

**SAIL CANADA/VOILE CANADA**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2016**

Independent Auditor's Report

Statement of Financial Position

Statement of Operations - General Fund

- Restricted Funds

Statement of Changes in Fund Balances

Statement of Cash Flow

Notes to Financial Statements

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Sail Canada/Voile Canada

We have audited the accompanying financial statements of Sail Canada/Voile Canada which comprise the statement of financial position as at April 30, 2016, and the statements of operations – general fund and restricted fund, changes in fund balances and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, Sail Canada/Voile Canada derives revenue from fundraising activities run by external parties, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the corporation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flow from operations for the year then ended April 30, 2016, and the fund balances as at May 1, 2015 and April 30, 2016.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects the financial position of the Sail Canada/Voile Canada as at April 30, 2016 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Secker Ross & Perry LLP*

Chartered Accountants  
Licensed Public Accountants  
Kingston, Ontario  
October 20, 2016

SAIL CANADA/VOILE CANADA

STATEMENT OF FINANCIAL POSITION AS AT APRIL 30, 2016

	General Fund	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total 2016	Total 2015
<b>Assets</b>						
<b>Current Assets</b>						
Cash (note 3)	\$ 326,000	\$ 141,323	\$ 297	\$ 7,587	\$ 475,207	\$ 440,034
Short term investments (note 4)		33,781	1,196,604	230,190	1,460,575	1,495,688
Accrued interest on short-term investment:						5,176
Accounts receivable	98,134				98,134	106,965
Inventory	85,151				85,151	81,140
Prepaid expenses	74,046				74,046	73,682
Interfund balances	74,252	(4,092)	(58,042)	(12,118)		
Current portion of loans receivable (note 5)				5,200	5,200	10,118
	<u>657,583</u>	<u>171,012</u>	<u>1,138,859</u>	<u>230,859</u>	<u>2,198,313</u>	<u>2,212,803</u>
Loans Receivable (note 5)						<u>5,200</u>
Capital Assets (note 6)	551,844				551,844	551,844
Less accumulated amortization	<u>535,193</u>				<u>535,193</u>	<u>517,419</u>
	<u>16,651</u>				<u>16,651</u>	<u>34,425</u>
	<u>\$ 674,234</u>	<u>\$ 171,012</u>	<u>\$ 1,138,859</u>	<u>\$ 230,859</u>	<u>\$ 2,214,964</u>	<u>\$ 2,252,428</u>
<b>Liabilities and Fund Balances</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 186,116			\$ 3,460	\$ 189,576	\$ 85,006
Deferred revenue (note 7)	<u>343,488</u>				<u>343,488</u>	<u>353,509</u>
	<u>529,604</u>			<u>3,460</u>	<u>533,064</u>	<u>438,515</u>
<b>Fund Balances</b>						
Invested in capital assets (note 8)	16,651				16,651	34,425
Unrestricted surplus	127,979				127,979	291,378
Internally restricted		\$ 171,012	\$ 1,138,859		1,309,871	1,261,244
Externally restricted				\$ 227,399	227,399	226,866
	<u>144,630</u>	<u>171,012</u>	<u>1,138,859</u>	<u>227,399</u>	<u>1,681,900</u>	<u>1,813,913</u>
	<u>\$ 674,234</u>	<u>\$ 171,012</u>	<u>\$ 1,138,859</u>	<u>\$ 230,859</u>	<u>\$ 2,214,964</u>	<u>\$ 2,252,428</u>

Commitments (note 12)

Approved on behalf of the Board on October 20, 2016

Member 

Member 

See accompanying notes to financial statement:

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS - GENERAL FUND

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period ended April 30, 2015)

