

BOBSLEIGH CANADA SKELETON
Financial Statements
Year Ended March 31, 2024

BOBSLEIGH CANADA SKELETON

Index to Financial Statements

Year Ended March 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Deficiency	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15



BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bobsleigh Canada Skeleton

Opinion

We have audited the financial statements of Bobsleigh Canada Skeleton (the 'Organization'), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in deficiency and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ('ASNPO').

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
July 25, 2024



CHARTERED PROFESSIONAL ACCOUNTANTS

BOBSLEIGH CANADA SKELETON

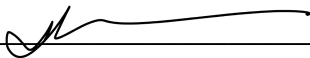

Statement of Financial Position

March 31, 2024

	Operating Fund	Capital Fund	Total 2024	Total 2023 <i>(Restated-Note 2)</i>
ASSETS				
CURRENT				
Accounts receivable	\$ 314,566	\$ -	\$ 314,566	\$ 126,441
Prepaid expenses	14,218	-	14,218	26,373
	328,784	-	328,784	152,814
CAPITAL ASSETS (Note 5)	-	211,782	211,782	332,748
	\$ 328,784	\$ 211,782	\$ 540,566	\$ 485,562
LIABILITIES				
CURRENT				
Bank indebtedness, net (Note 6)	\$ 364,079	\$ -	\$ 364,079	\$ 1,463
Accounts payable and accrued liabilities	558,544	-	558,544	566,731
Canada emergency business account ("CEBA") loan	-	-	-	40,000
Deferred sponsorships (Note 7)	43,651	-	43,651	-
Current portion of obligations under capital lease (Note 8)	-	28,062	28,062	28,657
Current portion of long-term debt (Note 9)	12,362	-	12,362	-
	978,636	28,062	1,006,698	636,851
LONG-TERM DEBT (Note 9)	27,638	-	27,638	-
OBLIGATIONS UNDER CAPITAL LEASE (Note 8)	-	114,759	114,759	128,386
	1,006,274	142,821	1,149,095	765,237
NET DEFICIENCY				
NET ASSETS (DEFICIENCY)	(677,490)	68,961	(608,529)	(279,675)
	\$ 328,784	\$ 211,782	\$ 540,566	\$ 485,562

ECONOMIC DEPENDENCE (Note 3)

APPROVED ON BEHALF OF THE BOARD


 _____ Director Tara McNeil - President

 _____ Director

BOBSLEIGH CANADA SKELETON

Statement of Operations

Year Ended March 31, 2024

	Operating Fund	Capital Fund	Total 2024	Total 2023 <i>(Restated-Note 2)</i>
REVENUES				
Sport Canada <i>(Note 3)</i>	\$ 1,701,731	\$ -	\$ 1,701,731	\$ 2,112,722
Athlete membership and program fees	230,253	-	230,253	14,010
Canada Olympic Committee	119,061	-	119,061	175,000
International Bobsleigh and Skeleton Federation ("IBSF") <i>(Note 2)</i>	70,359	-	70,359	133,269
Sponsorship	22,189	-	22,189	-
Trust and other donations	7,093	-	7,093	1,779
Other income	425	-	425	2,552
Events	-	-	-	84,197
	<u>2,151,111</u>	<u>-</u>	<u>2,151,111</u>	<u>2,523,529</u>
EXPENSES				
National team - bobsleigh	1,197,583	-	1,197,583	1,568,104
National team - skeleton	638,761	-	638,761	171,776
General and administrative <i>(Note 8)</i>	321,232	6,008	327,240	205,515
Amortization of capital assets	-	120,967	120,967	152,947
Professional fees	53,151	-	53,151	31,605
Interest on current liabilities	44,908	-	44,908	23,970
Development team - bobsleigh	41,710	-	41,710	75,724
Safe sport & gender equity	38,750	-	38,750	155,114
Development team - skeleton	16,895	-	16,895	12,616
Marketing and sponsorship	-	-	-	41,855
Recruitment	-	-	-	1,938
Repairs and maintenance	-	-	-	1,199
	<u>2,352,990</u>	<u>126,975</u>	<u>2,479,965</u>	<u>2,442,363</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (201,879)</u>	<u>\$ (126,975)</u>	<u>\$ (328,854)</u>	<u>\$ 81,166</u>

BOBSLEIGH CANADA SKELETON
Statement of Changes in Deficiency
Year Ended March 31, 2024

	Operating Fund	Capital Fund	2024	2023 <i>(Restated-Note 2)</i>
NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR				
As previously reported	\$ (500,650)	\$ 175,706	\$ (324,944)	\$ (475,545)
Prior period adjustments <i>(Note 2)</i>	45,269	-	45,269	114,704
As restated	(455,381)	175,706	(279,675)	(360,841)
Excess (deficiency) of revenue over expenses	(201,879)	(126,975)	(328,854)	81,166
Transfer from operating fund to capital fund	(20,230)	20,230	-	-
NET ASSETS (DEFICIENCY) - END OF YEAR	\$ (677,490)	\$ 68,961	\$ (608,529)	\$ (279,675)

