



Financial Statements

Canadian Amateur Rowing Association

March 31, 2023

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# Independent Auditor's Report

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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, 2023, 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, 2023, 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 8, 2023

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

# Canadian Amateur Rowing Association

## Statement of Operations

Year ended March 31	2023	2022
Revenues		
Sport Canada (Note 12)	\$ 6,102,993	\$ 6,083,902
COVID-19 Funding (Note 13)	231,200	444,482
Canadian Olympic Committee	440,320	70,000
Membership fees	508,231	349,243
Sports associations and foundations	160,244	310,663
Donations, events and fundraising	455,980	192,510
Competition and camp registrations	254,018	88,180
Interest earned	51,118	7,145
	<u>8,204,104</u>	<u>7,546,125</u>
Expenses		
Communication, marketing and initiatives	236,701	253,483
Membership services	278,152	301,437
Governance and National Operations (Schedule 1)	718,487	500,021
High Performance (Schedule 2)	5,373,074	5,220,900
Domestic Development (Schedule 3)	1,971,257	817,698
	<u>8,577,671</u>	<u>7,093,539</u>
(Deficiency) excess of revenue over expenses before other income	<u>(373,567)</u>	<u>452,586</u>
Other income		
National Training Centre contributions (Note 9)	256,924	374,876
Gain on sale of tangible capital assets	15,978	31,025
	<u>272,902</u>	<u>405,901</u>
(Deficiency) excess of revenue over expenses	<u>\$ (100,665)</u>	<u>\$ 858,487</u>

# Canadian Amateur Rowing Association

## Statement of Changes in Net Assets

Year ended March 31

	Unrestricted	Internally Restricted	Invested in Tangible Capital Assets	Total 2023	Total 2022
Balance, beginning of year	\$ 1,083,637	\$ 478,597	\$ 855,740	<b>\$ 2,417,974</b>	\$ 1,559,487
(Deficiency) excess of revenue over expenses	(166,324)	258,846	(193,187)	<b>(100,665)</b>	858,487
Net investment in tangible capital assets	(52,272)	(564,273)	616,545	-	-
Transfer from internally restricted funds	<u>90,618</u>	<u>(90,618)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b><u>\$ 955,659</u></b>	<b><u>\$ 82,552</u></b>	<b><u>\$ 1,279,098</u></b>	<b><u>\$ 2,317,309</u></b>	<b><u>\$ 2,417,974</u></b>

# Canadian Amateur Rowing Association

## Statement of Financial Position

March 31

2023

2022

### Assets

#### Current

Cash and cash equivalents	\$ 1,017,572	\$ 2,303,357
Accounts receivable (Note 3)	481,519	254,076
Prepaid expenses	415,541	479,722
Goods and services tax receivable	68,792	149,976
Deposits (Note 4)	<u>250,000</u>	<u>-</u>
	<b>2,233,424</b>	<b>3,187,131</b>

#### Long-term

Tangible capital assets (Note 5)	<u>1,279,096</u>	<u>855,740</u>
	<b>\$ 3,512,520</b>	<b>\$ 4,042,871</b>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 910,334	\$ 1,207,708
Deferred revenue (Note 6)	276,588	408,902
Government remittances	<u>8,289</u>	<u>8,287</u>
	<b>1,195,211</b>	<b>1,624,897</b>

### Fund balances

Unrestricted	955,659	1,083,637
Internally Restricted	82,552	478,597
Invested in Tangible Capital Assets	<u>1,279,098</u>	<u>855,740</u>
	<b>2,317,309</b>	<b>2,417,974</b>
	<b>\$ 3,512,520</b>	<b>\$ 4,042,871</b>

