

**SAIL CANADA/VOILE CANADA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2021**

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## 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, 2021 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, 2021, and its financial performance 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 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.

### Other Information

Management is responsible for the other information. The other information comprises the financial overview included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **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.

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

- 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.

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  
August 30, 2021

**SAIL CANADA/VOILE CANADA**

**STATEMENT OF FINANCIAL POSITION AS AT APRIL 30, 2021**

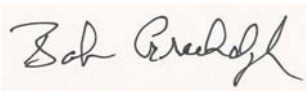
	<u>General Fund</u>	<u>Financial Assistance Program</u>	<u>Sail Canada Fund</u>	<u>Sail Canada Reserve Fund</u>	<u>Endowment Fund</u>	<u>Total Fund</u>	<u>Total 2020</u>
<b>Assets</b>							
<b>Current Assets</b>							
Cash (note 3)	\$ 212,292	\$ 111,827	\$ 307	\$ -	\$ 46,726	\$ 371,152	\$ 50,924
Investments (note 4)	-	37,258	1,193,095	-	231,205	1,461,558	1,354,806
Accounts receivable	200,017	-	-	-	-	200,017	326,649
Inventory	89,079	-	-	-	-	89,079	81,247
Prepaid expenses (note 5)	67,982	-	-	-	-	67,982	89,544
Interfund balances	<u>43,782</u>	<u>(16,336)</u>	<u>(265,328)</u>	<u>250,000</u>	<u>(12,118)</u>	<u>-</u>	<u>-</u>
	<u>613,152</u>	<u>132,749</u>	<u>928,074</u>	<u>250,000</u>	<u>265,813</u>	<u>2,189,788</u>	<u>1,903,170</u>
Capital Assets (note 6)	582,911	-	-	-	-	582,911	562,951
Less accumulated depreciation	<u>560,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,387</u>	<u>554,110</u>
	<u>22,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,524</u>	<u>8,841</u>
	<u>\$ 635,676</u>	<u>\$ 132,749</u>	<u>\$ 928,074</u>	<u>\$ 250,000</u>	<u>\$ 265,813</u>	<u>\$ 2,212,312</u>	<u>\$ 1,912,011</u>
<b>Liabilities and Fund Balances</b>							
<b>Current Liabilities</b>							
Accounts payable and accrued liabilities	\$ 224,139	\$ 911	\$ -	\$ -	\$ 7,014	\$ 232,064	\$ 263,307
Deferred revenue (note 7)	<u>187,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,279</u>	<u>124,144</u>
	411,418	911	-	-	7,014	419,343	387,451
Loans Payable (note 8)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>451,418</u>	<u>911</u>	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>459,343</u>	<u>427,451</u>
Fund balances							
Invested in capital assets (note 9)	22,524	-	-	-	-	22,524	8,841
Unrestricted surplus	161,734	-	-	-	-	161,734	22,880
Internally restricted	-	131,838	928,074	250,000	-	1,309,912	1,205,969
Externally restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,799</u>	<u>258,799</u>	<u>246,870</u>
	<u>184,258</u>	<u>131,838</u>	<u>928,074</u>	<u>250,000</u>	<u>258,799</u>	<u>1,752,969</u>	<u>1,484,560</u>
	<u>\$ 635,676</u>	<u>\$ 132,749</u>	<u>\$ 928,074</u>	<u>\$ 250,000</u>	<u>\$ 265,813</u>	<u>\$ 2,212,312</u>	<u>\$ 1,912,011</u>

