

ONTARIO SAILING ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2022

HILBORN_{LLP}

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, 2022, 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, 2022, 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
June 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO SAILING ASSOCIATION

Statement of Financial Position

March 31	2022 \$	2021 \$
ASSETS		
Current assets		
Cash and short term investments (note 3)	820,700	663,019
Accounts receivable	107,162	83,672
Inventory	18,777	11,776
Prepaid expenses	12,783	12,667
	959,422	771,133
Restricted investments (note 4)	141,069	130,144
Long term investments (note 5)	599,075	-
Capital assets (note 6)	182,605	160,081
	1,882,171	1,061,359
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	91,673	31,383
Deferred revenue (note 7)	929,665	198,781
	1,021,338	230,164
Loan payable (note 11)	40,000	40,000
	1,061,338	270,164
NET ASSETS		
Net assets invested in capital assets	182,605	160,081
Unrestricted net assets	497,159	500,970
Restricted funds (note 4)	141,069	130,144
	820,833	791,195
	1,882,171	1,061,359

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director



Eric Kaveckas

Director



ONTARIO SAILING ASSOCIATION

Statement of Revenues and Expenses - Operating Funds

Year ended March 31	2022 \$	2021 \$
Revenue		
Administration (note 9)	234,094	208,663
Membership	277,470	196,249
Leader development	236,541	191,613
Participation development	62,879	50,026
Athlete development	252,430	232,595
Gain (loss) on sale of capital assets	35,630	(13,434)
Government assistance (note 11)	9,860	164,803
	1,108,904	1,030,515
Expenses		
Administration (schedule 1)	406,649	360,020
Membership (schedule 2)	219,102	117,009
Leadership development (schedule 3)	192,290	176,022
Participation development (schedule 4)	60,465	72,236
Athlete development (schedule 5)	211,685	163,858
	1,090,191	889,145
Excess of revenues over expenses for year	18,713	141,370

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

ONTARIO SAILING ASSOCIATION

Statement of Revenues and Expenses - Restricted Funds

Year ended March 31

	General Restricted Fund	Hans Fogh Fund	Alice Boston Fund	Council of Commodores Fund	2021 Total	2020 Total
	\$	\$	\$	\$	\$	\$
Revenues						
Interest	-	375	-	-	375	635
Contributions	-	-	-	10,550	10,550	10,725
	-	375	-	10,550	10,925	11,360
Expenses						
Distributions	-	-	-	-	-	1,515
Excess of revenues over expenses	-	375	-	10,550	10,925	9,845
Net assets, beginning of year	50	66,753	18,503	44,838	130,144	120,299
Net assets, end of year (note 4)	50	67,128	18,503	55,388	141,069	130,144

The accompanying notes are an integral part of these financial statements

ONTARIO SAILING ASSOCIATION

Statement of Changes in Net Assets

Year ended March 31	Net assets invested in Capital Assets \$	Unrestricted net assets \$	Restricted Funds \$	Total 2022 \$
Balance, beginning of year	160,081	500,970	130,144	791,195
Excess of revenues over expenses	(59,283)	77,996	10,925	29,638
Purchase of capital assets	94,677	(94,677)	-	-
Disposal of capital assets	(12,870)	12,870	-	-
Balance, end of year	182,605	497,159	141,069	820,833

	Net assets invested in Capital Assets \$	Unrestricted net assets \$	Restricted Funds \$	Total 2021 \$
Balance, beginning of year	217,310	302,371	120,299	639,980
Excess of revenues over expenses	(66,696)	208,066	9,845	151,215
Purchase of capital assets	22,900	(22,900)	-	-
Disposal of capital assets	(13,434)	13,434	-	-
Balance, end of year	160,081	500,970	130,144	791,195

The accompanying notes are an integral part of these financial statements

ONTARIO SAILING ASSOCIATION

Statement of Cash Flows

Year ended March 31	2022 \$	2021 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	\$ 29,638	\$ 151,215
Adjustments to determine net cash provided by operating activities		
Loss (gain) on sale of capital assets	(35,630)	13,434
Amortization of capital assets	59,283	66,696
	53,291	231,345
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(23,490)	42,474
Increase in inventory	(7,001)	(565)
Increase in prepaid expenses	(116)	(2,004)
Increase (decrease) in accounts payable and accrued liabilities	60,290	(96,189)
Increase in deferred revenue	730,884	2,186
	813,858	177,247
Cash flows from investing activities		
Net purchase of restricted investments	(10,925)	(9,845)
Additions to capital assets	(94,677)	(22,900)
Proceeds on disposal of capital assets	48,500	-
Purchase of long term investments	(599,075)	-
	(656,177)	(32,745)
Cash flows from financing activities		
Increase in loan payable	-	40,000
Net change in cash	157,681	184,502
Cash and short term investments, beginning of year	663,019	478,517
Cash and short term investments, end of year	\$ 820,700	\$ 663,019

