

**SAIL CANADA/VOILE CANADA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Sail Canada/Voile Canada

### Opinion

We have audited the accompanying financial statements of Sail Canada/Voile Canada (the "Entity") which comprise the statement of financial position as at April 30, 2019 and the statements of operations and changes in fund balances – general fund and restricted funds and cash flow 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 Entity as at April 30, 2019, and its financial performance and its cash flow 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

*Secker Ross & Perry LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
August 14, 2019

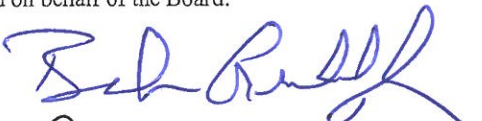
SAIL CANADA/VOILE CANADA


STATEMENT OF FINANCIAL POSITION AS AT APRIL 30, 2019

	General Fund	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total 2019	Total 2018
<b>Assets</b>						
<b>Current Assets</b>						
Cash (note 3)	\$ 394,961	\$ 68,832	\$ 303	\$ 12,094	\$ 476,190	\$ 364,438
Investments (note 4)	-	35,576	1,308,470	245,668	1,589,714	1,561,730
Accounts receivable	50,069	-	-	-	50,069	171,077
Inventory	62,796	-	-	-	62,796	86,621
Prepaid expenses (note 5)	123,816	-	-	-	123,816	131,515
Interfund balances	32,821	(5,376)	(15,327)	(12,118)	-	-
	<u>664,463</u>	<u>99,032</u>	<u>1,293,446</u>	<u>245,644</u>	<u>2,302,585</u>	<u>2,315,381</u>
<b>Capital Assets (note 6)</b>						
Capital Assets (note 6)	551,844	-	-	-	551,844	551,844
Less accumulated amortization	<u>551,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,844</u>	<u>550,217</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627</u>
	<u>\$ 664,463</u>	<u>\$ 99,032</u>	<u>\$ 1,293,446</u>	<u>\$ 245,644</u>	<u>\$ 2,302,585</u>	<u>\$ 2,317,008</u>
<b>Liabilities and Fund Balances</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 73,308	\$ 10,317	\$ -	\$ -	\$ 83,625	\$ 118,948
Deferred revenue (note 7)	511,988	-	-	-	511,988	370,531
	<u>585,296</u>	<u>10,317</u>	<u>-</u>	<u>-</u>	<u>595,613</u>	<u>489,479</u>
<b>Fund Balances</b>						
Invested in capital assets (note 8)	-	-	-	-	-	1,627
Unrestricted surplus	79,167	-	-	-	79,167	237,728
Internally restricted	-	88,715	1,293,446	-	1,382,161	1,349,399
Externally restricted	-	-	-	245,644	245,644	238,775
	<u>79,167</u>	<u>88,715</u>	<u>1,293,446</u>	<u>245,644</u>	<u>1,706,972</u>	<u>1,827,529</u>
	<u>\$ 664,463</u>	<u>\$ 99,032</u>	<u>\$ 1,293,446</u>	<u>\$ 245,644</u>	<u>\$ 2,302,585</u>	<u>\$ 2,317,008</u>

Commitments (note 12)

Approved on behalf of the Board:

Member 

Member 

See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - GENERAL FUND

YEAR ENDED APRIL 30, 2019

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Membership and registration fees	\$ 495,691	\$ 456,094
Sport Canada	696,500	696,500
Sport Canada (flow-through)	50,000	92,600
Own the Podium (note 13)	230,000	197,000
Grants - other	52,512	9,326
Sale of merchandise (note 9)	115,575	147,726
Sponsorship, advertising and other fundraising	95,261	116,462
Donations (note 11)	135,986	110,941
Athlete fees	93,876	61,194
National competitions	111,027	79,756
Cansail (program participation)	203,895	153,736
Other	29,358	22,258
	<u>2,309,681</u>	<u>2,143,593</u>
<b>Expenses</b>		
<b>General</b>		
Salaries and benefits - personnel	596,609	595,407
Travel	70,533	50,776
Cost of merchandise (note 9)	74,027	79,079
Insurance	86,537	90,381
Office and administration (note 12)	68,899	70,008
Dues and affiliation fees	24,951	31,302
Official languages	22,737	31,459
Resource materials and supplies (note 11)	140,631	140,351
Meetings - AGM	37,698	42,617
Consulting fees and professional fees	127,987	120,637
Bank charges and miscellaneous	24,228	18,604
Amortization	1,627	7,444
	<u>1,276,464</u>	<u>1,278,065</u>
<b>High Performance</b>		
Athlete support	121,039	82,000
Salaries and benefits	292,712	157,013
Contract coaches	218,312	140,234
Sports Science	8,483	3,638
Training hubs	110,000	-
Equipment, repairs and maintenance	97,168	47,220
Travel	72,004	26,958
	<u>919,718</u>	<u>457,063</u>
<b>Programmes</b>		
Event costs	116,269	78,341
Event costs (flow-through)	47,500	92,600
Program costs	87,678	60,453
Volunteer and delegate travel	50,667	37,285
Training	59,619	56,145
	<u>361,733</u>	<u>324,824</u>
	<u>2,557,915</u>	<u>2,059,952</u>
<b>Excess (deficiency) of revenues over expenses</b>	(248,234)	83,641
Interfund transfer (note 10)	88,046	-
Fund balance at beginning of year	<u>239,355</u>	<u>155,714</u>
<b>Fund balance at end of year</b>	<u>\$ 79,167</u>	<u>\$ 239,355</u>

