SIGN AND RETURN TO MNP

Outside Looking In
Financial Statements
June 30, 2021

Independent Auditor's Report

To the Board of Directors of Outside Looking In:

Opinion

We have audited the financial statements of Outside Looking In (the "Organization"), which comprise the statement of financial position as at June 30, 2021, and the statements of operations, 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 Organization as at June 30, 2021, 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 Organization 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.

Other Matter

The financial statements of the Organization for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on December 22, 2020.

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 Organization's ability 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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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.

3, 139 NORTHFIELD DRIVE W, WATERLOO ON, N2L 5A6
1.866.464.0740 T: 519.725.7700 F: 519.725.7708 MNP.ca

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 Organization'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 Organization'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 Organization 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.

MNP LLP

Cambridge, Ontario — Chartered Professional Accountants

October 28, 2021 — Licensed Public Accountants

Outside Looking In
Statement of Financial Position
As at June 30, 2021

	2021	2020
Assets		
Current		
Cash	**726,829**	734,417
Investment *(Note 3)*	**30,000**	-
Accounts receivable *(Note 4)*	**165,246**	76,759
Prepaid expenses	**2,548**	19,009
Inventory *(Note 5)*	**1,075,599**	28,122
	2,000,222	858,307
Capital assets *(Note 6)*	**24,911**	12,042
	2,025,133	870,349
Liabilities		
Current		
Accounts payable and accrued liabilities	**34,139**	47,812
Deferred revenue	**1,156,900**	94,500
	1,191,039	142,312
Long-term debt *(Note 8)*	**60,000**	40,000
Deferred contributions related to capital assets *(Note 9)*	**6,961**	-
	1,258,000	182,312
Net Assets	**767,133**	688,037
	2,025,133	870,349

Approved on behalf of the Board of Directors

PLEASE SIGN HERE

Director

PLEASE SIGN HERE

Director

The accompanying notes are an integral part of these financial statements

Outside Looking In
Statement of Operations
For the year ended June 30, 2021

	2021	*2020*
Revenue		
Government grants *(Note 10)*	**50,269**	30,263
Community fees	**119,500**	535,500
In-kind contributions	**-**	78,808
Donations	**499,411**	288,367
Other income *(Note 10)*	**372,577**	70,221
Sponsorship	**25,000**	304,962
Merchandise	**1,268**	169
Ticket sales	**-**	3,925
Amortization of deferred contributions related to capital assets	**1,228**	-
	1,069,253	1,312,215
Program expenses		
Advertising and promotion	**49,947**	19,613
Alumni program	**13,037**	-
Artists fees	**1,749**	108,750
Dance program	**155,630**	-
Future leaders	**131,437**	40,702
Office and general	**7,152**	5,480
Program manager fees	**-**	227,771
Rent (recovery)	**(1,355)**	2,356
Summer program	**1,692**	-
Travel	**250**	163,565
Venue and production costs	**36,583**	21,134
Work study program	**176,841**	-
	572,963	589,371
Administrative expenses		
Advertising and promotion	**22,612**	35,480
Amortization	**6,427**	4,219
Bank charges and interest	**2,821**	4,129
Insurance	**5,918**	4,305
Meals and entertainment	**82**	2,431
Office and general	**49,488**	40,567
Professional development	**2,088**	-
Professional fees	**50,435**	33,584
Rent	**13,556**	30,298
Repairs and maintenance	**425**	1,355
Subcontractor	**-**	2,211
Telephone and internet	**1,861**	3,896
Travel	**1,577**	12,485
Wages and benefits	**259,904**	234,161
	417,194	409,121
Excess of revenue over expenses	**79,096**	313,723

The accompanying notes are an integral part of these financial statements

Outside Looking In
Statement of Changes in Net Assets
For the year ended June 30, 2021

	2021	*2020*
Net assets beginning of year	**688,037**	374,314
Excess of revenue over expenses	**79,096**	313,723
Net assets, end of year	**767,133**	688,037

The accompanying notes are an integral part of these financial statements

Outside Looking In
Statement of Cash Flows
For the year ended June 30, 2021

	2021	*2020*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**79,096**	313,723
Amortization of capital assets	**6,427**	4,219
Amortization of deferred contributions related to capital assets	**(1,228)**	-
	84,295	317,942
Changes in working capital accounts		
Accounts receivable	**(88,487)**	104,480
Prepaid expenses	**16,461**	(1,686)
Inventory	**(1,047,477)**	-
Accounts payable and accrued liabilities	**(13,673)**	32,115
Deferred revenue	**1,062,400**	19,500
	13,519	472,351
Financing		
Advances of long-term debt	**20,000**	40,000
Deferred contributions related to capital assets	**8,189**	-
	28,189	40,000
Investing		
Purchase of capital assets	**(19,296)**	(3,727)
Purchase of investment	**(30,000)**	-
	(49,296)	(3,727)
Increase (decrease) in cash	**(7,588)**	508,624
Cash, beginning of year	**734,417**	225,793
Cash, end of year	**726,829**	734,417

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Outside Looking In (the “Organization”) is continued under the Canada Not For Profit Corporations Act. The Organization is a registered charity under the Income Tax Act of Canada and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met. The purpose of the Organization is to empower Indigenous youth through the arts and to educate Canadians on Indigenous people through their performances.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Investment

Investment consists of a guaranteed investment certificates exceeding three months and is measured at amortized cost.

Inventory

Inventories held for distribution at no charge or for a nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Revenue from ticket sales is recognized during the period the performance occurs.

