conferences and workshops      | 6,852          | 4,887          |
| Facilities                     | 3,197          | 8,028          |
|                                | <u>176,527</u> | <u>181,942</u> |

### Schedule of participation development expenses

### Schedule 4

|                               | 2020           | 2019           |
|-------------------------------|----------------|----------------|
|                               | \$             | \$             |
| Salaries                      | 111,840        | 123,887        |
| Travel                        | 10,209         | 7,627          |
| Boats and equipment           | 8,368          | 7,043          |
| Cruising registration program | 11,414         | 26,433         |
| Facilities                    | 2,125          | 5,976          |
| Amortization                  | 14,787         | 21,102         |
|                               | <u>158,743</u> | <u>192,068</u> |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

### Schedule of athlete development expenses

### Schedule 5

|                      | 2020           | 2019    |
|----------------------|----------------|---------|
|                      | \$             | \$      |
| Salaries             | <b>162,468</b> | 195,130 |
| Travel               | <b>51,967</b>  | 87,654  |
| Boats and equipment  | <b>10,293</b>  | 16,930  |
| Facilities           | <b>2,297</b>   | 6,328   |
| Amortization         | <b>29,098</b>  | 20,544  |
| Paralympic training  | <b>26,415</b>  | 27,994  |
| Georgian Bay Regatta | <b>15,003</b>  | 12,000  |
|                      | <b>297,541</b> | 366,580 |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements

March 31, 2020

### Nature of operations

The Ontario Sailing Association ("Association") was incorporated without share capital under the laws of Ontario.

The objectives of the Association are to generate interest in sailing particularly among young people in the Province of Ontario, promote sailboat racing events and encourage boating skill development.

### 1. Significant accounting policies

#### (a) Restricted funds

In 2010, the Association established the Hans Fogh Fund and the Alice Boston Fund. Contributions received by these restricted funds are invested separately as disclosed in note 4. Investment returns in the Hans Fogh Fund are to be used to support development of high performance athletes, coaches and officials in Ontario, as recommended by the Board of Directors and approved by the Fogh family. The Alice Boston Fund is to be used to support competitive sailing in the Sarnia area, as recommended by the Board of Directors and approved by the trustees as named by the Boston family. In 2016, the Association established the Council of Commodores Fund which is to be used to support the Council as approved by the Council.

#### (b) Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Restricted contributions for which there is an appropriate restricted fund are recognized as revenue in the year. Unrestricted contributions are recognized as revenue of the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (c) Inventory

Inventory is recorded at the lower of cost and net realizable value.

#### (d) Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

|                                   |            |
|-----------------------------------|------------|
| Trailer building                  | - 10 years |
| Furniture and fixtures            | - 7 years  |
| Leasehold improvements            | - 5 years  |
| Computer equipment                | - 3 years  |
| Safety boats, motors and trailers | - 5 years  |
| Sailboats                         | - 5 years  |
| Vehicles                          | - 5 years  |
| Website                           | - 3 years  |

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 1. Significant accounting policies (continued)

#### (e) Financial instruments

##### (i) Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

##### (ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statements of revenues and expenses. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in statements of revenues and expenses up to the amount of the previously recognized impairment.

#### (f) Contributed services

Volunteer time is contributed during the year to assist the Association in carrying out its sailing events and activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 1. Significant accounting policies (continued)

#### (g) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities (if any) at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

### 2. Financial instrument risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to the Organization's financial instruments.

The financial instruments of the Association and the nature of the risks to which these instruments may be subject are as follows:

| Financial instrument                     | Risks  |           |               |             |  |
|--|--------|-----------|---------------|-------------|--|
|  | Credit | Liquidity | Market risk   |             |  |
| Currency                                 |        |           | Interest rate | Other price |  |
| Cash and short term investments          | X      |           |               |             |  |
| Accounts receivable                      | X      |           |               |             |  |
| Accounts payable and accrued liabilities |        | X         |               |             |  |

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 2. Financial instrument risk management (continued)

#### (a) Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures of the Association to credit risk are as follows:

|                                 | 2020<br>\$     | 2019<br>\$     |
|---------------------------------|----------------|----------------|
| Cash and short term investments | 478,517        | 500,903        |
| Accounts receivable             | 126,146        | 163,684        |
|                                 | <u>604,663</u> | <u>664,587</u> |

Credit risk associated with cash and short term investments is minimized substantially by ensuring that these assets are invested in financial obligations of major financial institutions that have been accorded investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the Association.

Credit risk associated with accounts receivable is reduced by monitoring member accounts receivable.

#### (b) Liquidity risk

Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association has liquidity risk in accounts payable and accrued liabilities of \$127,570 (2019 - \$61,601).

The Association reduces its exposure to liquidity risk by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

#### (c) Changes in risk

There have been no changes in the Association's risk exposures from the prior year.

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 3. Cash and short term investments

|   | 2020           | 2019           |
|---|----------------|----------------|
|   | \$             | \$             |
| Cash  | 25,718         | 145,465        |
| Short-term investments - maturing within one year | 347,834        | 234,293        |
| Short-term investments - maturing after one year  | 104,965        | 121,145        |
|   | <u>478,517</u> | <u>500,903</u> |

Short-term investments are being held through Scotia Securities Inc. in separate accounts and consist of cash and guaranteed investment certificates maturing within the next three years. Interest on guaranteed investment certificates range from 1.98% through 3.15%.

