

Financial Statements

Sail Canada | Voile Canada

April 30, 2024

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SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

3. Significant Accounting Policies (continued)

(e) Revenue recognition

The Corporation follows the restricted fund method of accounting for restricted contributions.

Collections, donations and bequests are recognized as revenue of the General Fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recorded as revenue in the externally restricted funds if the amount can be reasonably estimated and collection is reasonably assured.

Contributions restricted for endowment consist of restricted donations received from the supporters and others in the community. Endowment contributions are recognized as direct increases to net assets. The endowment principal is required to be maintained in perpetuity.

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) Contributed goods and 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.

Contributed goods and materials are recorded at their estimated fair market value where such value can reasonably be estimated and when the Corporation would otherwise have purchased such items.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

3. Significant Accounting Policies (continued)

(g) Foreign currency translation

The Corporation uses the temporal method to translate all transactions denominated in foreign currencies. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those measured at market value, which are translated at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated at the average rate in effect during the year, with the exception of the amortization of assets, which is translated at the same exchange rates as the related assets.

The related exchange gains and losses are accounted for in the excess of revenues over expenses for the year.

(h) 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 comply with all relevant conditions stipulated in the funding arrangements. Assistance related to the acquisition of equipment is deducted from the cost of the related assets, while assistance related to current operations are recognized in the statement of operations.

(i) Financial Instruments

The Corporation considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Corporation's financial instruments comprise cash/bank overdraft, accounts receivable and accounts payable.

Financial assets and liabilities are initially recorded at their fair value. The Corporation subsequently measures all of its financial assets and liabilities at amortized cost, except for investments which are measured at market value. Unrealized gains and losses on investments are recognized in the excess (deficiency) of revenue over expenses in the year incurred.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

3. Significant Accounting Policies (continued)

(j) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Corporation 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 year. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they are known. Significant estimates in these financial statements include collectability of accounts receivables, inventory obsolescence and the estimated allocation of salaries and benefits between programming and general.

4. Cash

The Corporation's bank accounts are held at one chartered bank. The bank accounts earn interest based on the bank's standard rates. Bank balances include \$2,288 (2023 - \$2,255) denominated in U.S. dollars translated to Canadian dollars.

5. Prepaid expenses

	<u>2024</u>	<u>2023</u>
Prepaid - insurance, fees, events and services	<u>\$ 105,270</u>	<u>\$ 137,266</u>

6. Investments

Investments consist of the following:

	<u>2024</u>			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 36,650	\$ -	\$ 274,476	\$ 311,126
Pooled funds	-	1,014,657	-	1,014,657
	<u>\$ 36,650</u>	<u>\$ 1,014,657</u>	<u>\$ 274,476</u>	<u>\$ 1,325,783</u>

	<u>2023</u>			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 35,851	\$ -	\$ 230,725	\$ 266,576
Pooled funds	-	1,182,166	-	1,182,166
	<u>\$ 35,851</u>	<u>\$ 1,182,166</u>	<u>\$ 230,725</u>	<u>\$ 1,448,742</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, 2024

7. Capital assets

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 545,348	\$ (453,280)	\$ 92,068	\$ 151,493
Leasehold improvements	158,339	(158,339)	-	-
	<u>\$ 703,687</u>	<u>\$ (611,619)</u>	<u>\$ 92,068</u>	<u>\$ 151,493</u>

8. Deferred contributions

	<u>2024</u>	<u>2023</u>
Sport Canada	\$ 69,350	\$ 116,083
Own the Podium	12,800	1,398
Sponsorships	20,000	20,000
Canadian Olympic Committee	138,750	192,500
94 Forward	-	171,176
	<u>\$ 240,900</u>	<u>\$ 501,157</u>

9. Fund balances invested in capital assets

Fund balances invested in capital assets consist of:

	<u>2024</u>	<u>2023</u>
Capital assets at beginning of year (net)	\$ 151,493	\$ 47,835
Capital assets acquired during the year	-	147,289
Amortization of capital assets	(35,735)	(43,631)
Capital assets disposed of	(23,690)	-
	<u>\$ 92,068</u>	<u>\$ 151,493</u>

SAIL CANADA/VOILE CANADA**NOTES TO FINANCIAL STATEMENTS (continued)****YEAR ENDED APRIL 30, 2024****10. Deferred revenue**

Deferred revenue consists of:

	<u>2024</u>	<u>2023</u>
Memberships and registration fees	\$ 113,115	\$ 83,772
National team registration, participation and IAP	<u>22,615</u>	<u>-</u>
	<u>\$ 135,730</u>	<u>\$ 83,772</u>