	General	Flow- Through	Total 2016	Total 2015
<b>Revenues</b>				
Membership and registration fees	\$ 430,226		\$ 430,226	\$ 462,847
Sport Canada	1,055,586	\$ 153,441	1,209,027	1,500,651
Sport Centre Ontario	37,000		37,000	44,150
Grants - other	91,878		91,878	115,064
Sale of merchandise (note 9)	130,883		130,883	155,410
Administration fees	10,224		10,224	3,682
Sponsorship and advertising	183,652		183,652	197,623
Donations (note 11)	100,052		100,052	127,545
Athlete fees	60,680		60,680	27,907
National competitions	67,362		67,362	59,137
Cansail	117,616		117,616	105,309
Investment income	501		501	895
Other	26,388		26,388	58,611
Gain realized on foreign exchange	29		29	413
	<u>2,312,077</u>	<u>153,441</u>	<u>2,465,518</u>	<u>2,859,244</u>
<b>Expenses</b>				
<b>General</b>				
Salaries and benefits - personnel	681,673		681,673	623,196
Travel	49,927		49,927	59,867
Cost of merchandise (note 9)	74,553		74,553	98,352
Insurance	96,430		96,430	110,670
Rent and cleaning (note 12)	40,710		40,710	42,455
Dues and affiliation fees	30,020		30,020	31,502
Office equipment	4,195		4,195	5,190
Telephone	19,733		19,733	24,230
Official languages	39,214		39,214	33,780
Resource materials and supplies (note 11)	134,916		134,916	174,221
Postage and courier	5,109		5,109	6,700
Meetings - AGM	57,126		57,126	44,037
<b>High Performance</b>				
Athlete support	102,430		102,430	191,534
Salaries and benefits - coaches	460,802		460,802	585,842
Contract coaches	79,173		79,173	56,865
Sports Science	34,297		34,297	21,091
Equipment, repairs and maintenance	132,069		132,069	102,777
Travel	161,344		161,344	188,876
<b>Programmes</b>				
Event costs	57,565	153,441	211,006	268,584
Volunteer and delegate travel	56,495		56,495	43,539
Special initiatives (recovery)	(3,068)		(3,068)	(775)
Training	58,395		58,395	42,719
<b>Other</b>				
Consulting fees	27,002		27,002	25,250
Professional services	128,644		128,644	132,598
Miscellaneous	20,991		20,991	6,968
Amortization	17,774		17,774	17,774
Bank charges and interest	15,731		15,731	16,918
	<u>2,583,250</u>	<u>153,441</u>	<u>2,736,691</u>	<u>2,954,760</u>
<b>Deficiency of revenues over expenses</b>	<u>\$ (271,173)</u>	<u>\$ -</u>	<u>\$ (271,173)</u>	<u>\$ (95,516)</u>

See accompanying notes to financial statements.

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS - RESTRICTED FUNDS

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period ended April 30, 2015)

	Financial Assistance Program	Endowment Funds					Total 2016	Total 2015
		Sail Canada Fund	R.C. Stevenson Boat Fund	Marvin McDill Fund	Bill Burk Youth Fund	Nathan Cowan Memorial Fund		
<b>Revenues</b>								
Donations	\$ 311,887					\$ 311,887	\$ 77,035	
Net investment income		\$ 25,298	\$ 1,000	\$ 348	\$ 209	\$ 27,026	9,510	
Interest income (net)	854	(3,383)	2,253	785	470	1,365	17,407	
	<u>312,741</u>	<u>21,915</u>	<u>3,253</u>	<u>1,133</u>	<u>679</u>	<u>340,278</u>	<u>103,952</u>	
<b>Expenses</b>								
Awards								
Canadian Sailing Team	70,029			1,230	730	3,460	3,480	
Racing	2,850					70,029	16,629	
Training	141,985					2,850	1,463	
	<u>214,864</u>			<u>1,230</u>	<u>730</u>	<u>141,985</u>	<u>59,570</u>	
<b>Excess (deficiency) of revenues over expenses before undernoted items</b>	<u>97,877</u>	<u>21,915</u>	<u>3,253</u>	<u>(97)</u>	<u>(51)</u>	<u>121,954</u>	<u>22,810</u>	
Gain (loss) on sale of investments	(275)	126,886	(208)	(72)	(44)	126,252	7,648	
Unrealized gain (loss) on investments		(107,776)	(735)	(256)	(153)	(109,046)	62,448	
	<u>(275)</u>	<u>19,110</u>	<u>(943)</u>	<u>(328)</u>	<u>(197)</u>	<u>17,206</u>	<u>70,096</u>	
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 97,602</u>	<u>\$ 41,025</u>	<u>\$ 2,310</u>	<u>\$ (425)</u>	<u>\$ (248)</u>	<u>\$ 139,160</u>	<u>\$ 92,906</u>	

See accompanying notes to financial statements.