See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES - RESTRICTED FUNDS

YEAR ENDED APRIL 30, 2019

	Financial Assistance Program	Endowment Funds					Total 2019	Total 2018
		Sail Canada Fund	R.C. Stevenson Boat Fund	Marvin McDill Fund	Bill Burk Youth Fund	Nathan Cowan Memorial Fund		
<b>Revenues</b>								
Donations	\$ 56,173	\$ -	\$ -	\$ -	\$ -	\$ 56,173	\$ 80,181	
Net investment income	9,013	1,482	481	286	329	11,591	106,328	
Interest income (net)	1,449	1,181	383	228	261	3,502	2,549	
	<u>57,622</u>	<u>9,013</u>	<u>864</u>	<u>514</u>	<u>590</u>	<u>71,266</u>	<u>189,058</u>	
<b>Expenses</b>								
Awards	-	-	816	500	1,500	2,816	3,090	
Management fees	-	-	-	-	-	11,334	-	
Racing	5,378	-	-	-	-	5,378	1,900	
Training	37,351	-	-	-	-	37,351	47,941	
	<u>42,729</u>	<u>11,334</u>	<u>816</u>	<u>500</u>	<u>1,500</u>	<u>56,879</u>	<u>52,931</u>	
<b>Excess (deficiency) of revenues over expenses before undernoted item</b>	14,893	(2,321)	48	14	(910)	14,387	136,127	
Loss on sale of investments	-	-	(105)	(63)	(72)	(566)	-	
Unrealized gain (loss) on investments	401	107,835	1,049	623	716	113,856	2,020	
<b>Excess (deficiency) of revenues over expenses</b>	15,294	105,514	992	574	(266)	127,677	138,147	
Interfund transfer (note 10)	-	(88,046)	-	-	-	(88,046)	-	
Fund balances at beginning of year	73,421	1,275,978	44,566	26,473	30,412	1,588,174	1,450,027	
<b>Fund balances at end of year</b>	<u>\$ 88,715</u>	<u>\$ 1,293,446</u>	<u>\$ 45,558</u>	<u>\$ 27,047</u>	<u>\$ 30,146</u>	<u>\$ 1,627,805</u>	<u>\$ 1,588,174</u>	

See accompanying notes to financial statements

SAIL CANADA/VOILE CANADA

STATEMENT OF CASH FLOW

YEAR ENDED APRIL 30, 2019

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2019</u>	<u>Total 2018</u>
<b>Cash flow from (used in) operating activities</b>				
Excess (deficiency) of revenues over expense	\$ (248,234)	\$ 127,677	\$ (120,557)	\$ 221,788
Items which do not affect cash				
Amortization	1,627	-	1,627	7,444
Loss on sale of investments	-	566	566	-
Unrealized gain on investments	-	(113,856)	(113,856)	(2,020)
	<u>(246,607)</u>	<u>14,387</u>	<u>(232,220)</u>	<u>227,212</u>
<b>Changes in non-cash working capital balances</b>				
Accounts receivable	121,008	-	121,008	791
Inventory	23,825	-	23,825	213
Prepaid expenses	7,699	-	7,699	(57,602)
Interfund balances	3,112	(3,112)	-	-
Accounts payable and accrued liabilities	(40,335)	5,012	(35,323)	25,644
Deferred revenue	141,457	-	141,457	267,489
	<u>10,159</u>	<u>16,287</u>	<u>26,446</u>	<u>463,747</u>
<b>Cash flow from (used in) investing and financing activities</b>				
Interfund transfers	88,046	(88,046)	-	-
Proceeds from sale of investments	-	131,762	131,762	35,745
Purchase of short-term investments	-	(46,456)	(46,456)	(145,346)
	<u>88,046</u>	<u>(2,740)</u>	<u>85,306</u>	<u>(109,601)</u>
<b>Net increase in cash</b>	98,205	13,547	111,752	354,146
<b>Cash at beginning of year</b>	<u>296,756</u>	<u>67,682</u>	<u>364,438</u>	<u>10,292</u>
<b>Cash at end of year</b>	<u>\$ 394,961</u>	<u>\$ 81,229</u>	<u>\$ 476,190</u>	<u>\$ 364,438</u>
<b>Cash comprised of:</b>				
Cash - General Fund	\$ 394,961	\$ -	\$ 394,961	\$ 296,756
Cash - Financial Assistance Program	-	68,832	68,832	52,635
Cash - Sail Canada Fund	-	303	303	299
Cash - Endowment Funds	-	12,094	12,094	14,748
	<u>\$ 394,961</u>	<u>\$ 81,229</u>	<u>\$ 476,190</u>	<u>\$ 364,438</u>

See accompanying notes to financial statements



# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2019

### 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 Olympic high performance programs.

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.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2019

2. 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/or 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.

