

Speed Skating Canada - Patinage de vitesse Canada



Financial Statements

For the year ended March 31, 2021



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Independent Auditor's Report

To the Members of Speed Skating Canada - Patinage de vitesse Canada

Opinion

We have audited the financial statements of Speed Skating Canada - Patinage de vitesse Canada (the "Organization") which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the institute as at March 31, 2021, and its results of 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 institute 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so..

Those charged with governance are responsible for overseeing the co-operative'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.

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

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 institute'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 institute'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 institute 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.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
June 10, 2021
Ottawa, Ontario

Speed Skating Canada - Patinage de vitesse Canada Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash (Note 1)	\$ 2,639,885	\$ 1,164,826
Accounts receivable	373,283	836,432
Prepaid expenses	73,119	92,298
Inventory	9,990	11,633
Government remittances receivable	87,912	36,652
	3,184,189	2,141,841
Tangible capital assets (Note 2)	114,829	45,462
Long-term investments (Note 3)	1,133,250	876,204
Peter Williamson Memorial Trust Fund (Note 8)		
Cash	30,000	30,000
Gagné Family Trophy Fund (Note 9)		
Cash	1,408	1,408
	\$ 4,463,676	\$ 3,094,915

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 4)	\$ 736,079	\$ 888,263
Youth Development Fund (Note 5)	11,463	11,208
Deferred revenue (Note 6)	84,175	48,453
Deferred contributions (Note 7)	931,194	175,000
	1,762,911	1,122,924
Net assets		
Unrestricted net assets	2,669,357	1,940,583
Peter Williamson Memorial Trust Fund (Note 8)	30,000	30,000
Gagné Family Trophy Fund (Note 9)	1,408	1,408
	2,700,765	1,971,991
	\$ 4,463,676	\$ 3,094,915

On behalf of the Board:



Director



Director

Speed Skating Canada - Patinage de vitesse Canada Statement of Changes in Net Assets

For the year ended March 31

2021

	Unrestricted	Peter Williamson Memorial Trust	Gagné Family Trophy Fund	Total
Balance , beginning of year, restated	\$ 1,940,583	\$ 30,000	\$ 1,408	\$ 1,971,991
Excess of revenue over expenses for the year	728,774	-	-	728,774
Prizes	3,000	(3,000)	-	-
Interfund transfers	(3,000)	3,000	-	-
Balance , end of year	\$ 2,669,357	\$ 30,000	\$ 1,408	\$ 2,700,765

For the year ended March 31

2020

	Unrestricted	Peter Williamson Memorial Trust Fund	Gagné Family Trophy Fund	Total
Balance, beginning of year, restated	\$ 1,781,663	\$ 30,000	\$ 1,408	\$ 1,813,071
Excess of revenue over expenses for the year	158,920	-	-	158,920
Prizes	3,000	(3,000)	-	-
Interfund transfers	(3,000)	3,000	-	-
Balance , end of year	\$ 1,940,583	\$ 30,000	\$ 1,408	\$ 1,971,991

Speed Skating Canada - Patinage de vitesse Canada Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Sport Canada		
Sport development (Schedule 2)	\$ 1,431,232	\$ 1,550,000
Enhanced excellence (Schedule 2)	1,814,260	1,763,750
Next Generation (Schedule 2)	120,000	101,625
Covid-19 emergency funding	730,875	-
	<u>4,096,367</u>	<u>3,415,375</u>
Canadian Olympic Committee	<u>8,774</u>	<u>565,625</u>
International Hosting		
Sport Canada Hosting	46,277	525,000
International Skating Union - Hosting	64,668	376,165
Other - Hosting	-	250,786
	<u>110,945</u>	<u>1,151,951</u>
Canadian Olympic Committee – NSF Enhancement Grant	-	51,975
International Skating Union	116,326	101,357
Association generated revenue - net (Schedule 1)	617,565	655,887
	<u>4,949,977</u>	<u>5,942,170</u>
Expenses		
Administration and governance	1,002,176	1,089,159
Amortization	30,233	19,072
Bad debts expense	15,755	(372)
Insurance	16,375	5,631
Marketing, Communications and Partnership	184,705	157,674
Postage, office supplies and equipment	27,934	19,764
Professional fees	49,503	34,948
Rent	50,508	54,001
Translation	29,698	9,884
Telephone and IT	71,230	61,057
Hosting	40,526	1,120,237
Long track program	1,287,875	1,515,574
Short track program	1,280,985	1,403,598
Sport development	35,802	219,511
Special projects	97,898	73,512
	<u>4,221,203</u>	<u>5,783,250</u>
Excess of revenue over expenses for the year	<u>\$ 728,774</u>	<u>\$ 158,920</u>

