

CANOE KAYAK CANADA

FINANCIAL STATEMENTS

MARCH 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canoe Kayak Canada:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 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.

OHC D LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

July 16, 2021

CANOE KAYAK CANADA

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash	\$ 1,471,153	\$ 34,313
Accounts receivable	161,167	542,902
Prepaid expenses	51,604	45,850
Inventory	<u>61,196</u>	<u>87,393</u>
	1,745,120	710,458
PROPERTY AND EQUIPMENT (note 4)	<u>43,754</u>	<u>72,240</u>
	<u>\$ 1,788,874</u>	<u>\$ 782,698</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 461,399	\$ 443,958
Development funds (note 5)	14,281	8,114
Deferred revenue (note 6)	<u>1,049,926</u>	<u>116,142</u>
	<u>1,525,606</u>	<u>568,214</u>
NET ASSETS		
John Wood boat loan fund	50,000	50,000
Unrestricted	<u>213,268</u>	<u>164,484</u>
	<u>263,268</u>	<u>214,484</u>
	<u>\$ 1,788,874</u>	<u>\$ 782,698</u>

Approved on behalf of the Board:

Director

Warren O. Hastings

Director



CANOE KAYAK CANADA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
JOHN WOOD BOAT LOAN FUND		
Balance - beginning and end of year	\$ <u>50,000</u>	\$ <u>50,000</u>
UNRESTRICTED		
Balance - beginning of year	\$ 164,484	\$ 100,736
Net revenue for the year	<u>48,784</u>	<u>63,748</u>
Balance - end of year	\$ <u>213,268</u>	\$ <u>164,484</u>
TOTAL	\$ <u>263,268</u>	\$ <u>214,484</u>

CANOE KAYAK CANADA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Sport Canada contributions (note 7)	\$ 3,891,369	\$ 3,478,500
Salary subsidy	617,441	-
Canadian Olympic Committee and Canadian Paralympic Committee	-	515,305
Athlete fees	95,554	253,608
Domestic programs	-	156,912
Other	105,592	119,616
Membership fees	3,519	105,781
National championships	-	102,611
Sales and fundraising	11,051	67,206
Coaching	19,454	28,823
	<u>4,743,980</u>	<u>4,828,362</u>
EXPENSES		
Administration	382,077	293,091
Coaching	17,167	14,580
Domestic programs	163,181	270,941
International hosting	152,084	280,752
International relations	410	2,657
Meetings	18,496	36,634
National championships	8,044	107,410
National team	1,886,710	1,977,156
Officials	-	12,635
Professional staff	1,945,186	1,607,320
Promotion and communication	42,566	17,472
Safe sport	79,275	143,966
	<u>4,695,196</u>	<u>4,764,614</u>
NET REVENUE FOR THE YEAR	<u>\$ 48,784</u>	<u>\$ 63,748</u>

CANOE KAYAK CANADA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 48,784	\$ 63,748
Items not affecting cash		
Amortization	70,422	58,920
Net change in non-cash working capital items		
Accounts receivable	381,735	(198,743)
Prepaid expenses	(5,754)	19,466
Inventory	26,197	(25,433)
Accounts payable	17,441	109,174
Development funds	6,167	-
Deferred revenue	<u>933,784</u>	<u>(37,418)</u>
	1,478,776	(10,286)
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(41,936)</u>	<u>(23,486)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	1,436,840	(33,772)
Cash - beginning of year	<u>34,313</u>	<u>68,085</u>
CASH - END OF YEAR	<u>\$ 1,471,153</u>	<u>\$ 34,313</u>

CANOE KAYAK CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

1. NATURE OF ORGANIZATION

The mission of the organization is to increase the number of Canadians participating in canoeing and kayaking and to enable participants to realize personal excellence by providing sound athletic development programs and membership support systems.

The organization is incorporated under the Canada Not-for-Profit Corporations Act and is a Registered Canadian Amateur Athletic organization under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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 expenses during the reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

b) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

c) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

d) John Wood boat loan fund

This fund is internally restricted, was created from money donated by John Wood and is intended to provide canoe and kayak clubs with loans to purchase boats.

e) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis as follows:

Boats	4 years
Furniture and equipment	3 years

f) 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 they are received or become receivable. Contributed goods and services are recorded at their fair value. Membership fees are recognized as revenue over the period to which they relate. Other revenues are recognized in the year in which an event is held, a sales order is fulfilled or the revenue is otherwise earned.

