



Financial Statements

Canadian Amateur Rowing Association

March 31, 2024

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 14
Schedule of Governance and National Operations	15
Schedule of High Performance	15
Schedule of Domestic Development	15

Independent Auditor's Report

Grant Thornton LLP

Suite 650
1675 Douglas Street
Victoria, BC
V8W 2G5

T +1 250 383 4191
F +1 250 381 4623
www.GrantThornton.ca

To the Members of
Canadian Amateur Rowing Association

Opinion

We have audited the financial statements of Canadian Amateur Rowing Association, which comprise the statement of financial position as at March 31, 2024, 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 Association as at March 31, 2024, 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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Auditor's Report (continued)

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 Association'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 Association'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 Association 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.

Victoria, Canada
August 26, 2024

Grant Thornton LLP

Chartered Professional Accountants

Canadian Amateur Rowing Association

Statement of Operations

Year ended March 31

2024

2023

Revenues		
Sport Canada (Note 12)	\$ 6,658,485	\$ 6,102,993
Canadian Olympic Committee	621,816	440,320
Membership fees	578,425	508,231
Donations, events and fundraising	429,803	455,980
Competition and camp registrations	241,017	254,018
Sports associations and foundations	235,476	160,244
Interest earned	72,440	51,118
COVID-19 funding	-	231,200
	<u>8,837,462</u>	<u>8,204,104</u>
Expenses		
Communication, marketing and initiatives	194,388	236,701
Membership services	295,443	278,152
Governance and National Operations (Schedule 1)	524,306	718,487
High Performance (Schedule 2)	5,679,534	5,373,074
Domestic Development (Schedule 3)	2,541,350	1,971,257
	<u>9,235,021</u>	<u>8,577,671</u>
(Deficiency) excess of revenue over expenses before other income	<u>(397,559)</u>	<u>(373,567)</u>
Other income		
National Training Centre contributions, net (Note 9)	607,773	256,924
Gain on sale of tangible capital assets	37,114	15,978
	<u>644,887</u>	<u>272,902</u>
Excess (deficiency) of revenue over expenses	<u>\$ 247,328</u>	<u>\$ (100,665)</u>

Canadian Amateur Rowing Association

Statement of Changes in Net Assets

Year ended March 31

	Unrestricted	Internally Restricted	Invested in Tangible Capital Assets	Total 2024	Total 2023
Balance, beginning of year	\$ 955,659	\$ 82,552	\$ 1,279,098	\$ 2,317,309	\$ 2,417,974
Excess (deficiency) of revenue over expenses	(191,877)	615,016	(175,811)	247,328	(100,665)
Net investment in tangible capital assets	<u>7,543</u>	<u>(167,457)</u>	<u>159,914</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 771,325</u>	<u>\$ 530,111</u>	<u>\$ 1,263,201</u>	<u>\$ 2,564,637</u>	<u>\$ 2,317,309</u>

Canadian Amateur Rowing Association

Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 1,242,274	\$ 1,017,572
Accounts receivable (Note 3)	1,036,038	481,519
Prepaid expenses	397,714	415,541
Goods and services tax receivable	<u>58,288</u>	<u>60,504</u>
	<u>2,734,314</u>	<u>1,975,136</u>

Long-term

Tangible capital assets (Note 4)	1,263,201	1,279,096
Deposits (Note 5)	<u>250,000</u>	<u>250,000</u>
	<u>1,513,201</u>	<u>1,529,096</u>
	<u>\$ 4,247,515</u>	<u>\$ 3,504,232</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 1,482,553	\$ 910,335
Deferred revenue (Note 6)	<u>200,325</u>	<u>276,588</u>
	<u>1,682,878</u>	<u>1,186,923</u>

Fund balances

Unrestricted	771,325	955,659
Internally Restricted (Note 9)	530,111	82,552
Invested in Tangible Capital Assets	<u>1,263,201</u>	<u>1,279,098</u>
	<u>2,564,637</u>	<u>2,317,309</u>
	<u>\$ 4,247,515</u>	<u>\$ 3,504,232</u>

Contingent liability (Note 8), Trust Funds (Note 7), Lease commitments (Note 11)

On behalf of the board



Director



Director

Canadian Amateur Rowing Association

Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash

Operating

Excess (deficiency) of revenue over expenses	\$ 247,328	\$ (100,665)
Items not affecting cash		
Amortization	212,925	209,165
Gain on sale of tangible capital assets	<u>(37,114)</u>	<u>(15,978)</u>
	423,139	92,522
Change in non-cash working capital items		
Accounts receivable	(554,519)	(227,443)
Prepaid expenses	17,827	64,181
Goods and services tax	2,216	81,185
Accounts payable and accrued liabilities	572,217	(297,372)
Deferred revenue	<u>(76,263)</u>	<u>(132,314)</u>
	<u>384,617</u>	<u>(419,241)</u>

Investing

Purchase of tangible capital assets	(199,270)	(632,523)
Proceeds on disposal of tangible capital assets	39,355	15,979
Deposits	-	<u>(250,000)</u>
	<u>(159,915)</u>	<u>(866,544)</u>

Increase (decrease) in cash 224,702 (1,285,785)

Cash

Beginning of year	<u>1,017,572</u>	<u>2,303,357</u>
End of year	<u>\$ 1,242,274</u>	<u>\$ 1,017,572</u>

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

1. Purpose of the Association

Rowing Canada Aviron is the operating name of the Canadian Amateur Rowing Association - Association Canadienne d'Aviron Amateur (the "Association") which is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. As a not-for-profit organization, the Association is exempt from the payment of income tax.

