

**SAIL CANADA/VOILE CANADA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2020**

Independent Auditor's Report	1
Statement of Financial Position	4
Statement of Operations and Change in Fund Balance - General Fund	5
- Restricted Funds	6
Statement of Cash Flow	7
Notes to Financial Statements	8

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Sail Canada/Voile Canada

### **Opinion**

We have audited the accompanying financial statements of Sail Canada/Voile Canada (the "Entity") which comprise the statement of financial position as at April 30, 2020 and the statements of operations and changes in fund balances – general fund and restricted funds and cash flow 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 Entity as at April 30, 2020, and its financial performance and its cash flow 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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. 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 Entity'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 Entity'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 Entity 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.

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

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.

*Secker Ross & Perry LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
September 15, 2020

SAIL CANADA/VOILE CANADA

STATEMENT OF FINANCIAL POSITION AS AT APRIL 30, 2020

	General Fund	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total 2020	Total 2019
<b>Assets</b>						
<b>Current Assets</b>						
Cash (note 3)	\$ 1,982	\$ 10,493	\$ 307	\$ 38,142	\$ 50,924	\$ 476,190
Investments (note 4)	-	36,621	1,094,371	223,814	1,354,806	1,589,714
Accounts receivable	326,649	-	-	-	326,649	50,069
Inventory	81,247	-	-	-	81,247	62,796
Prepaid expenses (note 5)	89,544	-	-	-	89,544	123,816
Interfund balances	(52,970)	37,473	27,615	(12,118)	-	-
	<u>446,452</u>	<u>84,587</u>	<u>1,122,293</u>	<u>249,838</u>	<u>1,903,170</u>	<u>2,302,585</u>
<b>Capital Assets (note 6)</b>						
Capital Assets (note 6)	562,951	-	-	-	562,951	551,844
Less accumulated amortization	554,110	-	-	-	554,110	551,844
	<u>8,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,841</u>	<u>-</u>
	<u>\$ 455,293</u>	<u>\$ 84,587</u>	<u>\$ 1,122,293</u>	<u>\$ 249,838</u>	<u>\$ 1,912,011</u>	<u>\$ 2,302,585</u>
<b>Liabilities and Fund Balances</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 259,428	\$ 911	\$ -	\$ 2,968	\$ 263,307	\$ 83,625
Deferred revenue (note 7)	124,144	-	-	-	124,144	511,988
	<u>383,572</u>	<u>911</u>	<u>-</u>	<u>2,968</u>	<u>387,451</u>	<u>595,613</u>
Loan Payable (note 8)	40,000	-	-	-	40,000	-
	<u>423,572</u>	<u>911</u>	<u>-</u>	<u>2,968</u>	<u>427,451</u>	<u>595,613</u>
<b>Fund Balances</b>						
Invested in capital assets (note 9)	8,841	-	-	-	8,841	-
Unrestricted surplus	22,880	-	-	-	22,880	79,167
Internally restricted	-	83,676	1,122,293	-	1,205,969	1,382,161
Externally restricted	-	-	-	246,870	246,870	245,644
	<u>31,721</u>	<u>83,676</u>	<u>1,122,293</u>	<u>246,870</u>	<u>1,484,560</u>	<u>1,706,972</u>
	<u>\$ 455,293</u>	<u>\$ 84,587</u>	<u>\$ 1,122,293</u>	<u>\$ 249,838</u>	<u>\$ 1,912,011</u>	<u>\$ 2,302,585</u>

Commitments (note 13)

Approved on behalf of the Board:

Member



Member



See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - GENERAL FUND

YEAR ENDED APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
<b>High Performance</b>		
Sport Canada	\$ 478,860	\$ 407,475
Sport Canada (flow-through)	75,000	50,000
Own the Podium (note 14)	<u>277,000</u>	<u>230,000</u>
	<u>830,860</u>	<u>687,475</u>
<b>Memberships and Programming</b>		
Sport Canada	157,340	157,340
Membership and registration fees	446,378	495,691
Cansail (program participation)	199,421	203,895
National competitions	67,699	111,027
Athlete fees	<u>130,563</u>	<u>93,876</u>
	<u>1,001,401</u>	<u>1,061,829</u>
<b>Donations &amp; Other</b>		
Sport Canada	198,356	131,685
Donations (note 12)	96,927	135,986
Sponsorship, advertising and other fundraising	77,009	95,261
Sale of merchandise (note 10)	160,277	115,575
Grants - other	56,941	52,512
Other	<u>27,257</u>	<u>29,358</u>
	<u>616,767</u>	<u>560,377</u>
	<u>2,449,028</u>	<u>2,309,681</u>
<b>Expenses</b>		
<b>General</b>		
Salaries and benefits - personnel	622,026	596,609
Travel	69,613	70,533
Cost of merchandise (note 10)	94,700	74,027
Insurance	94,825	86,537
Office and administration (note 13)	72,028	68,899
Dues and affiliation fees	26,227	24,951
Official languages	33,285	22,737
Resource materials and supplies (note 12)	88,833	140,631
Meetings - AGM	22,263	37,698
Consulting fees and professional fees	154,707	127,987
Bank charges and miscellaneous	21,807	24,228
Amortization	<u>2,267</u>	<u>1,627</u>
	<u>1,302,581</u>	<u>1,276,464</u>
<b>High Performance</b>		
Athlete support	154,644	121,039
Salaries and benefits	312,579	292,712
Contract coaches	225,293	218,312
Sports Science	13,668	8,483
Training hubs	200,000	110,000
Equipment, repairs and maintenance	178,534	97,168
Travel	<u>89,866</u>	<u>72,004</u>
	<u>1,174,584</u>	<u>919,718</u>
<b>Programmes</b>		
Event costs	58,831	116,269
Event costs (flow-through)	70,444	47,500
Program costs	56,198	87,678
Volunteer and delegate travel	871	50,667
Training	<u>32,965</u>	<u>59,619</u>
	<u>219,309</u>	<u>361,733</u>
	<u>2,696,474</u>	<u>2,557,915</u>
<b>Deficiency of revenues over expenses</b>	(247,446)	(248,234)
Interfund transfer (note 11)	200,000	88,046
Fund balance at beginning of year	<u>79,167</u>	<u>239,355</u>
<b>Fund balance at end of year</b>	<u>\$ 31,721</u>	<u>\$ 79,167</u>

See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES - RESTRICTED FUNDS

YEAR ENDED APRIL 30, 2020

	Financial Assistance Program	Sail Canada Fund	Endowment Funds			Total 2020	Total 2019
			R.C. Stevenson Boat Fund	Marvin McDill Fund	Bill Burk Youth Fund		
<b>Revenues</b>							
Donations	\$ 88,108	\$ -	\$ -	\$ -	\$ -	\$ 88,108	\$ 56,173
Net investment income		192,959	2,983	951	564	198,085	11,591
Interest income (net)	1,632	-	1,257	401	238	3,793	3,502
	<u>89,740</u>	<u>192,959</u>	<u>4,240</u>	<u>1,352</u>	<u>802</u>	<u>289,986</u>	<u>71,266</u>
<b>Expenses</b>							
Awards	-	-	-	864	514	1,590	2,968
Management fees	-	11,267	-	-	-	11,267	11,334
Racing	-	-	-	-	-	-	5,378
Training	95,206	-	-	-	-	95,206	37,351
	<u>95,206</u>	<u>11,267</u>	<u>-</u>	<u>864</u>	<u>514</u>	<u>109,441</u>	<u>56,879</u>
<b>Excess (deficiency) of revenues over expenses before undernoted item</b>	(5,466)	181,692	4,240	488	288	(697)	14,387
Loss on sale of investments	-	-	-	-	-	-	(566)
Unrealized gain (loss) on investments	427	(152,845)	(1,799)	(574)	(341)	(155,511)	113,856
<b>Excess (deficiency) of revenues over expenses</b>	(5,039)	28,847	2,441	(86)	(53)	(1,076)	127,677
Interfund transfer (note 11)	-	(200,000)	-	-	-	(200,000)	(88,046)
Fund balances at beginning of year	<u>88,715</u>	<u>1,293,446</u>	<u>142,893</u>	<u>45,558</u>	<u>27,047</u>	<u>1,627,805</u>	<u>1,588,174</u>
<b>Fund balances at end of year</b>	<u>\$ 83,676</u>	<u>\$ 1,122,293</u>	<u>\$ 145,334</u>	<u>\$ 45,472</u>	<u>\$ 26,994</u>	<u>\$ 1,452,839</u>	<u>\$ 1,627,805</u>

