

**BOBSLEIGH CANADA SKELETON**

**Financial Statements**

**Year Ended March 31, 2025**

# **BOBSLEIGH CANADA SKELETON**

## **Index to Financial Statements**

**Year Ended March 31, 2025**

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**BUCHANAN BARRY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2025, 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, 2025, 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 10, 2025




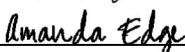
CHARTERED PROFESSIONAL ACCOUNTANTS

**BOBSLEIGH CANADA SKELETON****Statement of Financial Position****March 31, 2025**

	Operating Fund	Capital Fund	Total 2025	Total 2024
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 9,298	\$ -	\$ 9,298	\$ 921
Accounts receivable	170,762	-	170,762	314,566
Prepaid expenses	14,019	-	14,019	14,218
	194,079	-	194,079	329,705
<b>CAPITAL ASSETS (Note 4)</b>	-	106,602	106,602	211,782
	<u>\$ 194,079</u>	<u>\$ 106,602</u>	<u>\$ 300,681</u>	<u>\$ 541,487</u>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Bank indebtedness (Note 5)	\$ -	\$ -	\$ -	\$ 365,000
Accounts payable and accrued liabilities	307,085	-	307,085	558,544
Deferred sponsorships	61,067	-	61,067	43,651
Current portion of obligations under capital lease (Note 6)	-	30,043	30,043	28,062
Current portion of long-term debt (Note 7)	13,310	-	13,310	12,362
	381,462	30,043	411,505	1,007,619
<b>OBLIGATIONS UNDER CAPITAL LEASE (Note 6)</b>	-	84,716	84,716	114,759
<b>LONG-TERM DEBT (Note 7)</b>	14,328	-	14,328	27,638
	395,790	114,759	510,549	1,150,016
<b>NET DEFICIENCY</b>				
<b>NET DEFICIENCY</b>	(201,711)	(8,157)	(209,868)	(608,529)
	<u>\$ 194,079</u>	<u>\$ 106,602</u>	<u>\$ 300,681</u>	<u>\$ 541,487</u>

**ECONOMIC DEPENDENCE (Note 2)****APPROVED ON BEHALF OF THE BOARD**

 Director  
 Signed by:

 Director  
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# BOBSLEIGH CANADA SKELETON

## Statement of Operations

Year Ended March 31, 2025

	Operating Fund	Capital Fund	Total 2025	Total 2024
<b>REVENUES</b>				
Sport Canada ( <i>Note 2</i> )	\$ 943,772	\$ -	\$ 943,772	\$ 1,701,731
Athlete membership and program fees	730,454	-	730,454	230,253
Canada Olympic Committee	291,625	-	291,625	119,061
Trust and other donations	171,043	-	171,043	7,093
International Bobsleigh and Skeleton Federation ("IBSF")	76,956	-	76,956	70,359
Sponsorship	54,459	-	54,459	22,189
Other income	29,147	-	29,147	425
	2,297,456	-	2,297,456	2,151,111
<b>EXPENSES</b>				
National team - bobsleigh	864,369	-	864,369	1,239,293
National team - skeleton	704,921	-	704,921	655,655
General and administrative	434,482	-	434,482	321,232
Amortization of capital assets	-	105,180	105,180	120,967
Safe sport & gender equity	36,423	-	36,423	38,750
Interest ( <i>Notes 5, 6, 7</i> )	12,010	8,910	20,920	50,917
Professional fees	20,163	-	20,163	53,151
	2,072,368	114,090	2,186,458	2,479,965
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	225,088	(114,090)	110,998	(328,854)
<b>OTHER INCOME</b>				
Gain on disposal of capital assets	-	67,998	67,998	-
Debt forgiveness	219,665	-	219,665	-
	219,665	67,998	287,663	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 444,753	\$ (46,092)	\$ 398,661	\$ (328,854)

**BOBSLEIGH CANADA SKELETON**  
**Statement of Changes in Deficiency**  
**Year Ended March 31, 2025**

	Operating Fund	Capital Fund	2025	2024
<b>NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR</b>	\$ (677,490)	\$ 68,961	\$ <b>(608,529)</b>	\$ (279,675)
Excess (deficiency) of revenue over expenses	444,753	(46,092)	<b>398,661</b>	(328,854)
Transfer from operating fund to capital fund	31,026	(31,026)	-	-
<b>NET ASSETS (DEFICIENCY) - END OF YEAR</b>	<b>\$ (201,711)</b>	<b>\$ (8,157)</b>	<b>\$ (209,868)</b>	<b>\$ (608,529)</b>