In-kind contributions

The Organization receives sponsorship in-kind from various contributors throughout the year. In-kind contributions are valued by the contributor and market value is agreed to by the Organization, based on the sponsorship provided, and included at the agreed upon rate on the statement of operations.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. Volunteers contribute time each year to enable the Organization to carry out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Government assistance

Government assistance is recognized in the statement of operations on a systematic basis over the periods in which the Organization recognizes expenses as related costs for which funded expenditures are incurred. Government assistance is recognized when there is reasonable assurance that the Organization will comply with the terms and conditions associated with the assistance and the assistance will be received.

2. Significant accounting policies *(Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition, if fair value can reasonably be determined. When fair value cannot be reasonably determined, capital assets are recorded at a nominal value.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization is not taken on capital assets until they are ready for their intended use.

Amortization is taken at one half of the below rates in the year of acquisition.

	Method	Rate
Computer equipment	declining balance	30 %
Furniture and fixtures	declining balance	20 %

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Organization’s equipment and furniture. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization’s ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the group of assets is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on management's expectation of amounts payable for goods and services for which invoices were not received prior to the year end. Repayment of funding is estimated at year end based on expected fulfillment of certain conditions stipulated within the relevant funding agreement.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the year in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transaction*s.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures the investment, accounts receivable, accounts payable and accrued liabilities at amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. Investment

The investment is held in the form of a Guaranteed Investment Certificate ("GIC"), bearing interest at 0.10% and maturing June 30, 2022.

4. Accounts receivable

	2021	*2020*
Canada Emergency Wage Subsidy (*Note 10*)	**58,880**	28,719
Other receivables	**76,454**	29,050
Harmonized sales tax recoverable	**29,912**	18,990
	165,246	76,759

5. Inventory

The cost of inventories recognized as an expense and included in program expenses amounted to $34,871 (2020 – $2,402).

6. Capital assets

	Cost	***Accumulated amortization***	***2021 Net book value***	*2020 Net book value*
Computer equipment	**53,879**	**29,611**	**24,268**	11,238
Furniture and fixtures	**5,319**	**4,676**	**643**	804
	59,198	**34,287**	**24,911**	12,042

During the year, the Organization received donated camera equipment, included in computer equipment. This contributed capital asset has been recorded at its fair value of $8,189 (2020 – $nil).

7. Bank indebtedness

The Organization has a credit facility with TD Canada Trust with a maximum limit of $10,000 (2020 - $10,000). Interest is charged by the lender at prime plus 4.25% per annum. At June 30, 2021, the credit facility was unutilized (2020 - unutilized).

8. Long-term debt

The Canada Emergency Business Account loan is unsecured, non-interest bearing until December 31, 2022 and has no specific terms of repayment. If the loan is repaid in full on or before December 31, 2022, up to $20,000 of the loan amount may be forgiven. On January 1, 2023, any remaining balance on the loan will automatically be renewed for a three year extended period ending December 31, 2025 at an interest rate of 5%.

9. Deferred contributions related to capital assets

Deferred contributions related to capital assets consist of the amortized amount of contributions and grants received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred contributions are as follows:

	2021	*2020*
Balance, beginning of year	**-**	-
Additions	**8,189**	-
Less: amortization of deferred contributions	**(1,228)**	-
	6,961	-

10. Government assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. The CEWS program provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of certain revenue declines as a result of COVID-19. The Organization has recognized a total of $357,932 (2020 - $63,049) of CEWS and has included it in other income on the statement of operations. At June 30, 2021, $58,880 (2020 - $28,719) is included in accounts receivable.

In response to the negative economic impact of COVID-19, Service Ontario announced the Ontario Small Business Support Grant program in December 2020. The program provides a grant up to a maximum of $20,000 to assist eligible businesses with unexpected revenue losses expected as a result of the province-wide shutdown. The Organization has recognized and received a total of $20,000 (2020 - $nil) related to the grant and has included it in government grants on the statement of operations.

11. Commitments

The Organization has entered into a lease agreement expiring November 30, 2021 with an estimated minimum annual payment amount of $1,622. The Organization has also entered into a sublease agreement for its premises which requires it to make monthly payments. There is no fixed term to this agreement.

12. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that are the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk also includes the risk of the Organization not being able to liquidate its assets in a timely manner at a reasonable price. The Organizations ability to meet obligations depends on receipt of funds from various sources. The Organization meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

13. Significant event

Starting in March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, the Organizations operations were affected. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization and when performances will resume as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

HELLOSIGN

Audit Trail

TITLE	OLI Financial Statements 2021
FILE NAME	Sign & Return 202...de Looking In.pdf
DOCUMENT ID	e0ecd1dbf1a70229b04f5c468cb2e215f9e8a201
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History

SENT	**11 / 22 / 2021** 18:40:52 UTC	Sent for signature to Daniel Brant (dan@dbrant.ca) and Derek Sutherland (dereksutherland@rogers.com) from zkhan@olishow.com IP: 24.141.128.253
VIEWED	**12 / 09 / 2021** 14:40:26 UTC	Viewed by Daniel Brant (dan@dbrant.ca) IP: 72.38.197.169
SIGNED	**12 / 09 / 2021** 14:41:45 UTC	Signed by Daniel Brant (dan@dbrant.ca) IP: 72.38.197.169
VIEWED	**12 / 10 / 2021** 14:31:02 UTC	Viewed by Derek Sutherland (dereksutherland@rogers.com) IP: 99.225.130.33
SIGNED	**12 / 10 / 2021** 14:37:54 UTC	Signed by Derek Sutherland (dereksutherland@rogers.com) IP: 99.225.130.33
COMPLETED	**12 / 10 / 2021** 14:37:54 UTC	The document has been completed.