See accompanying notes to financial statements

**SAIL CANADA/VOILE CANADA**

**STATEMENT OF CASH FLOW**

**YEAR ENDED APRIL 30, 2020**

	<b>General Fund</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
<b>Cash flow from (used in) operating activities</b>				
Excess (deficiency) of revenues over expense	\$ (247,446)	\$ 25,034	\$ (222,412)	\$ (120,557)
Items which do not affect cash				
Amortization	2,267	-	2,267	1,627
Loss on sale of investments	-	-	-	566
Unrealized gain on investments	-	155,511	155,511	(113,856)
	<u>(245,179)</u>	<u>180,545</u>	<u>(64,634)</u>	<u>(232,220)</u>
Changes in non-cash working capital balances				
Accounts receivable	(276,580)	-	(276,580)	121,008
Inventory	(18,451)	-	(18,451)	23,825
Prepaid expenses	34,272	-	34,272	7,699
Interfund balances	85,791	(85,791)	-	-
Accounts payable and accrued liabilities	186,120	(6,437)	179,683	(35,323)
Deferred revenue	(387,844)	-	(387,844)	141,457
	<u>(621,871)</u>	<u>88,317</u>	<u>(533,554)</u>	<u>26,446</u>
<b>Cash flow from (used in) investing and financing activities</b>				
Interfund transfers	200,000	(200,000)	-	-
Proceeds from sale of investments	-	276,154	276,154	131,762
Purchase of short-term investments	-	(196,758)	(196,758)	(46,456)
Proceeds from loans payable	40,000	-	40,000	-
Additions to capital assets	(11,108)	-	(11,108)	-
	<u>228,892</u>	<u>(120,604)</u>	<u>108,288</u>	<u>85,306</u>
<b>Net increase (decrease) in cash</b>	(392,979)	(32,287)	(425,266)	111,752
<b>Cash at beginning of year</b>	<u>394,961</u>	<u>81,229</u>	<u>476,190</u>	<u>364,438</u>
<b>Cash at end of year</b>	<u>\$ 1,982</u>	<u>\$ 48,942</u>	<u>\$ 50,924</u>	<u>\$ 476,190</u>
<b>Cash comprised of:</b>				
Cash - General Fund	\$ 1,982	\$ -	\$ 1,982	\$ 394,961
Cash - Financial Assistance Program	-	10,493	10,493	68,832
Cash - Sail Canada Fund	-	307	307	303
Cash - Endowment Funds	-	38,142	38,142	12,094
	<u>\$ 1,982</u>	<u>\$ 48,942</u>	<u>\$ 50,924</u>	<u>\$ 476,190</u>

See accompanying notes to financial statements



# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2020

### 1. Purpose of the Corporation

Sail Canada/Voile Canada (the “Corporation”) is a Registered Amateur Athletic Association with charitable status, designated by the Government of Canada as the National Sport Organization representing the sport of sailing. The Corporation represents all participants including recreational sailors and high performance athletes at the club, provincial, national and international levels. The Corporation is exempt from income tax under subsection 149(1)(l) of the Canadian Income Tax Act.

### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Handbook – Accounting Standards for Not-for-Profit Organizations. Significant accounting policies include the following:

(a) Fund Accounting

Sail Canada/Voile Canada follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Corporation’s program delivery and administrative activities.

The Financial Assistance Program Fund reports mainly revenues and expenses of the Canadian Sailing Team and its development as well as local club development projects including junior sailing initiatives. Revenue is received in the form of donations and expenses are paid out in the form of reimbursement of approved training and competition expenses of high performance athletes.

The Sail Canada Fund is made up of resources originally from the 1988 Olympic Games legacy and subsequent contributions from the Corporation’s operations and earnings on investments. Expenditures of the Sail Canada Fund are approved by the Board of Directors and are used to support Olympic high performance programs.

