



**Speed Skating Canada -
Patinage de vitesse Canada**

Financial Statements

For the year ended March 31, 2023



Speed Skating Canada - Patinage de vitesse Canada
Financial Statements
For the year ended March 31, 2023

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Independent Auditor's Report

To the Members of the 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, 2023, 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 Organization as at March 31, 2023, 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 Organization 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 Organization'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 Organization'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 Organization'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 Organization 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 2, 2023
Ottawa, Ontario

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

March 31 **2023** **2022**

Assets

Current

Cash (Note 1)	\$ 2,399,047	\$ 2,651,680
Accounts receivable	711,509	402,125
Government grants receivable from Sport Canada	24,500	257,250
Public service bodies rebates receivable	144,634	68,080
Prepaid expenses	104,549	70,035
Inventory	4,427	3,430
	3,388,666	3,452,600

Tangible capital assets (Note 2)

153,784 137,826

Investments (Note 3)

1,132,957 1,173,351

Peter Williamson Memorial Trust Fund (Note 7)

Cash 30,000 30,000

Gagné Family Trophy Fund (Note 8)

Cash 1,408 1,408

\$ 4,706,815 **\$ 4,795,185**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 4)	\$ 1,525,050	\$ 1,466,636
Youth Development Fund (Note 5)	11,963	11,713
Deferred revenue	30,140	34,583
Deferred contributions (Note 6)	72,724	206,347
	1,639,877	1,719,279

Net assets

Unrestricted net assets	3,035,530	3,044,498
Peter Williamson Memorial Trust Fund (Note 7)	30,000	30,000
Gagné Family Trophy Fund (Note 8)	1,408	1,408
	3,066,938	3,075,906

\$ 4,706,815 **\$ 4,795,185**

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

2023

	Unrestricted	Peter Williamson Memorial Trust	Gagné Family Trophy Fund	Total
Balance, beginning of year	\$ 3,044,498	\$ 30,000	\$ 1,408	\$ 3,075,906
Deficiency of revenue over expenses for the year	(8,968)	-	-	(8,968)
Prizes	3,000	(3,000)	-	-
Interfund transfers	(3,000)	3,000	-	-
Balance, end of year	\$ 3,035,530	\$ 30,000	\$ 1,408	\$ 3,066,938

For the year ended March 31

2022

	Unrestricted	Peter Williamson Memorial Trust Fund	Gagné Family Trophy Fund	Total
Balance, beginning of year	\$ 2,669,357	\$ 30,000	\$ 1,408	\$ 2,700,765
Excess of revenue over expenses for the year	375,141	-	-	375,141
Prizes	3,000	(3,000)	-	-
Interfund transfers	(3,000)	3,000	-	-
Balance, end of year	\$ 3,044,498	\$ 30,000	\$ 1,408	\$ 3,075,906

Speed Skating Canada - Patinage de vitesse Canada

Statement of Operations

For the year ended March 31	2023	2022
Revenue		
Sport Canada		
Sport development (Schedule 2)	\$ 1,486,500	\$ 1,716,768
Enhanced excellence (Schedule 2)	1,853,080	1,824,087
Next generation (Schedule 2)	200,000	100,000
Covid-19 emergency funding	201,937	415,352
Innovation funding	67,500	3,750
	3,809,017	4,059,957
Canadian Olympic Committee	694,107	1,521,854
International Hosting		
Sport Canada - Hosting	490,000	490,000
International Skating Union - Hosting	266,152	466,055
Other government grants - Hosting	275,000	250,000
Other - Hosting	450,531	7,763
	1,481,683	1,213,818
Canadian Olympic Committee – NSF Enhancement Grant	82,500	-
International Skating Union	151,269	78,336
Association generated revenue - net (Schedule 1)	648,065	680,162
	881,834	758,498
	6,866,641	7,554,127
Expenses		
Administration and governance	881,751	676,039
Amortization	48,355	38,421
Bad debts expense	9,757	14,031
Insurance	21,818	21,171
Marketing, communications and partnership	258,169	415,933
Postage, office supplies and equipment	6,881	27,777
Professional fees	48,173	24,145
Rent	37,029	45,978
Translation	30,592	44,785
Telephone and IT	113,879	92,627
Hosting	928,801	985,070
Long track program	1,809,734	1,998,102
Short track program	1,608,401	2,082,879
Sport development	1,008,453	601,515
Special projects	63,816	110,513
	6,875,609	7,178,986
Excess (deficiency) of revenue over expenses for the year	\$ (8,968)	\$ 375,141