Speed Skating Canada - Patinage de vitesse Canada

Statement of Cash Flows

For the year ended March 31	2021	2020
Operating activities		
Excess of revenue over expenses for the year	\$ 728,774	\$ 158,920
Items not involving cash		
Amortization of tangible capital assets	30,233	19,072
Unrealized (gain)/loss on investment	(157,046)	136,859
Impairment of capital assets	-	-
	<u>601,961</u>	314,851
Changes in non-cash working capital balances		
Accounts receivable	463,149	325,153
Prepaid expenses	19,179	(35,763)
Inventory	1,643	(9,301)
Accounts payable and accrued liabilities	(152,184)	(93,194)
Government remittances receivable	(51,260)	(3,235)
Youth Development Fund	255	250
Deferred revenue	35,722	(7,525)
Deferred contributions	756,194	175,000
	<u>1,674,659</u>	666,236
Cash flows from investing activities		
Additions to tangible capital assets	(99,600)	(52,531)
Net investment income distribution (addition)	-	(94,649)
Purchase of GIC	(100,000)	-
	<u>(199,600)</u>	(147,180)
Increase in cash during the year	1,475,059	519,056
Cash, beginning of year	1,164,826	645,770
Cash, end of year	\$ 2,639,885	\$ 1,164,826

Speed Skating Canada - Patinage de vitesse Canada Summary of Significant Accounting Policies

March 31, 2021

Nature of Organization	<p>Speed Skating Canada - Patinage de vitesse Canada (the "Organization") is dedicated to the development and promotion of speed skating activities in Canada. The Organization prepares athletes, coaches, officials and volunteers to make a significant contribution to speed skating and to Canada's image abroad through development and international programs.</p> <p>Speed Skating Canada - Patinage de vitesse Canada is a model organization that provides opportunities for all Canadians to experience the pleasures, challenges and achievements of speed skating. The Organization is continued under the Canada Not-for-Profit Corporations Act effective June 6, 2014 as a not-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income Tax Act.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include assumptions used in estimating the useful life and related amortization of tangible capital assets, accounts receivable and related revenues and provisions for accounts payable and accrued liabilities and related expenses.</p>
Financial Instruments	<p><u>Measurement of financial instruments</u></p> <p>Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.</p> <p>The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, that are measured at the exchange amount.</p> <p>The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of unrestricted investments are recognized in excess of revenue over expenses.</p> <p>Financial assets measured at amortized cost include cash and accounts receivable and government remittances receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.</p>

Speed Skating Canada - Patinage de vitesse Canada Summary of Significant Accounting Policies

March 31, 2021

**Financial Instruments
(continued)**

Impairment

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 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 operations.

Transaction costs

The Organization recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Tangible Capital Assets

The Organization expenses tangible capital assets that are considered nominal in value in the year of acquisition. Tangible capital assets that are other than nominal value are recorded at cost and amortized over the estimated useful life of the asset, as follows:

Website	5 year straight-line basis
Membership management system	10 year straight-line basis
Computers	3 year straight-line basis
Equipment	10 year straight-line basis

Contributed Services

These financial statements do not reflect the value associated with the numerous hours contributed by volunteers to assist the Organization in carrying out its service delivery activities, the cost of which cannot be reasonably estimated.

**Donated Goods and
Materials**

The Organization receives donated goods and services, the cost of which cannot be reasonably estimated. Therefore, no representation of this revenue has been included in the financial statements.

Revenue Recognition

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

Revenue from membership fees is recognized in the period to which it pertains.

Donations, sponsorship and other revenues are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Speed Skating Canada - Patinage de vitesse Canada Summary of Significant Accounting Policies

March 31, 2021

**Sport Canada
Contributions**

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

Foreign Currency

Monetary assets and liabilities denominated in a foreign currency have been translated at the rate of exchange in effect at the year end. Revenue and expenses denominated in a foreign currency have been translated at the prevailing rate of exchange at the transaction date. Gains and losses resulting therefrom are included in the determination of excess of revenue over expenses for the year.

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2021

1. Cash

The Organization's cash is held at one chartered bank. Cash includes \$220,825 (2020 - \$123,807) denominated in U.S. dollars.

2. Tangible Capital Assets

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Website	\$ 68,423	\$ 22,926	\$ 45,497	\$ 46,204	\$ 9,241	\$ 36,963
Equipment	67,011	6,701	60,310	-	-	-
Furniture and computers	29,541	20,519	9,022	39,263	30,764	8,499
	\$ 164,975	\$ 50,146	\$ 114,829	\$ 85,467	\$ 40,005	\$ 45,462

Fully amortized assets written off during the current fiscal year amounted to \$20,092 (2020 - \$85,613).

3. Investments

In 2016, Speed Skating Canada established an endowment fund to be administered by the Canadian Olympic Foundation (the Foundation) with an original capital contribution of \$815,000. Income earned on the fund will be for the unrestricted support of Speed Skating Canada.

	2021	2020
Balance, beginning of the year	\$ 876,204	\$ 918,414
Net investment income earned	157,046	129,127
Unrealized gain (loss)	-	(136,859)
Less income distribution to Speed Skating Canada	-	(34,478)
Balance, end of year	\$ 1,033,250	\$ 876,204

The fair value of the original capital contribution can be withdrawn once it has been invested for 2 years. The maximum amount of annual income distribution is determined by the Foundation's Endowment and Granting policies.

In addition, the Organization has invested \$100,000 in a guaranteed investment certificate as security for its corporate credit cards. The investment earns interest at 0.75% per annum and will mature in January 2022.