\$NIL (2020 - \$41,118) of contributed goods in kind has been recognized as revenue in the current year together with the related expenses for the same amounts.



CANOE KAYAK CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Sport Canada and other contributions

Contributions received are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by contributors 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 the contributor. Adjustments to prior years' contributions are recorded in the year in which the contributor requests the adjustment.

3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the risks have not changed from last year.

4. PROPERTY AND EQUIPMENT

	<u>2021</u>			<u>2020</u>
	Cost	Accumulated amortization	Net	Net
Boats	\$ 292,152	\$ 253,883	\$ 38,269	\$ 16,012
Furniture and equipment	<u>159,876</u>	<u>154,391</u>	<u>5,485</u>	<u>56,228</u>
	<u>\$ 452,028</u>	<u>\$ 408,274</u>	<u>\$ 43,754</u>	<u>\$ 72,240</u>

5. DEVELOPMENT FUNDS

	<u>2021</u>	<u>2020</u>
Level 4/5 NCCP Fund	\$ 693	\$ 693
Canadian Association of Coaches in Canoe and Kayak Fund	274	274
Judy Tutty Official's Development Fund	7,147	7,147
Freestyle Development Fund	<u>6,167</u>	<u>-</u>
	<u>\$ 14,281</u>	<u>\$ 8,114</u>

The Level 4/5 NCCP Fund is to support the education of level 4/5 NCCP candidates. The Canadian Association of Coaches in Canoe and Kayak Fund is to support their program activities. The Judy Tutty Official's Development Fund is to support the development of officials. The Freestyle Development Fund is to support freestyle coaching at development camps and in high performance programs.

CANOE KAYAK CANADA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

6. DEFERRED REVENUE

Deferred revenue represents restricted operating funding received in the current year which is related to a subsequent year:

	<u>2021</u>	<u>2020</u>
Canadian Olympic Committee		
Excellence Fund	\$ 343,500	\$ 100,000
White Water	11,420	11,420
Sport Canada	691,006	-
Other revenue	4,000	4,722
	<u>\$ 1,049,926</u>	<u>\$ 116,142</u>

Deferred revenue changed as follows:

	<u>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 116,142	\$ 153,560
Less - amount recognized as revenue in the year	(104,722)	(142,140)
Plus - amount received related to following year	<u>1,038,506</u>	<u>104,722</u>
Balance - end of year	<u>\$ 1,049,926</u>	<u>\$ 116,142</u>

7. SPORT CANADA CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Amount received in the year	\$ 4,582,375	\$ 3,478,500
Amount received related to following year	<u>(691,006)</u>	<u>-</u>
	<u>\$ 3,891,369</u>	<u>\$ 3,478,500</u>

8. COMMITMENT

The organization has leased office premises at approximately \$92,000 per annum to October 31, 2022.

9. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on funders, customers, employees and suppliers, and on the financial results and condition of the organization in future periods.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current presentation.

CANOE KAYAK CANADA

UNAUDITED SCHEDULE OF SPORT CANADA REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2021

	<u>Total revenue claimed</u>	<u>Total expenses</u>
Administration	\$ 113,250	\$ 77,544
Governance	51,300	978
Staff salaries	453,323	710,688
Coach salaries	20,000	872,212
Official languages	13,000	20,000
Operations	454,627	51,304
Enhanced excellence	1,381,910	1,600,495
Next Generation	102,500	29,633
Safe Sport	143,000	79,275
Paralympic national team programs	24,000	24,000
Paralympic official languages	3,000	3,000
Paralympic enhanced excellence	133,000	85,810
Paralympic next generation	26,000	-
Emergency funding support	734,875	734,875
International hosting grant	152,084	152,083
Innovation grant	85,500	85,500
Ineligible	-	167,799
	<u>\$ 3,891,369</u>	<u>\$ 4,695,196</u>