SAIL CANADA/VOILE CANADA

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED APRIL 30, 2016  
 (with comparative figures for the thirteen-month period ended April 30, 2015)

	Restricted Funds									
	General Fund		Financial Assistance Program	Sail Canada Fund	R.C. Stevenson Boat Endowment Fund	Marvin McDill Endowment Fund	Bill Burk Youth Endowment Fund	Nathan Cowan Memorial Endowment Fund	Total 2016	Total 2015
Balance at beginning of period	\$ 325,803	\$ 331,319	\$ 73,410	\$ 1,187,834	\$ 131,296	\$ 45,711	\$ 27,360	\$ 22,499	\$ 1,488,110	\$ 1,485,204
Excess (deficiency) of revenues over expenses	(271,173)	(95,516)	97,602	41,025	2,310	(425)	(248)	(1,104)	139,160	92,906
Interfund transfer (note 10)	54,630	235,803	171,012	1,228,859	133,606	45,286	27,112	21,395	1,627,270	1,578,110
	90,000	90,000		(90,000)					(90,000)	(90,000)
<b>Balance at end of period</b>	<b>\$ 144,630</b>	<b>\$ 325,803</b>	<b>\$ 171,012</b>	<b>\$ 1,138,859</b>	<b>\$ 133,606</b>	<b>\$ 45,286</b>	<b>\$ 27,112</b>	<b>\$ 21,395</b>	<b>\$ 1,537,270</b>	<b>\$ 1,488,110</b>

See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF CASH FLOW

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period ended April 30, 2015)

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Cash flow from (used in) operating activities</b>				
Excess (deficiency) of revenue over expense	\$ (271,173)	\$ 139,160	\$ (132,013)	\$ (2,610)
Items which do not affect cash				
Amortization	17,774		17,774	17,774
Unrealized gain on investments		109,046	109,046	(62,448)
Gain on disposal of investments		(126,252)	(126,252)	(7,649)
	<u>(253,399)</u>	<u>121,954</u>	<u>(131,445)</u>	<u>(54,933)</u>
<b>Changes in non-cash working capital balances</b>				
Accrued interest on investments		5,176	5,176	4,112
Accounts receivable	8,831		8,831	17,524
Inventory	(4,011)		(4,011)	24,888
Prepaid expense	(364)		(364)	(15,545)
Interfund balances	93,509	(93,509)		
Accounts payable and accrued liabilities	131,374	(26,804)	104,570	(33,766)
Deferred revenue	(10,021)		(10,021)	286,233
	<u>(34,081)</u>	<u>6,817</u>	<u>(27,264)</u>	<u>228,513</u>
<b>Cash flow from (used in) investing activities</b>				
Net loans advanced		10,118	10,118	(5,482)
Purchase of capital assets				(8,421)
Proceeds from sale of investments		1,435,936	1,435,936	256,800
Purchase of short-term investments		(1,383,617)	(1,383,617)	(214,730)
		<u>62,437</u>	<u>62,437</u>	<u>28,167</u>
<b>Net increase (decrease) in cash</b>	<b>(34,081)</b>	<b>69,254</b>	<b>35,173</b>	<b>256,680</b>
<b>Cash at beginning of year</b>	<b>360,081</b>	<b>79,953</b>	<b>440,034</b>	<b>183,354</b>
<b>Cash at end of year</b>	<b><u>\$ 326,000</u></b>	<b><u>\$ 149,207</u></b>	<b><u>\$ 475,207</u></b>	<b><u>\$ 440,034</u></b>

See accompanying notes to financial statements.



# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

### 1. Purpose of the Corporation

Sail Canada/Voile Canada (the "Corporation") is a Registered Amateur Athletic Association with charitable status, designated by the Government of Canada as the National Sport Organization representing the sport of sailing. The Corporation represents all participants including recreational sailors and high performance athletes at the club, provincial, national and international levels. The Corporation is exempt from income tax under subsection 149(1)(l) of the Canadian Income Tax Act.

### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Handbook – Accounting Standards for Not-for-Profit Organizations. Significant accounting policies include the following:

(a) Fund Accounting

Sail Canada/Voile Canada follows the restricted fund method of accounting for contributions.

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

The Financial Assistance Program Fund reports mainly revenues and expenses of the Canadian Sailing Team and its development as well as local club development projects including junior sailing initiatives. Revenue is received in the form of donations and expenses are paid out in the form of reimbursement of approved training and competition expenses of high performance athletes.