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

2023

2022

Increase (decrease) in cash

### Operating

(Deficiency) excess of revenue over expenses	\$ (100,665)	\$ 858,487
Items not affecting cash		
Amortization	209,165	127,533
Gain on sale of tangible capital assets	<u>(15,978)</u>	<u>(31,025)</u>
	92,522	954,995
Change in non-cash working capital items		
Accounts receivable	(227,443)	(189,433)
Prepaid expenses	64,181	(152,507)
Goods and services tax	81,184	(48,812)
Deposits	(250,000)	-
Accounts payable and accrued liabilities	(297,372)	484,226
Deferred revenue	(132,314)	(1,092,026)
Government remittances payable	<u>2</u>	<u>(1,059)</u>
	<u>(669,240)</u>	<u>(44,616)</u>

### Investing

Purchase of tangible capital assets	(632,523)	(424,024)
Proceeds on disposal of tangible capital assets	<u>15,978</u>	<u>31,025</u>
	<u>(616,545)</u>	<u>(392,999)</u>

Decrease in cash (1,285,785) (437,615)

### Cash

Beginning of year	<u>2,303,357</u>	<u>2,740,972</u>
End of year	<u>\$ 1,017,572</u>	<u>\$ 2,303,357</u>



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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

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### 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.

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### 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.

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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

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March 31, 2023

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### 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.

#### Investments

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

# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

### 2. Summary of significant accounting policies (continued)

3. Accounts receivable	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 483,119	\$ 255,676
Allowance for doubtful accounts	<u>(1,600)</u>	<u>(1,600)</u>
	<b><u>\$ 481,519</u></b>	<b><u>\$ 254,076</u></b>

### 4. Deposits

During the year the Association paid a deposit of \$250,000 towards the purchase of land on Quamichan Lake on Vancouver Island. The proposed purchase price of the land is \$1,440,000 and the purchase is subject to conditions that must be satisfied by December 31, 2023.

5. Tangible capital assets			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Adaptive equipment	\$ 150,101	\$ 124,239	\$ 25,862	\$ 36,685
Dock system	543,453	54,345	489,108	137,643
Event registration system	72,859	72,859	-	-
Facility improvements	655,296	113,578	541,718	379,826
Mechanical equipment	395,818	298,395	97,423	119,149
Motorboats and accessories	251,238	182,110	69,128	97,548
Office software and hardware	267,595	253,007	14,588	20,311
Rowing equipment	164,333	164,333	-	-
Trailers	63,441	63,441	-	97
Vehicles	145,886	104,617	41,269	64,481
	<b><u>\$ 2,710,020</u></b>	<b><u>\$ 1,430,924</u></b>	<b><u>\$ 1,279,096</u></b>	<b><u>\$ 855,740</u></b>

Facility improvements totalling \$80,861 are not in use at year end, therefore no amortization has been taken to date.

6. Deferred revenue	<u>2023</u>	<u>2022</u>
Deferred revenue	<b><u>\$ 276,588</u></b>	<b><u>\$ 408,902</u></b>

Deferred revenue represents contributions received in fiscal 2023 from the Canadian Olympic Committee, RBC Training Ground, future bursaries and externally restricted grants that will be expended in fiscal 2024 and future periods.

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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

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### 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>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
	<u>Hanlan - Keller</u>	<u>Pearce - Guest</u>	<u>Seagram</u>	<u>Zasada</u>	<u>2022</u>
Cost	\$ 6,314	\$ 16,932	\$ 11,920	\$ 28,824	\$ 63,990
Market value	12,820	32,726	24,413	54,187	124,146

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### 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.

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### 9. Internally restricted net assets

	<u>2023</u>	<u>2022</u>
Umpire's Reserve	\$ -	\$ 3,190
Sustainable Organization Reserve	105,827	266,332
National Training Centre	<u>(23,275)</u>	<u>209,075</u>
	<u>\$ 82,552</u>	<u>\$ 478,597</u>

The Umpire's Reserve Fund relates to amounts raised by the 2001 World Masters Rowing Regatta Organizing Committee to be used for the education and development of umpires within Canada.

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. In 2023, \$559,092 was received (2022: \$667,310) and \$866,442 was expended (2022: \$458,235).

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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

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### 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, 2023.

(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.