**Contingency (note 8)**

**Commitments and Contractual Obligations (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, 2021

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
<b>High Performance</b>		
Sport Canada (note 14)	\$ 772,511	\$ 487,587
Athlete fees	94,780	130,563
Own the Podium (note 15)	<u>312,435</u>	<u>277,000</u>
	<u>1,179,726</u>	<u>895,150</u>
<b>Programming</b>		
Sport Canada (note 14)	224,158	161,872
Sport Canada (flow through)	50,000	75,000
Registration fees	129,981	194,968
Cansail (program participation)	69,728	199,421
National competitions	<u>-</u>	<u>67,699</u>
	<u>473,867</u>	<u>698,960</u>
<b>General</b>		
Sport Canada (note 14)	212,310	185,097
Donations (note 12)	75,836	96,927
Sponsorship, advertising and other fundraising	44,507	77,009
Sale of merchandise (note 10)	160,660	160,277
Grants - other	67,224	56,941
Membership fees	214,144	251,410
Other	<u>70,878</u>	<u>27,257</u>
	<u>845,559</u>	<u>854,918</u>
	<u>2,499,152</u>	<u>2,449,028</u>
<b>Expenses</b>		
<b>High Performance</b>		
Athlete support	209,961	154,644
Salaries and benefits	324,152	312,579
Contract coaches	109,704	225,293
Sports Science	24,913	13,668
Training hubs	212,265	200,000
Equipment, repairs and maintenance	169,554	178,534
Travel	<u>64,439</u>	<u>89,866</u>
	<u>1,114,988</u>	<u>1,174,584</u>
<b>Programming</b>		
Event costs	7,536	58,831
Event costs (flow through)	46,500	70,444
Program costs	64,011	56,198
Volunteer and delegate travel	50,671	871
Training	<u>5,705</u>	<u>32,965</u>
	<u>174,423</u>	<u>219,309</u>
<b>General</b>		
Salaries and benefits - personnel	645,897	622,026
Travel	11,092	69,613
Cost of merchandise (note 10)	104,553	94,700
Insurance	74,944	94,825
Office and administration (note 13)	65,848	72,028
Dues and affiliation fees	25,586	26,227
Official languages	19,430	33,285
Resource materials and supplies (note 12)	62,767	88,833
Meetings - AGM	1,708	22,263
Consulting fees and professional fees	121,555	154,707
Bank Charges And Miscellaneous	17,547	21,807
Amortization	<u>6,277</u>	<u>2,267</u>
	<u>1,157,204</u>	<u>1,302,581</u>
	<u>2,446,615</u>	<u>2,696,474</u>
<b>Excess (deficiency) of revenues over expenses</b>	52,537	(247,446)
<b>Interfund transfer (note 11)</b>	100,000	200,000
<b>Fund balance at beginning of year</b>	<u>31,721</u>	<u>79,167</u>
<b>Fund balance at end of year</b>	<u>\$ 184,258</u>	<u>\$ 31,721</u>

See accompanying notes to financial statements.

**SAIL CANADA/VOILE CANADA**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES - RESTRICTED FUND**

**YEAR ENDED APRIL 30, 2021**

	<u>Financial Assistance Program</u>	<u>Sail Canada Fund</u>	<u>Sail Canada Reserve Fund</u>	<u>Endowment Fund</u>				<u>Total 2021</u>	<u>2020</u>
				<u>R.C. Stevenson Boat Fund</u>	<u>Marvin McDill Fund</u>	<u>Bill Burk Youth Fund</u>	<u>Nathan Cowan Memorial Fund</u>		
<b>Revenues</b>									
Donations	\$ 59,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,213	\$ 88,108
Net investment income	-	88,146	-	3,369	1,054	626	674	93,869	198,085
Interest income (net)	<u>516</u>	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>333</u>	<u>198</u>	<u>213</u>	<u>2,324</u>	<u>3,793</u>
	<u>59,729</u>	<u>88,146</u>	<u>-</u>	<u>4,433</u>	<u>1,387</u>	<u>824</u>	<u>887</u>	<u>155,406</u>	<u>289,986</u>
<b>Expenses</b>									
Awards	-	-	-	-	1,352	802	1,893	4,047	2,968
Management fees	-	11,474	-	-	-	-	-	11,474	11,267
Training	<u>11,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,688</u>	<u>95,206</u>
	<u>11,688</u>	<u>11,474</u>	<u>-</u>	<u>-</u>	<u>1,352</u>	<u>802</u>	<u>1,893</u>	<u>27,209</u>	<u>109,441</u>
<b>Excess (deficiency) of revenues over expenses before undernoted item</b>	48,041	76,672	-	4,433	35	22	(1,006)	128,197	180,545
Unrealized gain (loss) on investments	<u>121</u>	<u>79,109</u>	<u>-</u>	<u>4,972</u>	<u>1,556</u>	<u>923</u>	<u>994</u>	<u>87,675</u>	<u>(155,511)</u>
<b>Excess (deficiency) of revenues over expenses</b>	48,162	155,781	-	9,405	1,591	945	(12)	215,872	25,034
Interfund transfer (note 11)	-	(350,000)	250,000	-	-	-	-	(100,000)	(200,000)
Fund balances at beginning of year	<u>83,676</u>	<u>1,122,293</u>	<u>-</u>	<u>145,334</u>	<u>45,472</u>	<u>26,994</u>	<u>29,070</u>	<u>1,452,839</u>	<u>1,627,805</u>
<b>Fund balances at end of year</b>	<u>\$ 131,838</u>	<u>\$ 928,074</u>	<u>\$ 250,000</u>	<u>\$ 154,739</u>	<u>\$ 47,063</u>	<u>\$ 27,939</u>	<u>\$ 29,058</u>	<u>\$ 1,568,711</u>	<u>\$ 1,452,839</u>

See accompanying notes to financial statements.