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

	2022	2021
	\$	\$
Salaries	140,523	133,372
Professional fees	34,984	28,737
Communications	5,191	11,403
Insurance	39,453	34,991
Meetings	681	4,302
Facilities	32,485	28,386
Telephone	9,975	6,863
Other	29,558	35,055
Amortization	7,799	7,673
COVID-19 relief payments to members	106,000	52,156
COVID-19 financial support	-	17,082
	406,649	360,020

Schedule of membership

Schedule 2

	2022	2021
	\$	\$
Salaries	145,730	77,594
Product costs of goods sold	12,453	12,211
Participation Fees	54,244	20,119
Fundraising	3,282	6,904
Trade shows and conferences	3,393	181
	219,102	117,009

Schedule of leadership development

Schedule 3

	2022	2021
	\$	\$
Salaries	110,725	116,444
Instructor development program	77,262	51,285
Conferences and workshops	4,069	4,059
Facilities	234	4,234
	192,290	176,022

The accompanying notes are an integral part of these financial statements

ONTARIO SAILING ASSOCIATION

Schedules to Financial Statements (continued)

Year ended March 31

Schedule of participation development

Schedule 4

	2022	2021
	\$	\$
Salaries	46,940	62,491
Travel	-	1,175
Cruising registration program	5,492	747
Promotion	-	500
Facilities	-	500
Amortization	8,033	6,823
	<u>60,465</u>	<u>72,236</u>

Schedule of athlete development expenses

Schedule 5

	2022	2021
	\$	\$
Salaries	139,645	105,104
Travel	28,670	9,299
Boats and equipment	12,723	9,073
Facilities	170	2,208
Amortization	23,649	31,194
Paralympic training	454	6,980
Georgian Bay Regatta	6,374	-
	<u>211,685</u>	<u>163,858</u>

The accompanying notes are an integral part of these financial statements

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements

March 31, 2022

Nature of operations

The Ontario Sailing Association (the "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) Basis of presentation

Unrestricted net assets account for the day-to-day service delivery activities of the Association.

The restricted funds are used for specific purposes and are not available for operating purposes. Description of the restricted funds are as follows:

Net assets invested in capital assets

Net assets invested in capital assets comprises the net book value of the capital assets.

Restricted funds

(i) General Restricted Fund

These funds are internally restricted and are not available for operating purposes without approval of the Board of Directors.

(ii) Hans Fogh Fund

Establish in 2010, 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.

(iii) Alice Boston Fund

Established in 2010, 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.

(iv) Council of Commodores Fund

In 2016, the Association established the Council of Commodores Fund which is to be used to support the Council as approved by the Council.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

1. Significant accounting policies (continued)

(b) Revenue recognition

Contributions

The Association follows the deferral method of accounting for contributions. Unrestricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grants approved but not received at the reporting date are accrued.

Membership

Membership fees are recognized as revenue in the fiscal year in which they are due.

Membership fees received in respect of the next fiscal year are recorded as deferred revenue.

Participation, athlete, and leader development

Revenue from clinics, coaching and other income is recognized as revenue in the period in which the services are provided or the events take place. Revenue received in advance of the event date is recorded as deferred revenue on the Statement of Financial Position and will be recognized as income when it takes place.

Government assistance

Government assistance is recognized in income when the related expenses are incurred, the application to receive the funding has been made, there is reasonable assurance that the Association has complied or will comply with the conditions of the assistance 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:

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, 2022

1. **Significant accounting policies (continued)**

(e) **Financial instruments**

(i) **Measurement of financial statements**

The Association initially measures its financial assets and financial liabilities, except for related party financial instruments, at fair value adjusted by, in the case of a financial instrument that will not be measured 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, except for marketable securities, which are subsequently measured at fair value. Changes in fair value are recognized in net income in the period the change occurs.

