

# Financial Statements

Sail Canada | Voile Canada

April 30, 2024

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# Independent Auditor's Report

To the Members of  
Sail Canada | Voile Canada

## Opinion

We have audited the financial statements of Sail Canada | Voile Canada, which comprise the statement of financial position as at April 30, 2024, and the statements of change in fund balances, operations 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 Corporation as at April 30, 2024, 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 Corporation 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.

## Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements, which indicates that the Corporation incurred a deficiency of revenues over expenses in its general fund in the amount of \$686,793 for the year ended April 30, 2024. In addition, the Corporation has accumulated a deficit of \$323,688 in its general fund as at April 30, 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other matter

The financial statements of the Corporation for the year ended April 30, 2023 were audited by Secker Ross & Perry LLP, who issued an unqualified opinion dated September 18, 2023. The partners and staff of Secker Ross & Perry LLP joined Grant Thornton LLP on January 8, 2024.

# Independent Auditor's Report (continued)

## **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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

# Independent Auditor's Report (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.

Kingston, Canada  
October 1, 2024

*Doane Grant Thornton LLP*

Chartered Professional Accountants

**SAIL CANADA/VOILE CANADA**

**STATEMENT OF FINANCIAL POSITION AS AT APRIL 30, 2024**

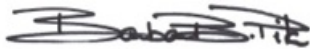
	<u>Externally Restricted</u>		<u>Internally Restricted</u>		<u>Endowment Funds</u>	<u>Total 2024</u>	<u>Total 2023</u>
	<u>General Fund</u>	<u>Financial Assistance Program</u>	<u>Sail Canada Fund</u>	<u>Sail Canada Reserve Fund</u>			
<b>Assets</b>							
<b>Current Assets</b>							
Cash (note 4)	\$ 49,413	\$ -	\$ 332	\$ -	\$ 46,694	\$ 96,439	\$ 242,539
Accounts receivable	419,441	1,740	-	-	-	421,181	533,460
Inventory	71,116	-	-	-	-	71,116	100,236
Prepaid expenses (note 5)	105,270	-	-	-	-	105,270	137,266
Interfund balances	(3,906)	31,374	(115,329)	100,000	(12,139)	-	-
	<u>641,334</u>	<u>33,114</u>	<u>(114,997)</u>	<u>100,000</u>	<u>34,555</u>	<u>694,006</u>	<u>1,013,501</u>
Investments (note 6)	-	36,650	1,014,657	-	274,476	1,325,783	1,448,742
Capital Assets (note 7)	<u>92,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,068</u>	<u>151,493</u>
	<u>\$ 733,402</u>	<u>\$ 69,764</u>	<u>\$ 899,660</u>	<u>\$ 100,000</u>	<u>\$ 309,031</u>	<u>\$ 2,111,857</u>	<u>\$ 2,613,736</u>
<b>Liabilities and Fund Balances</b>							
<b>Current Liabilities</b>							
Bank overdraft	\$ -	\$ 1,022	\$ -	\$ -	\$ -	\$ 1,022	\$ -
Accounts payable and accrued liabilities	680,460	-	-	-	15,993	696,453	316,168
Deferred revenue (note 10)	135,730	-	-	-	-	135,730	83,772
Deferred contributions (note 8)	240,900	-	-	-	-	240,900	501,157
	<u>1,057,090</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>15,993</u>	<u>1,074,105</u>	<u>901,097</u>
<b>Fund balances</b>							
Invested in capital assets (note 9)	92,068	-	-	-	-	92,068	151,493
Unrestricted surplus (deficit)	(415,756)	-	-	-	-	(415,756)	(38,208)
Internally restricted	-	-	899,660	100,000	-	999,660	1,167,154
Externally restricted	-	68,742	-	-	293,038	361,780	432,200
	<u>(323,688)</u>	<u>68,742</u>	<u>899,660</u>	<u>100,000</u>	<u>293,038</u>	<u>1,037,752</u>	<u>1,712,639</u>
	<u>\$ 733,402</u>	<u>\$ 69,764</u>	<u>\$ 899,660</u>	<u>\$ 100,000</u>	<u>\$ 309,031</u>	<u>\$ 2,111,857</u>	<u>\$ 2,613,736</u>

**Commitments and Contractual Obligations (note 16)**

**Contingency (note 18)**

Approved on behalf of the Board:

Member



Member



See accompanying notes to financial statements.