**SAIL CANADA/VOILE CANADA**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED APRIL 30, 2021**

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>Cash flow from (used in) operating activities</b>				
Excess (deficiency) of revenues over expenses	\$ 52,537	\$ 215,872	\$ 268,409	\$ (222,412)
Items which do not involve cash				
Amortization	6,277	-	6,277	2,267
Government assistance - CEBA forgivable loans	(20,000)	-	(20,000)	-
Unrealized loss (gain) on investments	-	(87,675)	(87,675)	155,511
	<u>38,814</u>	<u>128,197</u>	<u>167,011</u>	<u>(64,634)</u>
Changes in non-cash working capital:				
Accounts receivable	126,632	-	126,632	(276,580)
Inventory	(7,832)	-	(7,832)	(18,451)
Prepaid expenses	21,562	-	21,562	34,272
Interfund balance	(96,752)	96,752	-	-
Accounts payable and accrued liabilities	(35,289)	4,047	(31,242)	179,683
Deferred revenue	63,135	-	63,135	(387,844)
	<u>110,270</u>	<u>228,996</u>	<u>339,266</u>	<u>(533,554)</u>
<b>Cash flow from (used in) investing and financing activities</b>				
Interfund transfers	100,000	(100,000)	-	-
Proceeds from sale of investments	-	65,455	65,455	276,154
Purchases of short-term investments	-	(84,533)	(84,533)	(196,758)
Proceeds from loans payable	20,000	-	20,000	40,000
Additions to capital assets	(19,960)	-	(19,960)	(11,108)
	<u>100,040</u>	<u>(119,078)</u>	<u>(19,038)</u>	<u>108,288</u>
<b>Net increase (decrease) in cash</b>	210,310	109,918	320,228	(425,266)
<b>Cash at beginning of year</b>	<u>1,982</u>	<u>48,942</u>	<u>50,924</u>	<u>476,190</u>
<b>Cash at end of year</b>	<u>\$ 212,292</u>	<u>\$ 158,860</u>	<u>\$ 371,152</u>	<u>\$ 50,924</u>
<b>Cash represented by:</b>				
Cash - General Fund	\$ 212,292	\$ -	\$ 212,292	\$ 1,982
Cash - Financial Assistance Program	-	111,827	111,827	10,493
Cash - Sail Canada Fund	-	307	307	307
Cash - Endowment Funds	-	46,726	46,726	38,142
	<u>\$ 212,292</u>	<u>\$ 158,860</u>	<u>\$ 371,152</u>	<u>\$ 50,924</u>

See accompanying notes to financial statements.



**SAIL CANADA/VOILE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2021**

**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 Sail Canada Reserve Fund was established in order to stabilize the Corporation's finances in the event of a substantial and unexpected decline in revenue and/or increase in expenses. Further transfers between the Sail Canada Reserve Fund and the General Fund shall be approved by the Corporation's Board of Directors.

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, 2021**

#### **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, 2021

#### 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, 2021

### 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, revenue 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.

#### (i) Government Assistance

The Corporation recognizes government assistance received, or estimated government assistance to be received, when there is reasonable assurance that the Corporation has complied and will continue to comply with all relevant conditions stipulated in funding arrangements. Assistance related to current operations are recognized in the statement of income.

### 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 (2020 - \$1,661) denominated in U.S. dollars translated to Canadian dollars.

### 4. Investments

Investments consist of the following:

	2021			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 37,258	\$ 1,193,095	\$ 231,205	\$ 1,461,558
Guaranteed Investment Certificates	-	-	-	-
	<u>\$ 37,258</u>	<u>\$ 1,193,095</u>	<u>\$ 231,205</u>	<u>\$ 1,461,558</u>

	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	-	-	8,397	8,397
	<u>\$ 36,621</u>	<u>\$ 1,094,371</u>	<u>\$ 223,814</u>	<u>\$ 1,354,806</u>

**SAIL CANADA/VOILE CANADA****NOTES TO FINANCIAL STATEMENTS (continued)****YEAR ENDED APRIL 30, 2021****4. Investments (continued)**

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.

**5. Prepaid Expenses**

	<u>2021</u>	<u>2020</u>
Prepaid - insurance, fees and services	<u>\$ 67,982</u>	<u>\$ 89,544</u>

**6. Capital Assets**

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	\$ 424,572	\$ (402,048)	\$ 22,524	\$ 8,841
Leasehold improvements	<u>158,339</u>	<u>(158,339)</u>	<u>-</u>	<u>-</u>
	<u>\$ 582,911</u>	<u>\$ (560,387)</u>	<u>\$ 22,524</u>	<u>\$ 8,841</u>

**7. Deferred Revenue**

	<u>2021</u>	<u>2020</u>
Membership and registration fees	\$ 67,414	\$ 32,477
Sport Canada	49,865	-
Own the Podium	50,000	91,667
Sponsorships	<u>20,000</u>	<u>-</u>
	<u>\$ 187,279</u>	<u>\$ 124,144</u>

**8. Loan Payable and Contingency**

The Corporation received loan proceeds of \$20,000 (2020 - \$40,000) in respect of the Canada Emergency Business Account (“CEBA”). The loans bear interest at a rate of 0% per annum during the initial term of the loans, which expire December 31, 2022. No principal repayments are required during the initial term of the loans. If the Corporation has paid \$40,000 of the loan amounts prior to December 31, 2022, the lender will forgive the remaining balance of the loans 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 loans will be repayable in full on December 31, 2025. The loans are unsecured. In accordance with its accounting policies related to government assistance, management has deemed it likely that the non-forgivable portion of the loans will be repaid by December 31, 2022, and has recognized the \$20,000 forgivable portion of the arrangements in income during the year ended April 30, 2021.