(b) Investments

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

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

(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.

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 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) 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.

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2019

2. Significant Accounting Policies (continued)

(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.

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, 2019.

4. Investments

Investments consist of the following:

	2019			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 35,576	\$1,308,470	\$212,456	\$1,556,502
Guaranteed investment certificates	-	-	33,212	33,212
	<u>\$ 35,576</u>	<u>\$1,308,470</u>	<u>\$245,668</u>	<u>\$1,589,714</u>
	2018			
	Financial Assistance Program	Sail Canada Fund	Endowment Funds	Total
Equities and other securities	\$ 34,578	\$ 1,291,007	\$192,429	\$1,518,014
Fixed income	-	-	11,066	11,066
Guaranteed investment certificates	-	-	32,650	32,650
	<u>\$ 34,578</u>	<u>\$1,291,007</u>	<u>\$236,145</u>	<u>\$1,561,730</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, 2019

5. Prepaid Expenses

	<u>2019</u>	<u>2018</u>
Prepaid - event fees	\$ 50,709	\$ 59,175
Prepaid – insurance, fees and services	<u>73,107</u>	<u>72,340</u>
	<u>\$123,816</u>	<u>\$131,515</u>

6. Capital Assets

	<u>2019</u>			<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	\$393,505	\$393,505	\$ -	\$1,627
Leasehold improvements	<u>158,339</u>	<u>158,339</u>	<u>-</u>	<u>Nil</u>
	<u>\$551,844</u>	<u>\$551,844</u>	<u>\$ -</u>	<u>\$1,627</u>

7. Deferred Revenue

	<u>2019</u>	<u>2018</u>
Membership and registration fees	\$ 77,046	\$ 69,589
Sport Canada	250,692	250,692
Sponsorship	-	2,250
NSF Enhancement funding	-	48,000
Own the Podium	97,000	-
Sport Canada – Hosting Grant	71,250	-
Canadian Olympic Committee	<u>16,000</u>	<u>-</u>
	<u>\$511,988</u>	<u>\$370,531</u>

SAIL CANADA/VOILE CANADA

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2019

8. Fund Balances Invested in Capital Assets

Fund balances invested in capital assets consist of:

	<u>2019</u>	<u>2018</u>
Capital assets at beginning of year (net)	\$ 1,627	\$ 9,071
Capital assets acquired during the year		
Amortization of capital assets	<u>(1,627)</u>	<u>(7,444)</u>
Capital assets at end of year (net)	<u>\$ -</u>	<u>\$ 1,627</u>

9. Merchandise/Pleasure Craft Operator Card (PCOC)

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Merchandise sales	\$ 81,377	\$ 109,757
PCOC	29,952	31,902
Online sales	701	1,259
Postage and shipping recovery	<u>3,545</u>	<u>4,808</u>
	<u>115,575</u>	<u>147,726</u>
<b>Expenses</b>		
Purchases	53,987	62,455
Provincial Sailing Association share of PCOC and instructors	13,533	8,779
Online commission expense	65	325
PCOC costs	<u>6,442</u>	<u>7,520</u>
	<u>74,027</u>	<u>79,079</u>
<b>Net contribution</b>	<u>\$ 41,548</u>	<u>\$ 68,647</u>

Included in purchases is \$6,582 (2018 - \$Nil) related to obsolete inventory items expensed in the year.

10. Interfund Transfer

During the year, the Board of Directors approved the transfer of \$88,046 (2018 - \$Nil) from the Sail Canada Fund to the General Fund for support of High Performance programs and athletes.

# SAIL CANADA/VOILE CANADA

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2019

### 11. In-Kind Donations

During the year the Corporation recorded \$80,754 (2018 - \$73,026) of in-kind donations. These contributions are reflected in donations and resource materials and supplies expense.

### 12. 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, 2019, rent is charged monthly at \$3,694 including 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 April 12, 2020 and August 30, 2021. The total annual lease payments over the next year are \$2,545.

### 13. Own the Podium

Own the Podium revenue funding comes from the following funders:

	<u>2019</u>	<u>2018</u>
Sport Canada	\$172,500	\$ 98,500
Canadian Olympic Committee	<u>57,500</u>	<u>98,500</u>
	<u>\$230,000</u>	<u>\$197,000</u>

### 14. 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 Canadian Olympic Committee – Canadian Olympic Foundation is managing the market risk related to the investments in the Sail Canada Fund. 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.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 2019

**14. Financial Risks (continued)**

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 paid converted into Canadian dollars in the year related to expenses in a foreign currency was \$230,086 (2018 - \$138,099). 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.

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

There have been no changes to the risk exposure from 2018 and there is expected to be no substantive change in the next fiscal period.

**15. Comparative Figures**

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