The Endowment Funds were established by the donors to be used for the following specific purposes:

(i) R. C. Stevenson Boat Loan Fund

The R. C. Stevenson Boat Loan Fund was established in 1982 to provide loans to local clubs for the purchase of junior training boats. The loans are repayable over a two-year period and are subject to a 4% annual administration fee. R.C. Stevenson was a long-time member of the Canadian Yachting Association (now Sail Canada) who helped to establish this fund.

## SAIL CANADA/VOILE CANADA

### NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2020

#### 2. Significant Accounting Policies (continued)

(a) Fund Accounting (continued)

(ii) Marvin McDill Memorial Award Fund

The Marvin McDill Fund was established in memory of Marvin McDill, who returned Canada to the America's Cup in 1983. The income from the fund is given to worthy Canadian sailors who compete internationally to help with travel and/or boat expenses.

(iii) Bill Burk Memorial Youth Elite Award Fund

The Bill Burk Youth Fund was established in 1997 in memory of William Burk, who was an active promoter of youth sailing in Montreal's West Island region. The purpose of the fund is to provide top Canadian youth sailors with a unique training opportunity that will accelerate their development and motivation to pursue the sport at an international level.

(iv) Nathan R. Cowan Memorial Award for Developing Sailors Fund

The Nathan Cowan Memorial Fund was established in 2002 in memory of Nathan Cowan, a Canadian Sailing Team member who died tragically in a car accident in 2002. The Nathan R. Cowan Memorial Award for Developing Sailors is awarded to a young sailor (19 and over as of December 31<sup>st</sup> in the year of nomination) with a record of outstanding achievement in national and international competition. The sailor must have followed a committed training program, demonstrated an effort in fundraising through sponsorship and private contributions and brought recognition to Canadian competitive sailing.

(b) Investments

Investments are recorded at market value. Realized and unrealized gains and losses are included directly in the statements of operations.

(c) Inventory

Inventory consists of clothing and related items, insignia, and educational materials held for resale. Inventory is valued at the lower of cost and net realizable value with cost determined on a first-in first-out basis.

(d) Capital Assets

Capital assets consist of office furniture and equipment and leasehold improvements owned by the Corporation. Furniture and equipment are capitalized in the year of purchase and amortized over a five-year period on a straight-line basis. Leasehold improvements are capitalized in the year of purchase and amortized over a ten-year period on a straight-line basis.

## SAIL CANADA/VOILE CANADA

### NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2020

#### 2. Significant Accounting Policies (continued)

(e) Revenue Recognition

Restricted contributions used for general operations are recognized as revenue of the General Fund in the year which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowments are recognized as revenue of the Endowment Funds.

Donated assets are recorded at fair market value when the fair market value can be reasonably estimated and when the Corporation would otherwise have purchased these items.

Membership registration fees and other program fees are recognized as revenue when the services are provided as per the terms of the related agreements.

Sponsorship and advertising revenue is recognized over the term of the related contract and when collection is reasonably assured.

Revenues related to the sale of merchandise are recognized when the goods are delivered to customers, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Investment income earned on the Financial Assistance Program, Sail Canada Fund and on Endowment Funds is recognized as revenue of the respective fund. All other investment income is recognized as revenue in the General Fund.

(f) Donated Services

The work of the Corporation is dependent on the voluntary service of its members. Since these services are not normally purchased by the Corporation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(g) Use of Estimates

The preparation of financial statements in accordance 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 revenue and expense during the period. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates in these financial statements include collectability of accounts receivable and inventory obsolescence.

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2020

### 2. Significant Accounting Policies (continued)

(h) Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

- (i) At the transaction date, each asset, liability and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date;
- (ii) At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current year.

### 3. Cash

The Corporation's bank accounts are held at one chartered bank. The bank accounts earn interest from 0% to 0.5%. Bank balances include \$1,661 (2019 - \$1,661) denominated in U.S. dollars translated to Canadian dollars. A significant portion of the fluctuation in the cash balance from prior year is due to the timing of grant receipts from Sport Canada.