# SAIL CANADA/VOILE CANADA

## STATEMENT OF OPERATIONS

YEAR ENDED APRIL 30, 2024

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
<b>High Performance</b>		
Sport Canada (note 14)	\$ 424,210	\$ 705,475
94 Forward	236,334	434,475
Athlete fees	173,690	222,253
Own the Podium (note 15)	467,600	607,441
National Training Centre - camps and fees	<u>128,409</u>	<u>-</u>
	<u>1,430,243</u>	<u>1,969,644</u>
<b>Programming</b>		
Sport Canada (note 14)	170,340	229,340
Sport Canada (flow through)	57,500	192,500
Registration fees	252,140	198,595
Cansail (program participation)	207,966	166,823
National competitions	<u>58,563</u>	<u>55,920</u>
	<u>746,509</u>	<u>843,178</u>
<b>General</b>		
Sport Canada (note 14)	316,160	179,185
Donations (note 13)	265,563	253,909
Sponsorship, advertising and other fundraising	78,701	97,144
Sale of merchandise (note 11)	197,456	189,292
Grants - other	5,512	4,512
Membership fees	261,960	232,252
94 Forward	81,842	-
Other	<u>130,192</u>	<u>113,498</u>
	<u>1,337,386</u>	<u>1,069,792</u>
	<u>3,514,138</u>	<u>3,882,614</u>
<b>Expenses</b>		
<b>High Performance</b>		
Salaries and benefits	553,088	502,000
National Training Centre	454,146	496,279
Athlete support	259,729	417,462
Contract coaches	240,471	290,082
Equipment, repairs and maintenance	243,102	237,937
Amortization	35,735	43,631
Travel and meetings	133,482	155,688
Sports Science	130,616	27,685
Loss on sale of equipment	<u>8,890</u>	<u>-</u>
	<u>2,059,259</u>	<u>2,170,764</u>
<b>Programming</b>		
Salaries and benefits	337,490	262,192
Event costs	52,300	137,650
Program costs	96,369	118,468
Volunteer and delegate travel	65,039	65,147
Event costs	43,758	51,850
Training	<u>31,454</u>	<u>11,895</u>
	<u>626,410</u>	<u>647,202</u>
<b>General</b>		
Salaries and benefits	617,088	517,767
Office and administration (note 16)	86,049	79,149
Promotion and resources (note 13)	221,868	148,069
Cost of merchandise (note 11)	109,938	115,601
Insurance	127,755	106,471
Consulting fees and professional fees	249,501	141,800
Meetings - AGM	7,949	32,764
Dues and affiliation fees	24,032	25,366
Bank charges and miscellaneous	34,811	36,809
Travel and staff expense	18,821	22,987
Official languages	<u>17,630</u>	<u>13,813</u>
	<u>1,515,442</u>	<u>1,240,596</u>
	<u>4,201,111</u>	<u>4,058,562</u>
<b>Deficiency of revenues over expenses</b>	<u>\$ (686,973)</u>	<u>\$ (175,948)</u>

See accompanying notes to financial statements.

**SAIL CANADA/VOILE CANADA**

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

**YEAR ENDED APRIL 30, 2024**

	<u>2024</u>	<u>2023</u>
<b>Fund balance at beginning of year</b>	\$ 113,285	\$ 89,233
Excess (deficiency) of revenues over expenses	(686,973)	(175,948)
Interfund transfer (note 12)	<u>250,000</u>	<u>200,000</u>
<b>Fund balance at end of year</b>	<u><u>\$ (323,688)</u></u>	<u><u>\$ 113,285</u></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, 2024**

	<b>Financial Assistance Program</b>	<b>Sail Canada Fund</b>	<b>Sail Canada Reserve Fund</b>	<b>Endowment Funds (note 16)</b>	<b>America's Cup Team 40</b>	<b>Total 2024</b>	<b>2023</b>
<b>Revenues</b>							
Donations	\$ 137,904	\$ -	\$ -	\$ -	\$ 455,730	\$ 593,634	\$ 1,239,995
Investment income	-	39,666	-	9,345	-	49,011	83,290
Interest income	5,210	-	-	2,601	-	7,811	6,249
	<u>143,114</u>	<u>39,666</u>	<u>-</u>	<u>11,946</u>	<u>455,730</u>	<u>650,456</u>	<u>1,329,534</u>
<b>Expenses</b>							
Awards	-	-	-	5,639	-	5,639	7,608
Management fees	-	11,474	-	-	-	11,474	11,474
Training	218,971	-	-	-	455,730	674,701	1,194,614
	<u>218,971</u>	<u>11,474</u>	<u>-</u>	<u>5,639</u>	<u>-</u>	<u>236,084</u>	<u>1,213,696</u>
<b>Excess of revenues over expenses before undernoted item</b>	(75,857)	28,192	-	6,307	-	(41,358)	115,838
Unrealized (gain) loss on investments	57	54,314	-	(927)	-	53,444	(27,114)
<b>Excess of revenues over expenses</b>	(75,800)	82,506	-	5,380	-	12,086	88,724
Interfund transfer (note 12)	-	(150,000)	(100,000)	-	-	(250,000)	(200,000)
Fund balances at beginning of year	144,542	967,154	200,000	287,658	-	1,599,354	1,710,630
<b>Fund balances at end of year</b>	<u>\$ 68,742</u>	<u>\$ 899,660</u>	<u>\$ 100,000</u>	<u>\$ 293,038</u>	<u>\$ -</u>	<u>\$ 1,361,440</u>	<u>\$ 1,599,354</u>

See accompanying notes to financial statements.