Should the Corporation not repay the \$40,000 non-forgivable portion of the loans owing by December 31, 2022, the \$20,000 recognized in the statement of operations would also become repayable at that time.

**SAIL CANADA/VOILE CANADA****NOTES TO FINANCIAL STATEMENTS (continued)****YEAR ENDED APRIL 30, 2021****9. Fund Balances Invested in Capital Assets**

Fund balances invested in capital assets consist of:

	<u>2021</u>	<u>2020</u>
Capital assets at beginning of year (net)	\$ 8,841	\$ -
Capital assets acquired during the year	19,960	11,108
Amortization of capital assets	<u>(6,277)</u>	<u>(2,267)</u>
	<u>\$ 22,524</u>	<u>\$ 8,841</u>

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

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Merchandise sales	\$ 136,376	\$ 121,345
PCOC	14,467	31,707
Online sales	632	1,022
Postage and shipping recovery	<u>9,185</u>	<u>6,203</u>
	<u>160,660</u>	<u>160,277</u>
<b>Expenses</b>		
Purchases	99,157	77,253
Provincial Sailing Association share of PCOC and instructors	3,270	10,637
PCOC costs	<u>2,126</u>	<u>6,810</u>
	<u>104,553</u>	<u>94,700</u>
Net contribution	<u>\$ 56,107</u>	<u>\$ 65,577</u>

Included in purchases is \$2,963 (2020 - \$6,125) related to obsolete inventory items expensed in the year.

**11. Interfund Transfer**

The Board of Directors approved the transfer of up to \$200,000 (2020 - \$200,000) from the Sail Canada Fund to the General Fund for support of the Corporation's training hubs. Of this amount, \$100,000 (2020 - \$200,000) was actually transferred.

In addition, during the year, the Board of Directors approved the transfer of \$250,000 from the Sail Canada Fund to the Sail Canada Reserve Fund.

**12. In-Kind Donations**

Included in donations revenue of \$75,836 (2020 - \$96,927) and in resource materials and supplies expense of \$62,767 (2020 - \$88,833) were in-kind donations for clothing and equipment of \$55,150 (2020 - \$35,291).

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2021

### 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, 2021, rent is charged monthly at \$3,798 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 are \$836.

### 14. Sport Canada Funding

Funding from Sport Canada is intended to cover various aspects of the Corporation's operations and can be broken down as follows:

	<u>2021</u>	<u>2020</u>
High Performance		
Core	\$ 397,005	\$ 420,649
Above-reference	279,500	58,211
COVID relief	<u>96,006</u>	<u>8,727</u>
	<u>772,511</u>	<u>487,587</u>
Programming		
Core	167,810	157,340
Above-reference	6,500	-
COVID relief	<u>49,848</u>	<u>4,532</u>
	<u>224,158</u>	<u>161,872</u>
General		
Core	131,685	118,511
Above-reference	29,625	61,949
COVID relief	<u>51,000</u>	<u>4,637</u>
	<u>212,310</u>	<u>185,097</u>
	<u>\$ 1,208,979</u>	<u>\$ 834,556</u>

### 15. Own the Podium

	<u>2021</u>	<u>2020</u>
Sport Canada	\$ 212,435	\$ 177,000
Canadian Olympic Committee	<u>100,000</u>	<u>100,000</u>
	<u>\$ 312,435</u>	<u>\$ 277,000</u>



## **SAIL CANADA/VOILE CANADA**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED APRIL 30, 2021**

#### **16. Financial Instruments**

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.

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 \$237,344 (2020 - \$352,217). 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.

#### **17. 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 pandemic, which has resulted in significant unrealized losses on the Corporation's investments in fiscal 2020 with gains in fiscal 2021.

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 have had effects on the Corporation's membership and registration fees, its program participation, its competition revenues and its athlete fees. As well, 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.



## **SAIL CANADA/VOILE CANADA**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED APRIL 30, 2021**

#### **17. Effects of Pandemic (continued)**

In order to mitigate the effects of the pandemic, the Corporation has undertaken a number of efforts, including accessing available government assistance programs, 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.

#### **18. Comparative Figures**

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