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2021

4. Accounts Payable and Accrued Liabilities

	2021	2020
Trade payable and accrued liabilities	\$ 674,941	\$ 727,190
Prize money payable	61,138	161,073
	\$ 736,079	\$ 888,263

5. Youth Development Fund

Youth development fund represents externally restricted contributions for youth development projects in future years. During the year, the Organization received contributions of \$255 (2020 - \$250) and incurred no disbursements.

6. Deferred Revenue

Deferred revenues represent sponsorship related to the subsequent year.

	2021	2020
Balance, beginning of year	\$ 48,453	\$ 55,978
Less amounts recognized as revenue for the year	(28,453)	(35,978)
Add: additions for the year	64,175	28,453
Balance, end of year	\$ 84,175	\$ 48,453

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2021

7. Deferred Contributions

Deferred contributions represents restricted contributions received in the current period that have been permitted to be used against expenses of the subsequent period.

	2021	2020
Balance, beginning of year	\$ 175,000	\$ -
Less amounts recognized as revenue for the year	(175,000)	-
Add: additions for the year	931,194	175,000
Balance, end of year	\$ 931,194	\$ 175,000

Deferred contributions consists of contributions from two funders:

Canadian Olympic Committee	\$ 780,426	\$ -
Sport Canada	150,768	175,000
	\$ 931,194	\$ 175,000

8. Peter Williamson Memorial Trust Fund

The Fund was established in memory of the late Technical Director of Speed Skating Canada. The Fund offers two annual bursaries for short track and long track speed skating. The Board of Directors approved a transfer to the Fund to reach a balance of \$30,000 on March 31, 2006, and has also approved an annual transfer equal to the disbursements of the Fund, to a maximum of \$3,000. This transfer will be considered in lieu of investment revenue to the fund, such that the fund will be maintained at \$30,000.

9. Gagné Family Trophy Fund

The Fund was established to provide for the cost of engraving the main trophy which is presented to the family who has demonstrated an outstanding commitment to the promotion and development of speed skating in Canada. The Fund may also subsidize the cost of the Awards Dinner tickets to the winners. The amount of the disbursements shall not exceed the amount of interest available from the Fund.

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2021

10. Lease Commitment

The Organization rents office accommodation under an operating lease which expires August 30, 2024. The Organization also leases space and ice time in an arena under a rental agreement that expires March 31, 2023. The future minimum payments under the agreements are as follows:

March 31, 2022	\$	203,094
March 31, 2023	\$	206,185
March 31, 2024	\$	4,040

11. Financial Instruments Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at March 31, 2021.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and government remittances payable.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable.

Currency Risk

Currency risk is the exposure of the Organization earnings that arises from fluctuations in exchange rates. The Organization is exposed to currency risk through accounts receivable and accounts payable. The Organization holds foreign currency to minimize the loss exposure on accounts payable.

Changes in Risk

There have been no significant changes in the Organization's risk exposures from the 2020 fiscal year.

12. Uncertainty Due to COVID-19

The duration and full financial impact of the COVID-19 pandemic is unknown at this time, as are any additional measures to be taken by governments, the corporation or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of this pandemic is subject to significant uncertainty and accordingly it is unknown whether COVID-19 may materially and adversely impact the corporation's operations, financial results and condition in future periods.

Speed Skating Canada - Patinage de vitesse Canada
Schedule 1 - Association Generated Revenue

For the year ended March 31	2021	2020
Sales	\$ 8,275	\$ 11,615
Cost of sales	<u>(6,743)</u>	<u>(8,488)</u>
Gross profit on sales	1,532	3,127
Membership and affiliation dues	174,603	287,677
Sponsorships	232,738	202,986
Net investment income	166,097	5,911
Coaching Association of Canada	5,000	-
Hosting	-	109,125
Miscellaneous	<u>37,595</u>	<u>47,061</u>
	\$ 617,565	\$ 655,887

Speed Skating Canada - Patinage de vitesse Canada
Schedule 2 - Sport Canada Funding and
Related Expenditures

For the year ended March 31, 2021

	Sport Canada Funding				Related Expenditures			
	Sport Support Program	Enhanced Excellence	Next Generation	Total	Sport Support Program	Enhanced Excellence	Next Generation	Total
Administration	\$ 140,000	\$ 74,150	\$ -	\$ 214,150	\$ 391,187	\$ 74,150	\$ -	\$ 465,337
Governance	-	-	-	-	7,473	-	-	7,473
Staff salaries	891,575	281,253	-	1,172,828	996,953	281,253	-	1,278,206
Coaching salaries and professional development	-	898,808	80,958	979,766	-	898,809	80,958	979,767
National team program	249,232	560,049	39,042	848,323	249,232	656,305	328,153	1,233,690
Official languages	13,000	-	-	13,000	29,698	-	-	29,698
Operations and programming	137,425	-	-	137,425	189,506	-	-	189,506
	\$ 1,431,232	\$ 1,814,260	\$ 120,000	\$ 3,365,492	\$ 1,864,049	\$ 1,910,517	\$ 409,111	\$ 4,183,677