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

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

(ii) **Impairment**

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Association, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Association determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Association identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the assets or group of assets or group of financial assets at the balance sheet date.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

1. Significant accounting policies (continued)

(e) Financial instruments (continued from previous page)

(ii) Impairment (continued from previous page)

Any impairment of the financial asset is charged to income in the period in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

(iii) Related party financial instruments

The Association initially measures its related party financial instruments as follows:

- at fair value if a derivative contract or quoted in an active market;
- at cost, determined using undiscounted cash flows excluding interest and dividend payments, less any impairment losses previously recognized by the transferor, if the financial instrument has repayment terms;
- at cost, determined using the amount of consideration transferred or received, if the financial instrument does not have repayment terms.

Subsequently, all related party financial instruments quoted in an active market and derivatives are measured at fair value. All other related party financial instruments are subsequently measured at cost less impairment.

Related party financial assets and liabilities that are forgiven are recognized in net income if the original transaction was in the normal course of operations, and within equity if the original transaction was not in the normal course of operations.

The Association initially measures nonfinancial items transferred in a related party transaction at the carrying amount, unless the transaction meets all of the following criteria, as defined in Section 3840, *Related Party Transactions*;

- the transaction has commercial substance,
- the change in ownership interests is substantive, and
- the amount of consideration is supported by independent evidence.

(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, 2022

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.

Key areas where management has made estimates relate to the collectibility of accounts receivable and amortization periods for capital assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected.

(h) Related party financial instruments

The Association adopted the amendments in Section 3856, *Financial Instruments*, relating to the recognition of financial instruments originated or exchanged in a related party transaction on April 1, 2021. The adoption of this amendment had no impact on Association's financial statements.

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 Association's financial instruments.

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

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

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

2. Financial instrument risk management (continued)

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:

	2022 \$	2021 \$
Cash and short term investments	820,700	663,019
Accounts receivable	107,162	83,672
Long term investments	599,075	-
Restricted investments	141,069	130,144
	1,668,006	876,835

Credit risk associated with cash and short term investments, long term investments, and restricted 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.

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 \$91,673 (2021 - \$31,383) and loan payable of \$40,000 (2021 - \$40,000).

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.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

2. Financial instrument risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Association is exposed to market risk arising from its investments in cash, short term investments, restricted investments, and long term investments.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association does not hold any assets denominated in a foreign currency and thus is not exposed to currency risk.

ii) Interest rate risk

Interest rate risk is the risk that the Association has interest rate exposure on financial obligations that are variable based on the bank's prime rate. This exposure may have an effect on its earnings in future periods. The Association is not exposed to interest rate risk as their investments are in guaranteed investment securities at fixed interest rates and the loan payable is expected to be paid back before the interest charges begin.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Association is not exposed to other price risk.

Changes in risk

There have been no changes in the Association's risk exposures from the prior year other than an increase in interest rate risk due to the long term investments.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

3. Cash and short term investments

	2022	2021
	\$	\$
Cash	135,760	309,679
Guaranteed investment certificate	684,940	353,340
	<u>820,700</u>	<u>663,019</u>

The guaranteed investment certificate matures in March 2023, bears interest at 1.00% (2021 - 1.25%) and is cashable at any time without penalty.

4. Restricted investments

	2022	2021
	\$	\$
Restricted investments - General Restricted Fund	50	50
Restricted investments - Hans Fogh Fund	67,128	66,753
Restricted investments - Alice Boston Fund	18,503	18,503
Restricted investments - Council of Commodores	55,388	44,838
	<u>141,069</u>	<u>130,144</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 1.80%.

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. Long term investments

The long term investments are non-redeemable guaranteed investment certificates maturing between May 2023 and March 2024, paying interest rates between 0.6% and 1.80%.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

6. Capital assets

	2022		
	Cost	Accumulated	Net Book
	\$	Amortization	Value
	\$	\$	\$
Leasehold improvements	17,835	17,835	-
Computer equipment	50,470	43,345	7,125
Furniture and fixtures	8,652	7,644	1,008
Safety boats, motors and trailers	238,763	176,209	62,554
Sailboats	107,387	38,256	69,132
Vehicles	144,656	112,287	32,369
Website	20,600	10,183	10,417
	588,363	405,759	182,605