**BOBSLEIGH CANADA SKELETON****Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 398,661	\$ (328,854)
Items not affecting cash:		
Amortization of capital assets	105,180	120,967
Gain on disposal of capital assets	(67,998)	-
Debt forgiveness	(219,665)	-
	<u>216,178</u>	<u>(207,887)</u>
Changes in non-cash working capital:		
Accounts receivable	143,804	(188,125)
Prepaid expenses	199	12,155
Deferred sponsorships	17,416	43,651
Accounts payable and accrued liabilities	(31,794)	(8,188)
	<u>129,625</u>	<u>(140,507)</u>
	<u>345,803</u>	<u>(348,394)</u>
<b>INVESTING ACTIVITY</b>		
Proceeds on disposal of capital assets	67,998	-
	<u>67,998</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of obligations under capital lease	(28,062)	(14,222)
Repayment of long-term debt	(12,362)	-
	<u>(40,424)</u>	<u>(14,222)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>373,377</b>	<b>(362,616)</b>
<b>BANK INDEBTEDNESS, NET -</b>		
Beginning of year	(364,079)	(1,463)
<b>CASH (BANK INDEBTEDNESS), NET - End of year (Note 5)</b>	<b>\$ 9,298</b>	<b>\$ (364,079)</b>



# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

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### 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.

In previous years, the Organization had experienced some years with significant losses from operations. The accumulated net deficiency at the start of the fiscal year ended March 31, 2025, was \$608,529. In the current year, the Organization has reported an excess of revenue over expenses as the result of its operations, reducing this accumulated deficiency to \$209,868. The statement of financial position reports a working capital deficiency of \$217,426. Revenue from their main sponsor, Sport Canada, has decreased by \$757,959 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 2).

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### 2. ECONOMIC DEPENDENCE

During the year, the Organization received revenue of \$943,772 (2024 - \$1,701,731), which represents 41% (2024 - 79%) 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.

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### 3. 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.

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# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

#### **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 and donor revenues are recognized as revenue of the Operating Fund over the term of the sponsorship agreement.

Athlete fees are recognized as revenue of the Operating Fund when they are received by the Organization.

#### **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.

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# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### **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.

#### **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 accounts payable and accrued liabilities and long-term debt.

##### *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.

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# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Bobsleighs and skeletons	\$ 3,135,192	\$ 3,034,467	\$ 100,725	\$ 203,873
Tools and materials	20,736	14,859	5,877	7,909
	<u>\$ 3,155,928</u>	<u>\$ 3,049,326</u>	<u>\$ 106,602</u>	<u>\$ 211,782</u>

The following assets included above are held under capital lease (Note 6):

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Bobsleighs and skeletons	\$ 145,809	\$ 116,657	\$ 29,152	\$ 58,318

### 5. 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% (2024 - bank's prime interest rate plus 1.10%) per annum. The net bank indebtedness as at March 31, 2025 is \$nil (2024 - \$364,079). This amount is net of cash balances of \$9,297 (2024 - \$921), with the same lending institution. Interest expense includes \$6,893 (2024 - \$10,008) 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.

### 6. OBLIGATIONS UNDER CAPITAL LEASE

	2025	2024
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 4)	\$ 114,759	\$ 142,821
Amounts payable within one year	<u>(30,043)</u>	<u>(28,062)</u>
	<u>\$ 84,716</u>	<u>\$ 114,759</u>

Interest of \$8,910 (2024 - \$6,008) relating to capital lease obligations has been included in interest expense under the capital fund.

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# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

### 6. OBLIGATIONS UNDER CAPITAL LEASE *(continued)*

Future minimum capital lease payments are approximately:

2026	\$	36,971
2027		36,971
2028		36,971
2029		18,487
		<hr/>
Total minimum payments		129,400
Less interest amount at 6.84%		(14,641)
		<hr/>
		\$ 114,759

### 7. LONG-TERM DEBT

	2025	2024
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 matured on March 27, 2025.	\$ 27,638	\$ 40,000
Amounts payable within one year	(13,310)	(12,362)
		<hr/>
		\$ 14,328

Principal repayment terms are approximately:

2026	\$	13,310
2027		14,328
		<hr/>
		\$ 27,638

Interest of \$2,550 (2024 - \$nil) relating to long term debt has been included in interest expense under the operating fund.

Subsequent to year end the loan was renewed at an interest rate of 4.89% per annum, repayable in monthly blended payments of \$1,211. The loan matures on March 27, 2027

### 8. NON-CASH TRANSACTION

At March 31, 2025, the Organization received confirmation that a balance payable in the amount of \$219,665 owing to Fasken Martineau DeMoulin LLP had been forgiven and all rights to collect the amount were waived by the creditor. This amount has been included in the statement of operations as debt forgiveness.

# BOBSLEIGH CANADA SKELETON

## Notes to Financial Statements

Year Ended March 31, 2025

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### 9. 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, 2025.

#### ***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 \$22,939 and \$2,685 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.

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# **BOBSLEIGH CANADA SKELETON**

## **Notes to Financial Statements**

**Year Ended March 31, 2025**

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### **10. COMPARATIVE FIGURES**

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

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