The Sail Canada Fund is made up of resources originally from the 1988 Olympic Games legacy and subsequent contributions from the Corporation operations and earnings on investments. Expenditures of the Sail Canada Fund are approved by the Board of Directors and are used to support competitive sailing at the highest level.

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 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.

(ii) Marvin McDill Memorial Award Fund

The Marvin McDill Fund was established in memory of Marvin McDill, who returned Canada to the America's Cup in 1983. The income from the fund is given to worthy Canadian sailors who compete internationally to help with travel and/or boat expenses.

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

### 2. Significant Accounting Policies (continued)

(a) Fund Accounting (continued)

(iii) Bill Burk Memorial Youth Elite Award Fund

The Bill Burk Youth Fund was established in 1997 in memory of William Burk, who was an active promoter of youth sailing in Montreal's West Island region. The purpose of the fund is to provide top Canadian youth sailors with a unique training opportunity that will accelerate their development and motivation to pursue the sport at an international level.

(iv) Nathan R. Cowan Memorial Award for Developing Sailors Fund

The Nathan Cowan Memorial Fund was established in 2002 in memory of Nathan Cowan, a Canadian Sailing Team member who died tragically in a car accident in 2002. The Nathan R. Cowan Memorial Award for Developing Sailors is awarded to a young sailor (19 and over as of December 31<sup>st</sup> in the year of nomination) with a record of outstanding achievement in national and international competition. The sailor must have followed a committed training program, demonstrated an effort in fundraising through sponsorship and private contributions and brought recognition to Canadian competitive sailing.

(b) Investments

Investments are recorded at market value. Realized and unrealized gains and losses are included directly in the statement of operations.

(c) Inventory

Inventory consists of clothing and related items, insignia, and educational materials held for resale. Inventory is valued at the lower of cost and net realizable value with cost determined on a first-in first-out basis.

(d) Capital Assets

Capital assets consist of office furniture and equipment and leasehold improvements owned by the Corporation. Furniture and equipment are capitalized in the year of purchase and amortized over a five-year period on a straight-line basis. Leasehold improvements are capitalized in the year of purchase and amortized over a ten-year period on a straight-line basis.

(e) Revenue Recognition

Restricted contributions used for general operations are recognized as revenue of the General Fund in the year which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowments are recognized as revenue of the Endowment Funds.

**SAIL CANADA/VOILE CANADA**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED APRIL 30, 2016**

**(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)**

**2. Significant Accounting Policies (continued)**

(e) Revenue Recognition (continued)

Donated assets are recorded at fair market value when the fair market value can be reasonably estimated and when the Corporation would otherwise have purchased these items.

Membership and registration fees are recognized as revenue when the services are provided as per the terms of the related agreements.

Sponsorship and advertising revenue is recognized over the term of the related contract and when collection is reasonably assured.

Revenues related to the sale of merchandise are recognized when the goods are delivered to customers, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Investment income earned on the Financial Assistance Program, Sail Canada Fund and on Endowment Funds is recognized as revenue of the respective fund. All other investment income is recognized as revenue in the General Fund.

(f) Donated Services

The work of the Corporation is dependent on the voluntary service of its members. Since these services are not normally purchased by the Corporation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates in these financial statements include collectability of accounts receivable and inventory obsolescence.

(h) Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

- (i) At the transaction date, each asset, liability and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date;
- (ii) At the period-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

3. Cash

The Corporation's bank accounts are held at one chartered bank. The bank accounts earn interest from 0% to 0.5%. Bank balances include \$1,661 denominated in U.S. dollars translated to Canadian dollars at April 30, 2016.

4. Short-term Investments

Short-term investments consist of the following:

	2016			
	Financial Assistance <u>Program</u>	Sail Canada <u>Fund</u>	Endowment <u>Funds</u>	<u>Total</u>
Mutual Funds and other securities		\$1,196,604	\$175,196	\$1,371,800
Fixed Income			11,449	11,449
Guaranteed Investment Certificates	<u>\$ 33,781</u>	_____	<u>43,545</u>	<u>77,326</u>
	<u>\$ 33,781</u>	<u>\$1,196,604</u>	<u>\$230,190</u>	<u>\$1,460,575</u>

The investments in the Sail Canada Fund are externally managed by the Canadian Olympic Committee – Canadian Olympic Foundation.