Speed Skating Canada - Patinage de vitesse Canada

Statement of Cash Flows

For the year ended March 31	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (8,968)	\$ 375,141
Items not involving cash		
Amortization of tangible capital assets	48,355	38,421
Unrealized (gain)/loss on investment	42,080	(40,101)
	<u>81,467</u>	373,461
Changes in non-cash working capital balances		
Accounts receivable	(309,384)	(75,342)
Government grants receivable from Sport Canada	232,750	(210,750)
Public service bodies rebates receivable	(76,554)	19,832
Prepaid expenses	(34,514)	3,084
Inventory	(997)	6,560
Accounts payable and accrued liabilities	58,414	730,557
Youth Development Fund	250	250
Deferred revenue	(4,443)	-
Deferred contributions	(133,623)	(774,439)
	<u>(186,634)</u>	73,213
Cash flows from investing activities		
Additions to tangible capital assets	(64,313)	(61,418)
Accrued/reinvested interest on guaranteed investment certificate	(1,686)	-
	<u>(65,999)</u>	(61,418)
Increase (decrease) in cash during the year	(252,633)	11,795
Cash, beginning of year	2,651,680	2,639,885
Cash, end of year	\$ 2,399,047	\$ 2,651,680

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

March 31, 2023

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 certain accounts receivable and related revenues, collectability of accounts receivable, the useful life and related amortization of tangible capital assets, and provisions for accounts payable and accrued liabilities and related expenses.</p>
Financial Instruments	<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 asset.</p> <p><u>Measurement of arm's length financial instruments</u></p> <p>The Organization initially measures its arm's length financial assets and liabilities at fair value. The Organization subsequently measures arm's length 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 are recognized in operations.</p> <p>Arm's length financial assets and financial liabilities measured at amortized cost include cash and accounts receivable, investments in guaranteed investment certificates, and accounts payable and accrued liabilities. The endowment fund investment is measured at fair value.</p>

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

March 31, 2023

Financial Instruments (continued)

Impairment

Financial assets measured at 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 excess of operations.

Transaction costs

The Organization recognizes its transaction costs in operations in the period incurred. However, 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
Facility equipment	10 year straight-line basis
Computers and computer equipment	3 year straight-line basis

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.

Investment income is recognized in the statement of operations when earned.

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.

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

March 31, 2023

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.

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 operations for the year.

Allocation of Costs

The Organization engages in programs funded by the government. The costs of these programs include the costs of personnel and other eligible expenses that are directly related to the program. These expenses are tracked and reported separately for each program on an appropriate basis and consistently each year and are mostly program specific in nature.

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2023

1. Cash

The Organization's cash is held at one chartered bank. Cash includes \$10,141 (2022 - \$369,568) denominated in U.S. dollars.

2. Tangible Capital Assets

	2023			2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Website	\$ 69,802	\$ 50,846	\$ 18,956	\$ 69,802	\$ 36,886	\$ 32,916
Facility equipment	140,782	30,831	109,951	100,519	16,753	83,766
Computers and computer equipment	69,660	44,783	24,877	56,072	34,928	21,144
	\$ 280,244	\$ 126,460	\$ 153,784	\$ 226,393	\$ 88,567	\$ 137,826

Fully amortized assets written off during the current fiscal year amounted to \$10,461 (2022 - \$nil).

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.

	2023	2022
Balance, beginning of the year	\$ 1,073,351	\$ 1,033,250
Net investment income earned	(42,080)	113,988
Less income distribution to Speed Skating Canada	-	(73,887)
Balance, end of year	\$ 1,031,271	\$ 1,073,351
Guaranteed investment certificate	\$ 101,686	\$ 100,000

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

The Organization has invested \$100,000 in a guaranteed investment certificate as security for its corporate credit cards. The investment earns interest at 0.6623% per annum and matures in February 2025.