### 4. Restricted investments

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | \$             | \$             |
| Restricted investments - General Restricted Fund | 50             | 50             |
| Restricted investments - Hans Fogh Fund          | 66,351         | 63,616         |
| Restricted investments - Alice Boston Fund       | 18,270         | 18,139         |
| Restricted investments - Council of Commodores   | 35,628         | 31,453         |
|  | <u>120,299</u> | <u>113,258</u> |

The restricted investments are being held through Scotia Securities Inc. in separate accounts and consist of cash and guaranteed investment certificates maturing within the next year paying interest of 2.0%.

The investments are recorded as non-current assets given the underlying contributions are to be used solely in accordance with restrictions stipulated by the related funds and are not available to fund general operations as disclosed in note 1(a).

### 5. Capital assets

|                                   | 2020           |                |                |
|-----------------------------------|----------------|----------------|----------------|
|                                   | Cost           | Accumulated    | Net            |
|                                   | \$             | Amortization   | \$             |
|                                   | \$             | \$             | \$             |
| Leasehold improvements            | 37,635         | 19,174         | 18,461         |
| Computer equipment                | 39,254         | 34,317         | 4,937          |
| Furniture and fixtures            | 7,370          | 6,317          | 1,053          |
| Safety boats, motors and trailers | 263,670        | 174,628        | 89,042         |
| Sailboats                         | 111,213        | 91,000         | 20,213         |
| Vehicles                          | 144,656        | 66,969         | 77,687         |
| Website                           | 10,100         | 4,183          | 5,917          |
|                                   | <u>613,898</u> | <u>396,588</u> | <u>217,310</u> |



# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 5. Capital assets (continued)

|                                   | <b>2019</b>    |                     |                |
|-----------------------------------|----------------|---------------------|----------------|
|                                   | <b>Cost</b>    | <b>Accumulated</b>  | <b>Net</b>     |
|                                   | <b>\$</b>      | <b>Amortization</b> | <b>\$</b>      |
|                                   | <b>\$</b>      | <b>\$</b>           | <b>\$</b>      |
| Leasehold improvements            | 40,240         | 18,520              | 21,720         |
| Computer equipment                | 44,853         | 34,581              | 10,272         |
| Furniture and fixtures            | 7,370          | 5,264               | 2,106          |
| Safety boats, motors and trailers | 216,421        | 145,876             | 70,545         |
| Sailboats                         | 108,213        | 84,922              | 23,291         |
| Vehicles                          | 170,011        | 125,839             | 44,172         |
| Website                           | 3,000          | 3,000               | -              |
|                                   | <b>590,108</b> | <b>418,002</b>      | <b>172,106</b> |

### 6. Deferred revenue

Deferred revenue consists of the following:

- i) Program and membership fees in the amount of \$125,839 (2019 - \$224,504) paid in advance, which will be realized in the following fiscal year.
- ii) Restricted contributions in the amount of \$4,676 (2019 - \$4,676) to be recorded as revenue in the year in which the related expenses are incurred.
- iii) Capital contributions in the amount of \$66,080 (2019 - \$50,245) to be recorded as revenue over the same period and rate as the amortization on the capital assets the grants were used to purchase.

### 7. Income taxes

As the Association is a not-for-profit organization, it is not subject to income taxes.

### 8. Ministry of Tourism, Culture and Sport

The Association receives funding under the Ontario Amateur Sport Fund from the Ministry of Tourism, Culture and Sport to aid in the delivery of programs that support athletes, coaches, officials and volunteers. In 2020, the Association received and recognized revenues of \$243,408 (2019 - \$243,408) across various programs.

# ONTARIO SAILING ASSOCIATION

## Notes to Financial Statements (continued)

March 31, 2020

### 9. Commitments

During 2019 the Association signed a lease renewal agreement to lease office premises effective September 1, 2019 to August 31, 2024. Minimum lease payments are as follows:

| <u>Year ending March 31</u> | <u>\$</u>      |
|-----------------------------|----------------|
| 2021                        | 26,450         |
| 2022                        | 26,786         |
| 2023                        | 27,025         |
| 2024                        | 27,025         |
| 2025                        | 11,260         |
|                             | <u>118,546</u> |

### 10. Impact of COVID-19 Pandemic

The global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. These measures have temporarily reduced certain operations of the Association.

Due to restrictions on non-essential business, recreational boating was restricted and as a result the Association's instructor courses, BOOM program, and team athlete programs will be impacted significantly both during and subsequent to the year end. In light of the pandemic, the Association decided to cancel the 2020 summer BOOM programming and refund all deposits that were on hand as of the year end in the subsequent period. The Association restructured as many instructor courses as possible, by offering online and modified in person instructions to comply with the changing government guidelines and refunded fees collected for courses that had to be cancelled. There will be no refund for membership fees. Included in accounts payable and accrued liabilities is \$68,455 related to the refund of prepaid instructor courses, BOOM program and team fees.

The Organization has applied for and is receiving government assistance in the form of a wage subsidy and a loan through the Canada Emergency Business Account program.

### 11. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

# HILBORN

LISTENERS. THINKERS. DOERS.