**SAIL CANADA/VOILE CANADA**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED APRIL 30, 2024**

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2024</u>	<u>Total 2023</u>
<b>Cash flow from (used in) operating activities</b>				
Excess (deficiency) of revenues over expenses	\$ (686,973)	\$ 12,086	\$ (674,887)	\$ (87,224)
Items which do not involve cash				
Amortization	35,735	-	35,735	43,631
Loss on sale of equipment	8,890	-	8,890	-
Unrealized loss (gain) on investments	-	(53,445)	(53,445)	27,114
	<u>(642,348)</u>	<u>(41,359)</u>	<u>(683,707)</u>	<u>(16,479)</u>
Changes in non-cash working capital:				
Accounts receivable	112,279	-	112,279	(5,390)
Inventory	29,120	-	29,120	(58,649)
Prepaid expenses	31,996	-	31,996	46,755
Interfund balance	20,697	(20,697)	-	-
Accounts payable and accrued liabilities	378,553	1,732	380,285	89,341
Deferred revenue	<u>(208,299)</u>	<u>-</u>	<u>(208,299)</u>	<u>(114,427)</u>
	<u>(278,002)</u>	<u>(60,324)</u>	<u>(338,326)</u>	<u>(58,849)</u>
<b>Cash flow from (used in) investing and financing activities</b>				
Interfund transfers	250,000	(250,000)	-	-
Proceeds from sale of investments	-	221,822	221,822	135,272
Purchases of short-term investments	-	(45,418)	(45,418)	(8,489)
Proceeds from sale of equipment	14,800	-	14,800	-
Purchase of capital assets	-	-	-	(147,289)
	<u>264,800</u>	<u>(73,596)</u>	<u>191,204</u>	<u>(20,506)</u>
<b>Net increase (decrease) in cash</b>	(13,202)	(133,920)	(147,122)	(79,355)
<b>Cash at beginning of year</b>	<u>62,615</u>	<u>179,924</u>	<u>242,539</u>	<u>321,894</u>
<b>Cash at end of year</b>	<u>\$ 49,413</u>	<u>\$ 46,004</u>	<u>\$ 95,417</u>	<u>\$ 242,539</u>
<b>Cash represented by:</b>				
Cash - General Fund	\$ 49,413	\$ -	\$ 49,413	\$ 62,615
Cash - Financial Assistance Program	-	(1,022)	(1,022)	97,183
Cash - Sail Canada Fund	-	332	332	317
Cash - Endowment Funds	-	46,694	46,694	82,424
	<u>\$ 49,413</u>	<u>\$ 46,004</u>	<u>\$ 95,417</u>	<u>\$ 242,539</u>

See accompanying notes to financial statements.

**SAIL CANADA/VOILE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2024**

**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. Going Concern Uncertainty**

These financial statements have been prepared using accounting principles applicable to a going concern. The going concern basis assumes that the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at April 30, 2024, the Corporation's general fund had incurred an accumulated deficit of \$323,688, and the general fund's current liabilities exceeded current assets by \$415,756. During the year ended April 30, 2024, the Corporation had sustained a deficiency of revenues over expenses in the general fund in the amount of \$686,973 and sustained cash outflows from operations in the general fund of \$278,002. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Corporation’s ability to continue as a going concern.

During the 2024 fiscal year, the Corporation has undertaken a number of initiatives to address the decline in revenues and escalations in operating expenses over those experienced in previous years, including planned reductions in operating expenses, particularly in the area of high performance activities and a heightened focus on fundraising for its programs.

These financial statements do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Corporation cease to continue as a going concern. If the Corporation is not able to continue as a going concern, the Corporation may be required to realize its assets and discharge its liabilities by means other than in the normal course of business and at amounts different from those reflected within these financial statements. These adjustments could be material.

## SAIL CANADA/VOILE CANADA

### NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2024

#### 3. Significant accounting policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations. Significant accounting policies selected by the Corporation and applied in these financial statements are as follows:

##### (a) Fund accounting

The Corporation uses fund accounting to present its financial statements, whereby resources for particular purposes are classified for accounting and reporting purposes into one of the following funds:

##### General fund:

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

##### Reserve funds:

The externally and internally restricted reserve funds are described below.

The Financial Assistance Program Fund, which is externally restricted, 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, which is internally restricted, 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, an internally restricted 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, 2024**

#### **3. 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 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.

(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, 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**

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

**8. Deferred contributions**

	2024	2023
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
	\$ 240,900	\$ 501,157

**9. Fund balances invested in capital assets**

Fund balances invested in capital assets consist of:

	2024	2023
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)	-
	\$ 92,068	\$ 151,493

# 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>
<b>Revenues</b>		
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>
<b>Expenses</b>		
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.