BOBSLEIGH CANADA SKELETON**Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023 <i>(Restated - Note 2)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (328,854)	\$ 81,166
Item not affecting cash:		
Amortization of capital assets	<u>120,967</u>	152,947
	<u>(207,887)</u>	234,113
Changes in non-cash working capital:		
Accounts receivable	(188,125)	18,149
Prepaid expenses	12,155	(25,022)
Deferred sponsorships	43,651	-
Accounts payable and accrued liabilities	<u>(8,188)</u>	141,189
	<u>(140,507)</u>	134,316
	<u>(348,394)</u>	368,429
FINANCING ACTIVITIES		
Repayment of obligations under capital lease	<u>(14,222)</u>	-
	<u>(14,222)</u>	-
(INCREASE) DECREASE IN BANK INDEBTEDNESS	(362,616)	368,429
BANK INDEBTEDNESS, NET -		
Beginning of year	<u>(1,463)</u>	(369,892)
BANK INDEBTEDNESS, NET - End of year (Note 6)	\$ (364,079)	\$ (1,463)

NON-CASH TRANSACTION (Notes 9 and 11)

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE ORGANIZATION

Bobsleigh Canada Skeleton (the "Organization") is a not-for-profit organization incorporated on March 22, 1990 under the Canada Corporations Act, Part II and continued under Canada Not-for-profit Corporations Act on July 28, 2014. Bobsleigh Canada Skeleton is registered as a tax-exempt Canadian Amateur Athletic Association under the Income Tax Act.

The Organization operates to promote the growth and development of bobsleigh and skeleton in Canada and its mission is to develop World and Olympic Champions. It receives funding from Sport Canada, the Canadian Olympic Committee and other sources.

For the year ended March 31, 2024, the Organization reported a deficiency of revenue over expenses as the result of its operations in the amount of \$328,854, including a deficiency of revenue over expenses in its operating fund of \$201,879. The statement of financial position reports a working capital deficiency of \$677,914. Revenue from their main sponsor, Sport Canada, has decreased by \$410,991 from the previous year. Due to the uncertainty of continued funding from Sport Canada, and other sources, there is material uncertainty in the Organization's ability to continue as a going concern, as they are economically dependent upon funding from Sport Canada (Note 3).

2. PRIOR PERIOD RESTATEMENT

Subsequent to the issuance of the financial statements for the year ended March 31, 2023, it was determined that the IBSF prize money and participation revenue earned from events that took place in the fiscal period ending March 31, 2023 were incorrectly excluded from accounts receivable and the corresponding prize money due to the athletes was excluded from accounts payable. The cumulative effect of the corrections to the comparative financial statements for the year ended March 31, 2023 are as follows:

	As previously reported	Adjustments	As restated
Accounts receivable	\$ 15,931	\$ 110,510	\$ 126,441
Accounts payable and accrued liabilities	501,491	65,240	566,731
Revenue - International Bobsleigh and Skeleton Federation	137,463	(4,194)	133,269
Expense - National team - bobsleigh	1,511,562	56,542	1,568,104
Expense - National team - skeleton	163,077	8,699	171,776
Excess of revenue over expenses	150,601	(69,435)	81,166
Deficiency - beginning of year	475,545	(114,704)	360,841
Deficiency - end of year	324,944	(45,269)	279,675

3. ECONOMIC DEPENDENCE

During the year, the Organization received revenue of \$1,701,731 (2023 - \$2,112,722), which represents 79% (2023 - 84%) of its revenues, from Sport Canada. The Organization is economically dependent on this funding to continue its operating activities.

The Organization's purpose is to develop and administer the sport of bobsleigh and skeleton in Canada. The majority of revenue is earned under renewable contracts with the Government of Canada.

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash includes cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Bobsleigh and skeletons	5 years
Tools and materials	10 years

The Organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(continues)

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Bobsleigh Canada Skeleton follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in 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 Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization maintains the following restricted fund:

- The Capital Fund contains the assets, liabilities, revenues and expenses related to the purchase of capital assets

Event revenues are recognized as revenue of the Operating Fund when the events are held.

Sponsorship revenues are recognized as revenue of the Operating Fund over the term of the sponsorship agreement.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the results of operations for the year.

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. If fair value cannot be reasonably determined, donated goods are recorded at nominal value.

Research and development

The Organization incurs costs on activities that relate to research and development of composition of runners and sled materials. Research and development costs are expensed.

(continues)

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, the net recoverable amount of accounts receivable, the estimated fair market value of donated goods and services, the fair value or replacement cost of capital assets in the event of a write-down, and the going concern assumption. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

Financial instruments

Measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. The Organization subsequently measures all financial assets and liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and long-term debt.

(continues)

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in the results of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the results of operations in the period the reversal occurs.