	2021		
	Cost	Accumulated	Net Book
	\$	Amortization	Value
	\$	\$	\$
Leasehold improvements	37,635	22,289	15,346
Computer equipment	45,921	38,719	7,202
Furniture and fixtures	8,652	7,461	1,191
Safety boats, motors and trailers	255,216	190,102	65,114
Sailboats	111,213	97,378	13,835
Vehicles	144,656	93,230	51,426
Website	13,000	7,033	5,967
	616,293	456,212	160,081

During the year, the Association sold sailboats, safety boats, motors and trailers for \$48,500 and realized a total gain of \$35,630. The gain has been recorded in unrestricted net assets.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

7. Deferred revenue

	2022	2021
	\$	\$
Balance - beginning of year	198,781	196,595
Contributions received	893,241	145,191
Amount recognized as revenue	(162,357)	(143,005)
Balance - end of year	929,665	198,781

	2022	2021
	\$	\$
Minister of Heritage, Sport, Tourism, and Culture Industries	684,809	-
Coaches Association of Ontario	25,000	-
Program and membership fees	183,432	145,191
Restricted contributions	4,676	4,676
Capital contribution	31,748	48,914
	929,665	198,781

Deferred revenue consists of the following:

- i) Minister of Heritage, Sport, Tourism, and Culture Industries provided funding to help alleviate the impact of the pandemic on the Association. The Association provided a budget for the usage of the funds in fiscal 2023. The funds will be recognized into income as the approved expenses are incurred.
- ii) Coaches Association of Ontario advanced the Association \$25,000 to subsidize the hiring of a new coach for fiscal 2023. The funds will be recognized into income as the salary expense is incurred.
- iii) Program and membership fees in the amount of \$183,432 (2021 - \$145,191) paid in advance, which will be realized in the following fiscal year.
- iv) Restricted contributions in the amount of \$4,676 (2021 - 4,676) to be recorded as revenue in the year in which the related expenses are incurred.
- v) Capital contribution in the amount of \$31,748 (2021 - \$48,914) to be recorded as revenue over the same period and rate as the amortization on the capital assets the grants were used to purchase.

8. Income taxes

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

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

9. 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 2022, the Association received and recognized revenues of \$243,408 (2021 - \$243,408) across various programs.

The Association also received \$199,902 (2021 - \$103,898) in COVID-19 emergency support funding from the Ministry to help maintain ongoing operations and to support the return of sport once it is safe to do so. This amount is included in revenue under Administration.

10. 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:

Year ending March 31	\$
2023	27,025
2024	27,025
2025	11,260
	<u>65,310</u>

11. Impact of global pandemic and government assistance

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. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to reliably estimate the financial effect of the Association at this time. As such, no adjustments have been made in the financial statements as a result of this event.

During the year, the Association received the following government assistance as a result of COVID-19:

Canada Emergency Wage Subsidy ("CEWS")

The CEWS provides a subsidy of up to 75% of eligible remuneration, paid by the Association, to each eligible employee - up to a pre-determined maximum per period. Included in government assistance is \$nil (2021 - \$164,803) of CEWS funding recognized during the year. The assistance received under the CEWS program is not subject to any specific future terms or conditions; however, the Canadian Revenue Agency may require additional reporting in a future period to verify the Association's eligibility and compliance with terms and conditions.

ONTARIO SAILING ASSOCIATION

Notes to Financial Statements (continued)

March 31, 2022

11. **Impact of global pandemic and government assistance** (continued from previous page)

Canada Emergency Benefit Account ("CEBA")

In 2020, the Association received a loan under the Canadian Emergency Benefit Account program, totalling \$40,000 for the payment of non-deferrable expenses. During the initial term ending December 31, 2023, the Association is not required to repay any portion of the loan and no interest shall accrue. If the Association repays 67% of the loan by December 31, 2023, the remainder of the loan is eligible to be forgiven if certain terms and conditions are met. If the Association does not repay the loan by December 31, 2023, the loan will bear interest at a rate of 5% per annum and be subject to negotiated repayment terms at the time.

Canada Temporary Wage Subsidy ("TWS")

The TWS provides a subsidy of up to 10% of eligible remuneration, paid by the Association, to each eligible employee - up to a pre-determined maximum per period. Included in government assistance is \$9,860 (2021 - \$nil) of TWS funding recognized during the year. The assistance received under the TWS program is not subject to any specific future terms or conditions; however, the Canadian Revenue Agency may require additional reporting in a future period to verify the Association's eligibility and compliance with terms and conditions

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