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2023

4. Accounts Payable and Accrued Liabilities

	2023	2022
Trade payable and accrued liabilities	\$ 1,117,416	\$ 1,170,221
Prize money payable	407,634	296,415
	\$ 1,525,050	\$ 1,466,636

The Organization has credit card facilities in the form of corporate credit cards for which it has available the amount of \$400,000 (2022 - \$400,000) of which \$118,444 (2022 - \$101,390) has been used as at year-end and is included in the balance of accounts payable and accrued liabilities. The interest rates on the corporate credit cards are 19.99% for the corporate VISA cards and 29.99% for the corporate AMEX cards.

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 \$250 (2022 - \$250) and incurred no disbursements.

6. 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.

	2023	2022
Balance, beginning of year	\$ 206,347	\$ 980,786
Add: Contributions received during the year	5,673,302	5,796,815
Add: Contributions receivable at year-end	455,684	96,506
Add: Government grants receivable at year-end	24,500	257,250
Less: Contributions recognized as revenue during the year	(6,287,109)	(6,925,010)
Balance, end of year	\$ 72,724	\$ 206,347

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2023

6. Deferred Contributions (continued)

Deferred contributions consists of contributions from the following funders:

Canadian Olympic Committee	\$ 72,724	\$ 138,847
Sport Canada	-	67,500
	<u>\$ 72,724</u>	<u>\$ 206,347</u>

7. 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.

8. 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.

9. Lease Commitment

The Organization rents office accommodation under an operating lease which expires August 30, 2023. The Organization also leases space and ice time in arenas under rental agreements that expire March 31, 2026 and December 31, 2026. The future minimum payments under the agreements are as follows:

March 31, 2024	\$ 247,383
March 31, 2025	\$ 233,668
March 31, 2026	\$ 238,699
March 31, 2027	\$ 198,419

Speed Skating Canada - Patinage de vitesse Canada

Notes to Financial Statements

March 31, 2023

10. 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, 2023.

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.

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 accounts payable. Accounts receivable and accounts payable include \$75,000 and \$407,634 denominated in U.S. dollars, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to fair value risk on its investments in guaranteed investment certificates with fixed interest rates as set out in Note 3 to these financial statements.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to this risk mainly in respect of its investment in an endowment fund as set out in Note 3 to these financial statements.

Changes in risk

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

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

For the year ended March 31	2023	2022
Sales	\$ 44,959	\$ 2,417
Cost of sales	<u>(2,536)</u>	<u>(5,489)</u>
Gross profit (loss) on sales	<u>42,423</u>	<u>(3,072)</u>
Membership and affiliation dues	243,164	191,871
Sponsorships	294,862	311,847
Net investment income (loss)	(14,498)	119,353
Coaching Association of Canada	4,660	5,300
Miscellaneous	<u>77,454</u>	<u>54,863</u>
	<u>605,642</u>	<u>683,234</u>
	\$ 648,065	\$ 680,162

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

For the year ended March 31, 2023

	Sport Canada Funding				Related Expenditures			
	Sport Support Program	Enhanced Excellence	Next Generation	Total	Sport Support Program	Enhanced Excellence	Next Generation	Total
Administration	\$ 140,000	\$ 81,957	\$ -	\$ 221,957	\$ 585,189	\$ 81,957	\$ -	\$ 667,146
Governance	-	-	-	-	210,073	-	-	210,073
Staff salaries	700,000	398,635	-	1,098,635	1,021,526	398,635	-	1,420,161
Coaching salaries and professional development	-	888,462	162,769	1,051,231	-	888,462	162,769	1,051,231
National team program	400,000	484,026	37,231	921,257	400,000	1,114,734	371,578	1,886,312
Official languages	24,000	-	-	24,000	30,592	-	-	30,592
Operations and programming	222,500	-	-	222,500	681,293	-	-	681,293
	\$ 1,486,500	\$ 1,853,080	\$ 200,000	\$ 3,539,580	\$ 2,928,673	\$ 2,483,788	\$ 534,347	\$ 5,946,808