As a Registered Amateur Athletic Association it is authorized to issue receipts for tax purposes for the donations it receives.

The Association's principal activity is the development of the sport of rowing in Canada and it is recognized by the Government of Canada and the Canadian Olympic Committee as the national governing body for the sport of rowing.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). As a result these financial statements are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Donation revenue is accounted for when received. 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.

Pledges from donors are recorded when payment is received by the Association or the transfer of property is completed. Donations received for the acquisition of property or to support future operations are recorded as deferred amounts.

Membership fees are recognized as revenue in the period of membership eligibility.

Internally restricted net assets

Net assets that are internally restricted have been designated by the Association for specific uses. Internally restricted resources can be made available for other purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Tangible capital assets

Purchased assets are stated at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Adaptive equipment	3 - 5 years
Mechanical equipment	3 - 5 years
Dock system	10 years
Event registration system	3 years
Facility improvements	10 years
Motorboats and accessories	5 years
Office software and hardware	3 years
Rowing equipment	3 - 5 years
Trailers	10 years
Vehicles	5 years

Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued charges. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expressed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The Association's material estimates include the collectability of accounts receivable, deferral of revenue, accrual of accounts payable, and the useful life of tangible capital assets.

Contributed materials and services

Donated tangible capital assets and rent are recorded at fair value when received if fair value can be reasonably determined.

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

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Investments

The Association accounts for its joint arrangements using the cost method.

3. Accounts receivable	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 1,037,238	\$ 483,119
Allowance for doubtful accounts	<u>(1,200)</u>	<u>(1,600)</u>
	<u>\$ 1,036,038</u>	<u>\$ 481,519</u>

4. Tangible capital assets			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Adaptive equipment	\$ 150,101	\$ 135,121	\$ 14,980	\$ 25,862
Dock system	673,394	117,353	556,041	489,108
Event registration system	72,859	72,859	-	-
Facility improvements	687,812	168,084	519,728	541,718
Mechanical equipment	395,818	324,887	70,931	97,423
Motorboats and accessories	262,443	198,406	64,037	69,128
Office software and hardware	273,669	261,843	11,826	14,588
Rowing equipment	164,333	164,333	-	-
Trailers	63,441	63,441	-	-
Vehicles	145,886	120,228	25,658	41,269
	<u>\$ 2,889,756</u>	<u>\$ 1,626,555</u>	<u>\$ 1,263,201</u>	<u>\$ 1,279,096</u>

5. Deposits

In 2023, the Association paid a deposit of \$250,000 towards the purchase of land on Quamichan Lake on Vancouver Island.

In 2024, this is now a deposit which is a credit to be maintained as security for the performance of the Association's obligations under the lease with the Quamichan Rowing Foundation as referenced in Note 11.

	<u>2024</u>	<u>2023</u>
NTC Development Project	<u>\$ 250,000</u>	<u>\$ 250,000</u>

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

6. Deferred revenue	<u>2024</u>	<u>2023</u>
Deferred revenue	\$ 200,325	\$ 276,588

Deferred revenue represents contributions received in fiscal 2024 from the Canadian Olympic Committee, RBC Training Ground, future bursaries and externally restricted grants that will be expended in fiscal 2025 and future periods.

7. Trust Funds

Not included in the financial statements are the following funds which the Association administers and invests in the Bank of Montreal Dividend Fund. Amounts are disclosed at cost, with corresponding fair market values.

	<u>Hanlan - Keller</u>	<u>Pearce - Guest</u>	<u>Seagram</u>	<u>Zasada</u>	<u>2024</u>
Cost	\$ 5,823	\$ 15,045	\$ 11,309	\$ 25,008	\$ 57,185
Market value	13,294	33,934	25,315	56,187	128,730
	<u>Hanlan - Keller</u>	<u>Pearce - Guest</u>	<u>Seagram</u>	<u>Zasada</u>	<u>2023</u>
Cost	\$ 5,699	\$ 14,730	\$ 11,074	\$ 24,487	\$ 55,990
Market value	11,815	30,160	22,500	49,939	114,414

8. Contingent liability

Contributions from Sport Canada are subject to periodic audit by Sport Canada. Contributions are refundable to Sport Canada to the extent that any expense has not complied with the agreed terms and condition. Sport Canada may conduct audits up to 5 years after the end of a reporting period.