	2015			
	Financial Assistance <u>Program</u>	Sail Canada <u>Fund</u>	Endowment <u>Funds</u>	<u>Total</u>
Mutual Funds and other securities		\$ 611,595	\$95,948	\$ 707,543
Fixed Income		191,470	19,688	211,158
Guaranteed Investment Certificates	<u>\$ 33,781</u>	<u>435,848</u>	<u>107,358</u>	<u>576,987</u>
	<u>\$ 33,781</u>	<u>\$1,238,913</u>	<u>\$222,994</u>	<u>\$1,495,688</u>

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

5. Loan Receivable

	<u>2016</u>	<u>2015</u>
Promissory note, due April 2, 2015, repayable in two instalments of \$4,918, with terms as described in note 2(a)(i)		\$ 4,918
Promissory note, due April 2, 2017, repayable in two instalments of \$5,200, with terms as described in note 2(a)(i)	<u>\$5,200</u>	<u>10,400</u>
	5,200	15,318
Less amount due within one year included in current assets	<u>5,200</u>	<u>10,118</u>
	<u>\$ -</u>	<u>\$ 5,200</u>

6. Capital Assets

	<u>2016</u>			<u>2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	\$393,506	\$376,855	\$ 16,651	\$34,425
Leasehold improvements	<u>158,338</u>	<u>158,338</u>	-	-
	<u>\$551,844</u>	<u>\$535,193</u>	<u>\$ 16,651</u>	<u>\$34,425</u>

7. Deferred Revenue

	<u>2016</u>	<u>2015</u>
Membership and registration fees	\$ 80,307	\$85,688
Sport Canada	246,098	251,654
Sponsorship	<u>17,083</u>	<u>16,167</u>
	<u>\$343,488</u>	<u>\$353,509</u>

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

### 8. Fund Balances Invested in Capital Assets

Fund balances invested in capital assets consist of:

	<u>2016</u>	<u>2015</u>
Capital assets at beginning of year (net)	\$ 34,425	\$ 43,778
Capital assets acquired during the year	-	8,421
Amortization of capital assets	<u>(17,774)</u>	<u>(17,774)</u>
Capital assets at end of year (net)	<u>\$ 16,651</u>	<u>\$ 34,425</u>

### 9. Merchandise/Pleasure Craft Operator Card (PCOC)

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Merchandise sales	\$ 93,274	\$ 112,278
PCOC	37,451	43,234
Postage and shipping recovery (paid)	<u>159</u>	<u>( 102)</u>
	<u>130,883</u>	<u>155,410</u>
<b>Expenses</b>		
Purchases	55,656	75,178
Provincial Sailing Association share of PCOC and instructors	10,537	10,343
PCOC costs	<u>8,360</u>	<u>13,031</u>
	<u>74,553</u>	<u>98,352</u>
<b>Net contribution</b>	<u>\$ 56,330</u>	<u>\$ 57,058</u>

### 10. Interfund Transfer

During the year the Board of Directors approved the transfer of \$90,000 (2015 - \$90,000) from the Sail Canada Fund to the General Fund.

### 11. In-Kind Donations

During the year the Corporation recorded \$47,080 (2015 - \$85,115) of in-kind donations. These contributions are reflected in donations and resource materials and supplies expense.

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2016

(with comparative figures for the thirteen-month period April 1, 2014 to April 30, 2015)

### 12. Commitments

- (a) The Corporation is committed to a lease for office space under an operating lease without a set expiry date. Effective January 1, 2016, rent is charged monthly at \$3,087 plus HST, and will increase annually in accordance with the Consumer Price Index (CPI).
- (b) The Corporation is committed to two equipment operating leases expiring on various dates up to April 15, 2017. The total annual lease payments over the next year are \$4,935.

### 13. 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.

It is management's opinion that the Corporation is not exposed to significant interest rate, currency or liquidity risks arising from its financial instruments. There have been no changes to the risk exposure from 2015 and there is expected to be no substantive change in the next fiscal period.

The Corporation is, however, exposed to market risk. Market risk is the risk of financial loss arising from fluctuations in the market price of the Corporation's investments. To manage these risks the Corporation has established a target mix of investments designed to achieve reasonable returns within acceptable and manageable risk tolerances.

### 14. Comparative Figures

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