### 4. Investments

Investments consist of the following:

	2020			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 36,621	\$1,094,371	\$215,417	\$1,346,409
Guaranteed investment certificates	<u>-</u>	<u>-</u>	<u>8,397</u>	<u>8,397</u>
	<u>\$ 36,621</u>	<u>\$1,094,371</u>	<u>\$223,814</u>	<u>\$1,354,806</u>
	2019			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 35,576	\$ 1,308,470	\$212,456	\$1,556,502
Guaranteed investment certificates	<u>-</u>	<u>-</u>	<u>33,212</u>	<u>33,212</u>
	<u>\$ 35,576</u>	<u>\$1,308,470</u>	<u>\$245,668</u>	<u>\$1,589,714</u>

The investments in the Sail Canada Fund are externally managed by the Canadian Olympic Committee – Canadian Olympic Foundation. The investments in the Financial Assistance Program and Endowment Funds are managed by the Corporation.

**SAIL CANADA/VOILE CANADA****NOTES TO FINANCIAL STATEMENTS (continued)****YEAR ENDED APRIL 30, 2020****5. Prepaid Expenses**

	<u>2020</u>	<u>2019</u>
Prepaid – event fees	\$ -	\$ 50,709
Prepaid – insurance, fees and services	<u>89,544</u>	<u>73,107</u>
	<u>\$ 89,544</u>	<u>\$123,816</u>

**6. Capital Assets**

	<u>2020</u>			<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	\$ 404,612	\$ 395,771	\$ 8,841	\$ -
Leasehold improvements	<u>158,339</u>	<u>158,339</u>	-	-
	<u>\$ 562,951</u>	<u>\$ 554,110</u>	<u>\$ 8,841</u>	<u>\$ -</u>

**7. Deferred Revenue**

	<u>2020</u>	<u>2019</u>
Membership and registration fees	\$ 32,477	\$ 77,046
Sport Canada	-	250,692
Own the Podium	91,667	97,000
Sport Canada – Hosting Grant	-	71,250
Canadian Olympic Committee	-	<u>16,000</u>
	<u>\$124,144</u>	<u>\$511,988</u>

**8. Loan Payable**

The Corporation received during the year proceeds of \$40,000 in respect of the Canada Emergency Business Account (“CEBA”). The loan bears interest at a rate of 0% per annum during the initial term of the loan, which expires December 31, 2022. No principal repayments are required during the initial term of the loan. If the Corporation has paid 75% of the loan amount prior to December 31, 2022, the lender will forgive the remaining balance of the loan at this time. If a balance still exists at January 1, 2023, interest will commence at a rate of 5% per annum, payable monthly. Any balance remaining on the loan will be repayable in full on December 31, 2025. The loan is unsecured.

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2020

### 9. Fund Balances Invested in Capital Assets

Fund balances invested in capital assets consist of:

	<u>2020</u>	<u>2019</u>
Capital assets at beginning of year (net)	\$ -	\$ 1,627
Capital assets acquired during the year	11,108	-
Amortization of capital assets	<u>(2,267)</u>	<u>(1,627)</u>
Capital assets at end of year (net)	<u>\$ 8,841</u>	<u>\$ -</u>

### 10. Merchandise/Pleasure Craft Operator Card (PCOC)

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Merchandise sales	\$121,345	\$ 81,377
PCOC	31,707	29,952
Online sales	1,022	701
Postage and shipping recovery	<u>6,203</u>	<u>3,545</u>
	<u>160,277</u>	<u>115,575</u>
<b>Expenses</b>		
Purchases	77,253	53,987
Provincial Sailing Association share of PCOC and instructors	10,637	13,533
Online commission expense	-	65
PCOC costs	<u>6,810</u>	<u>6,442</u>
	<u>94,700</u>	<u>74,027</u>
<b>Net contribution</b>	<u>\$ 65,577</u>	<u>\$ 41,548</u>

Included in purchases is \$6,125 (2019 - \$6,582) related to obsolete inventory items expensed in the year.

### 11. Interfund Transfer

During the year, the Board of Directors approved the transfer of up to \$200,000 (2019 - \$88,046) from the Sail Canada Fund to the General Fund for support of the Corporation's training hubs.