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

9. Internally restricted net assets

	<u>2024</u>	<u>2023</u>
Sustainable Organization Reserve	\$ 113,070	\$ 105,827
National Training Centre	<u>417,041</u>	<u>(23,275)</u>
	<u>\$ 530,111</u>	<u>\$ 82,552</u>

The Sustainable Organization Reserve Fund provides a source of funds for future financial needs.

The National Training Centre Fund was established in 2021 to accept donations and contributions for the National Training Centre at Quamichan Lake. These donations are used for expenditures of the Centre. The fund balance at March 31, 2024 represents the cumulative net total of donations and contributions received less expenses recognized and other payments made.

In 2024 within the National Training Centre Fund, \$855,608 was received (2023: \$559,092) and \$415,292 was expended (2023: \$866,442) as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ (23,275)	\$ 209,075
Contributions	855,608	559,092
Expenses	(247,835)	(302,168)
Capital asset additions	(167,457)	(564,274)
Transfer from unrestricted funds	<u>-</u>	<u>75,000</u>
Balance, end of year	<u>\$ 417,041</u>	<u>\$ (23,275)</u>

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

10. Financial instruments

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of members which minimizes concentration of credit risk. The credit risk regarding cash and term deposits is considered to be negligible because they are held by a reputable financial institution with an investment grade external credit rating.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its funders, members and other related sources, and accounts payable and accrued charges.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to currency risk.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate risk or other price risks arising from these financial instruments.

(i) Currency risk

Currency risk is the risk to the Association's excess of revenue over expenses that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on accounts payable held in foreign denominations. The Association does not use derivative instruments to reduce its exposure to foreign currency risk.

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

11. Lease commitments

The Association holds leases with the Quamichan Rowing Foundation for land (10 years), the Duncan Community Lodge Society for the Training Facility (2 years), and Sprott Road Business Park for the Fitness Centre (3 years).

The Association's total future minimum lease payments under operating lease commitments are as follows:

Land - Quamichan Rowing Foundation

2025	\$ 103,456
2026	103,456
2027	103,456
2028	103,456
2029	103,456
2030-2034	<u>517,279</u>
	<u>\$ 1,034,559</u>

Training Facility - Duncan Community Lodge Society

2025	\$ 46,350
2026	<u>24,300</u>
	<u>\$ 70,650</u>

Fitness Centre – Sprott Road Business Park

2025	\$ 90,000
2026	93,900
2027	<u>97,200</u>
	<u>\$ 281,100</u>

In addition to the above noted minimum lease payments the Association is also obligated to pay their share of operating costs, which fluctuate year to year.

12. Community Sport for All Initiative

During the year ended March 31, 2024, the Association received \$1,303,350 from the Community Sport for All Fund administered through Heritage Canada (2023: \$999,000). The goal of these Funds was to create opportunities for identified equity-deserving groups to engage in first-time and/or tailored rowing experiences at community rowing clubs. The funds were expended by March 31 as follows:

Canadian Amateur Rowing Association

Notes to the Financial Statements

March 31, 2024

12. Community Sport for All Initiative (continued)

	<u>2024</u>	<u>2023</u>
Community organization grants	\$ 916,473	\$ 863,391
Operations and programming	224,289	52,324
Salaries and benefits	127,581	83,844
General Admin	10,417	-
Official Languages	<u>24,590</u>	<u>-</u>
	<u>\$ 1,303,350</u>	<u>\$ 999,559</u>

13. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Canadian Amateur Rowing Association

Schedules to the Financial Statements

Year ended March 31

Schedule of governance and national operations	Schedule 1	
	2024	2023
National office salaries and benefits	\$ 331,124	\$ 374,567
Governance	79,107	196,570
National office operations	105,888	143,860
International relations and domestic associations	8,187	3,490
	<u>\$ 524,306</u>	<u>\$ 718,487</u>
Schedule of high performance	Schedule 2	
	2024	2023
Events and camps	\$ 2,240,107	\$ 1,989,568
Salaries and benefits	1,676,105	1,546,998
Sport science and medical	718,772	647,835
National training centres	373,602	487,474
Equipment leases	311,759	376,550
Facility amortization	121,514	102,106
National Team athlete support	133,650	92,606
Equipment amortization	55,461	90,196
Coaches travel and related expenses	48,564	39,741
	<u>\$ 5,679,534</u>	<u>\$ 5,373,074</u>
Schedule of domestic development	Schedule 3	
	2024	2023
Sport development (Note 12)	\$ 1,456,484	\$ 1,128,561
Regattas and events	780,058	448,087
Safe sport, diversity, inclusion and gender equity	111,422	199,554
Coach education and development	137,015	143,014
Umpires committee	53,388	49,763
Safety and events committee	2,983	2,278
	<u>\$ 2,541,350</u>	<u>\$ 1,971,257</u>