Transaction costs

The Organization recognizes transaction costs on the financial instruments subsequently measured at fair value in the results of operations in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to that origination and acquisition of the financial instrument.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Bobsleighs and skeletons	\$ 3,343,315	\$ 3,139,442	\$ 203,873	\$ 322,807
Tools and materials	20,736	12,827	7,909	9,941
	\$ 3,364,051	\$ 3,152,269	\$ 211,782	\$ 332,748

The following assets included above are held under capital lease (Note 9):

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Bobsleighs and skeletons	\$ 145,809	\$ 87,491	\$ 58,318	\$ 87,485

6. BANK INDEBTEDNESS

The Organization has access to two revolving demand facilities of \$500,000 and \$100,000 for a total of \$600,000. The \$100,000 facility can only be drawn on from January 15 to June 30 of each year. Both facilities bear interest at the bank's prime interest rate plus 1.10% (2023 - bank's prime interest rate plus 1.10%) per annum. The net bank indebtedness as at March 31, 2024 is \$364,079 (2023 - \$1,463). This amount is net of cash balances of \$921 (2023 - \$8,537), with the same lending institution. Interest expense on current liabilities includes \$10,008 (2023 - \$12,392) of interest paid on these facilities. Borrowings are secured by general security agreement constituting a first ranking security interest in all personal property of the Organization.

7. DEFERRED SPONSORSHIPS

In the year the Organization received a sponsorship from Athabasca Oil in the amount of \$50,000 which commenced February 2024 and continues until December 2025. In accordance with the Organizations revenue recognition criteria the revenue is recognized over the term of the agreement.

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

8. OBLIGATIONS UNDER CAPITAL LEASE

	2024	2023
Royal Bank of Canada lease bearing interest at 6.84% per annum, repayable in monthly blended payments of \$3,235. The lease matures on October 11, 2028 and is secured by the underlying assets. (Note 5)	\$ 142,821	\$ 157,043
Amounts payable within one year	(28,062)	(28,657)
	\$ 114,759	\$ 128,386

The repayment terms of the lease, which was entered into in December 2021, were finalized in October 2023. Interest of \$6,008 (2023 - \$7,970) relating to capital lease obligations has been included in general and administrative expenses under the capital fund.

Future minimum capital lease payments are approximately:

2025	\$ 36,971
2026	36,971
2027	36,971
2028	36,971
2029	18,487
Total minimum payments	166,371
Less interest amount at 6.84%	(23,550)
	\$ 142,821

9. LONG-TERM DEBT

During the year, the Canada Emergency Business Account ("CEBA") loan of \$40,000 was refinanced with Royal Bank of Canada.

	2024	2023
Royal Bank of Canada non-revolving line of credit bearing interest at 7.41% per annum, repayable in monthly blended payments of \$1,243. The loan matures on March 27, 2027	\$ 40,000	\$ -
Amounts payable within one year	(12,362)	-
	\$ 27,638	\$ -

As the CEBA loan was directly refinanced with the same bank under a new credit facility, and no cash was exchanged, the transaction has been excluded from the statement of cash flows.

Principal repayment terms are approximately:

2025	\$ 12,362
2026	13,310
2027	14,328
	\$ 40,000

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

10. RELATED PARTY TRANSACTIONS

At March 31, 2023, the Organization had a payable balance of \$35,484 arising from expenses incurred to be reimbursed to a former member of the Board of Directors. This amount was paid during the year. There are no amounts owing to members or former members of the Board of Directors as at March 31, 2024.

11. NON-CASH TRANSACTIONS

During the year, the Organization became party to a memorandum of understanding ("MOU") with Sport Canada and Canadian Sport Institute. Included in Sport Canada revenue is \$608,727 of non-cash revenue earned under this MOU. Included in National Team - Bobsleigh and National Team - Skeleton expenses are \$290,187 and \$318,540, respectively, of expenses that were paid by Canadian Sport Institute under this MOU.

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

12. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that third parties may default on their financial obligations. The Organization is exposed to credit risk on cash and accounts receivable.

The Organization's credit risk exposure on cash is minimized substantially by ensuring that cash is held with credible financial institutions.

The Organization's accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk to the extent of its negative working capital.

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 rate risk, interest rate risk and other price risk as more fully described below.

(a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Organization will fluctuate due to changes in foreign exchange rates. The Organization is exposed to foreign currency exchange risk on cash and accounts payable held in USD and EURO currencies. The Organization does not use derivative instruments to reduce its exposure to currency risk but holds bank accounts in USD and EURO currencies to mitigate risk in currency fluctuations. The Organization has \$16,089 and \$5,912 of payables denominated in EURO and USD, respectively; and \$NIL and \$NIL of cash balances denominated in EURO and USD, respectively.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate cash flow risk primarily through its floating interest rate on its bank indebtedness and credit facilities.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

BOBSLEIGH CANADA SKELETON

Notes to Financial Statements

Year Ended March 31, 2024

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