## SAIL CANADA/VOILE CANADA

### NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2020

#### 12. In-Kind Donations

During the year the Corporation recorded \$35,291 (2019 - \$80,754) of in-kind donations. These contributions are reflected in donations and resource materials and supplies expense.

#### 13. Commitments and Contractual Obligations

- (a) The Corporation's lease for office space has expired and has continued in overhold since July 31, 2010. Under the terms of the original lease agreement, overholding is defined as a month to month arrangement. Effective January 1, 2020, rent is charged monthly at \$3,772 including HST, and will increase annually in accordance with the Consumer Price Index (CPI).
- (b) The Corporation is committed to an equipment operating lease expiring August 30, 2021. The total annual lease payments over the next year are \$836.

#### 14. Own the Podium

Own the Podium revenue funding comes from the following funders:

	<u>2020</u>	<u>2019</u>
Sport Canada	\$177,000	\$172,500
Canadian Olympic Committee	<u>100,000</u>	<u>57,500</u>
	<u>\$277,000</u>	<u>\$230,000</u>

#### 15. Financial Risks

The Corporation's objectives with respect to capital management are to maintain a minimum capital base that allows it to continue with and execute its overall purpose. The Corporation's board performs periodic reviews of its capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the Corporation. The Corporation is not subject to any externally-imposed capital requirements.

The Corporation is exposed to market risk. Market risk is the risk of financial loss arising from fluctuations in the market price of the Corporation's investments. The Canadian Olympic Committee – Canadian Olympic Foundation is managing the market risk related to the investments in the Sail Canada Fund. To manage the market risk of the investments in the Financial Assistance Program and Endowment Fund, the Corporation has established a target mix of investments designed to achieve reasonable returns within acceptable and manageable risk tolerances.

## SAIL CANADA/VOILE CANADA

### NOTES TO FINANCIAL STATEMENTS (continued)

#### YEAR ENDED APRIL 30, 2020

#### 15. Financial Risks (continued)

The Corporation is exposed to foreign exchange risks as certain cash, payables and expenses are to be settled in foreign currencies. Expenses relate to accommodations, boat charters and event entry fees in foreign currencies. The total paid converted into Canadian dollars in the year related to expenses in a foreign currency was \$352,217 (2019 - \$230,086). Due to the size of the exposure and the variability year-to-year, management does not currently have a practice of hedging its foreign exchange risk to mitigate the effects of foreign currency fluctuations.

It is management's opinion that the Corporation is not exposed to significant interest rate or liquidity risks arising from its financial instruments.

#### 16. Effects of Pandemic

Since the commencement of the COVID-19 outbreak in the latter part of the Corporation's 2020 fiscal year, there have been significant disruptions to organizations throughout Canada and the rest of the world, leading to a general economic slowdown. Global equity markets have experienced significant volatility through the months leading up to the Corporation's April 30, 2020 fiscal year-end. This volatility has resulted in significant unrealized losses on the Corporation's investments, including the Sail Canada Fund.

Outside of the effect on the Corporation's investment performance, social distancing protocols put in place by various national governments, provincial governments and local authorities have had significant effects on the sport of sailing, including cancellation of a number of national and international competitions and curtailment of training for many athletes. The responses to contain the pandemic may have effects on the Corporation's membership and registration fees for the 2021 fiscal year, and general economic conditions may affect the Corporation's fundraising efforts. It is not possible to reliably estimate the duration or severity of these consequences, or their impact on the financial position and results of operations for the Corporation for future periods.

In order to mitigate the effects of the pandemic, the Corporation has undertaken a number of efforts, including accessing available financing (note 8), planning for additional fundraising efforts, communication with provincial and federal authorities regarding funding and continued efforts seeking cooperation with provincial sailing associations. Sport Canada funding for the 2021 fiscal year includes emergency support funding to assist with COVID-19 effects. The Corporation also notes some recovery in the market value of investments in the Sail Canada Fund subsequent to year-end.

#### 17. Comparative Figures

Certain comparative figures have been restated to conform to the financial statement presentation adopted for the current year.