11. Merchandise/pleasure craft operator card (PCOC)

	<u>2024</u>	<u>2023</u>
Revenues		
Merchandise sales	\$ 171,432	\$ 168,291
PCOC	13,081	9,281
Online sales	4,677	4,256
Postage and shipping recovery	<u>8,266</u>	<u>7,464</u>
	<u>197,456</u>	<u>189,292</u>
Expenses		
Purchases	98,699	106,736
Provincial Sailing Association share of PCOC and instructors	<u>11,239</u>	<u>8,865</u>
	<u>109,938</u>	<u>115,601</u>
Net contribution	<u>\$ 87,518</u>	<u>\$ 73,691</u>

Included in purchases is \$Nil (2022 - \$7,269) related to obsolete inventory items expensed in the year.

12. Interfund transfers

The Board of Directors approved the transfer of up to \$150,000 (2023 - \$200,000) from the Sail Canada Fund to the General Fund for support of the Corporation's High Performance Program. Of this amount, \$150,000 (2023 - \$150,000) was transferred to the General Fund.

In addition, during the year the Board of Directors approved the transfer of up to \$100,000 (2023 - \$250,000) from the Sail Canada Reserve Fund to the General Fund if required for cash flow and that it be returned to the Reserve Fund once the cash flow position has stabilized. Of this amount, \$100,000 (2023 - \$50,000) was transferred.

13. In-Kind donations

Included in donations revenue of \$265,563 (2023 - \$253,909) and in promotion and resources expense of \$221,868 (2023 - \$148,069) were in-kind donations for clothing and equipment of \$174,155 (2023 - \$101,819).

SAIL CANADA/VOILE CANADA**NOTES TO FINANCIAL STATEMENTS (continued)****YEAR ENDED APRIL 30, 2024****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>2024</u>	<u>2023</u>
High Performance		
Core	\$ 424,210	\$ 394,475
Return to Sport/COVID relief	<u>-</u>	<u>311,000</u>
	<u>424,210</u>	<u>705,475</u>
Programming		
Core	170,340	170,340
Return to Sport/COVID relief	<u>-</u>	<u>59,000</u>
	<u>170,340</u>	<u>229,340</u>
General		
Core	101,950	131,685
Above-Reference	<u>214,210</u>	<u>47,500</u>
	<u>316,160</u>	<u>179,185</u>
	<u>\$ 910,710</u>	<u>\$ 1,114,000</u>

15. Own the Podium

	<u>2024</u>	<u>2023</u>
Sport Canada	\$ 297,600	\$ 521,941
Canadian Olympic Committee	<u>170,000</u>	<u>85,500</u>
	<u>\$ 467,600</u>	<u>\$ 607,441</u>

16. 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, 2024, rent is charged monthly at \$4,380 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 November 1, 2024. The total annual lease payments are \$871.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

17. Endowments

The Corporation's endowment funds are comprised of the following:

	2023			
	<u>Opening Balance</u>	<u>Income in Year</u>	<u>Expenses in Year</u>	<u>Ending Balance</u>
R.C. Stevenson Fund	\$155,419	\$ 6,435	\$ 500	\$161,354
Marvin McDill Fund	44,454	1,846	1,799	44,501
Bill Burk Youth Fund	26,389	1,115	1,069	26,435
Nathan Cowan Memorial Fund	<u>61,396</u>	<u>2,550</u>	<u>3,198</u>	<u>60,748</u>
	<u>\$287,658</u>	<u>\$ 11,946</u>	<u>\$ 6,566</u>	<u>\$293,038</u>

18. Contingency

From time to time, the Corporation is subject to litigation and other claims arising from its operations. The Corporation is currently contesting claims pertaining to human resource matters. Neither the possible outcome nor the amount of possible settlement, if any, can be foreseen. Therefore, no provision has been recognized in the Corporation's financial statements.

19. 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 Corporation has engaged the Canadian Olympic Committee to manage the investments in the Sail Canada Fund. As such, the Canadian Olympic Committee – Canadian Olympic Foundation is managing the market risk related to these investments. 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 denominated in a foreign currency was \$554,038 (2023 - \$781,233). 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.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

19. Financial risks (continued)

The Corporation is exposed to liquidity risk. Liquidity risk is the risk that the Corporation will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. The Corporation is exposed to liquidity risk mainly in respect to its accounts payable. The Corporation manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

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

20. Comparative Figures

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