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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

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### 11. Lease commitments

The Association holds long term leases with respect to its training and fitness facilities.

The Association's total future minimum lease payments under operating lease commitments over the next five years are as follows:

#### Training Facility

2024	\$ 43,050
2025	46,350
2026	<u>24,300</u>
	\$ <u>113,700</u>

#### Fitness Centre

2024	\$ 86,400
2025	90,000
2026	93,900
2027	<u>97,200</u>
	\$ <u>367,500</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.

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### 12. Community Sport for All Initiative

During the year ended March 31, 2023, the Association received \$999,000 from the Community Sport for All Fund administered through Heritage Canada (2022: \$nil). 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, 2023 as follows:

	<u>2023</u>
Community organization grants	\$ 863,391
Operations and programming	52,324
Salaries and benefits	<u>83,844</u>
	\$ <u>999,559</u>

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### 13. COVID -19 Funding

During the year ended March 31, 2023 the Association received \$231,200 from COVID-19 Recovery Funds for Cultural, Heritage and Sport Organizations administered through Heritage Canada (2022: \$444,482). The goal of these Funds was to ensure business continuance for organizations whose viability has been negatively affected by COVID-19.

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# Canadian Amateur Rowing Association

## Notes to the Financial Statements

March 31, 2023

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### 13. COVID -19 Funding (continued)

	<u>2023</u>	<u>2022</u>
COVID-19 Recovery Funds	\$ 231,200	\$ 375,000
COVID-19 Travel Measures Funds	<u>-</u>	<u>69,482</u>
Total Funds Received	<u>\$ 231,200</u>	<u>\$ 444,482</u>

The Funds were expended by March 31, 2023 as follows:

	<u>2023</u>
Staff support, development and education	\$ 52,720
Event participation support	39,693
Diversify Rowing initiatives	1,235
Increased communications support	14,403
Domestic and High Performance Program travel support	<u>125,487</u>
Total Expended	<u>\$ 233,538</u>
	<u>2022</u>
Pandemic travel measures support for World Cups and Olympics	\$ 69,482
Event participation support	81,499
National team athlete wellness and culture	11,534
Support Your Rowing community programs	109,995
Staff Covid support, development and education	138,237
Facility renovation capital for Covid measures	<u>30,784</u>
Total Expended	<u>\$ 441,531</u>

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### 14. 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.

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### 15. Impacts of COVID-19

The duration and impact of the COVID-19 pandemic, as well as government and central bank responses, continue to significantly affect the Association's operations at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods.

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# Canadian Amateur Rowing Association

## Schedules to the Financial Statements

Year ended March 31

### Schedule of governance and national operations Schedule 1

	2023	2022
National office salaries and benefits	\$ 374,567	\$ 341,034
Governance	196,570	49,371
National office operations	143,860	103,944
International relations and domestic associations	<u>3,490</u>	<u>5,672</u>
	<u>\$ 718,487</u>	<u>\$ 500,021</u>

### Schedule of high performance Schedule 2

	2023	2022
Events and camps	\$ 1,989,568	\$ 1,691,275
Salaries and benefits	1,546,998	1,807,461
Sport science and medical	647,835	630,930
National training centres	487,474	407,301
Equipment leases	376,550	322,751
Facility amortization	102,106	-
National Team athlete support	92,606	225,372
Equipment amortization	90,196	111,845
Coaches travel and related expenses	<u>39,741</u>	<u>23,965</u>
	<u>\$ 5,373,074</u>	<u>\$ 5,220,900</u>

### Schedule of domestic development Schedule 3

	2023	2022
Sport development (Note 12)	\$ 1,128,561	\$ 198,342
Regattas and events	448,087	254,467
Safe sport, diversity, inclusion and gender equity	199,554	197,695
Coach education and development	143,014	118,557
Umpires committee	49,763	28,149
Safety and events committee	<u>2,278</u>	<u>20,488</u>
	<u>\$ 1,971,257</u>	<u>\$ 817,698</u>