

CANADIAN OLYMPIC COMMITTEE

**Non-consolidated Financial Statements
December 31, 2021**

Independent Auditor's Report

To the Members of the
Canadian Olympic Committee

Opinion

We have audited the non-consolidated financial statements of the Canadian Olympic Committee (the "C.O.C."), which comprise the non-consolidated statement of financial position as at December 31, 2021, and the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 C.O.C. 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 audit 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 C.O.C.'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 C.O.C. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the C.O.C.'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 GAAS 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 GAAS, 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 C.O.C.'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 C.O.C.'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 C.O.C. 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 25, 2022

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Financial Position

As at December 31, 2021

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
	\$	\$
ASSETS		
Current assets		
Cash	4,095	11,140
Receivables and deposits (Note 17)	10,620	10,384
Short-term investments	2,794	1,461
	<u>17,509</u>	<u>22,985</u>
Investments (Note 4)	205,405	193,537
Capital assets (Note 5)	4,331	5,188
Total assets	<u>227,245</u>	<u>221,710</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	7,367	5,779
Deferred revenue (Note 7)	4,160	996
	<u>11,527</u>	<u>6,775</u>
Deferred capital contributions (Note 8)	542	976
Total liabilities	<u>12,069</u>	<u>7,751</u>
Commitments (Note 13)		
FUND BALANCES		
Externally restricted (Note 9)		
Petro-Canada Olympic Torch Scholarship Fund	10,119	9,564
Olympic Legacy Coaching Fund	14,735	14,038
	<u>24,854</u>	<u>23,602</u>
General Fund		
Internally restricted		
Canadian Olympic Family Fund (Note 10)	159,925	151,397
Invested in capital assets	3,789	4,212
Unrestricted	26,608	34,748
	<u>190,322</u>	<u>190,357</u>
Total fund balances	<u>215,176</u>	<u>213,959</u>
Total liabilities and fund balances	<u>227,245</u>	<u>221,710</u>

Approved by the Board of Directors


_____, Director


_____, Director

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Operations
For the year ended December 31, 2021
(in thousands of dollars)

	2021						
	Petro-Canada Olympic Torch Scholarship Fund \$	Olympic Legacy Coaching Fund \$	Total Externally Restricted Funds \$	Internally Restricted Funds \$	Unrestricted Fund \$	Total General Fund \$	Total Funds \$
Revenues (Note 11)							
Partner and marketing revenues	-	-	-	-	31,161	31,161	31,161
Investment revenue	1,236	1,768	3,004	19,795	2,706	22,501	25,505
Grants, donations and other (Note 17)	-	-	-	-	5,241	5,241	5,241
	<u>1,236</u>	<u>1,768</u>	<u>3,004</u>	<u>19,795</u>	<u>39,108</u>	<u>58,903</u>	<u>61,907</u>
Expenses							
Program and operating expenses (Notes 12 and 14)	-	-	-	-	58,143	58,143	58,143
Grants and related expenses	628	1,000	1,628	-	-	-	1,628
Investment management fees	53	71	124	795	-	795	919
	<u>681</u>	<u>1,071</u>	<u>1,752</u>	<u>795</u>	<u>58,143</u>	<u>58,938</u>	<u>60,690</u>
Excess (deficiency) of revenues over expenses	<u>555</u>	<u>697</u>	<u>1,252</u>	<u>19,000</u>	<u>(19,035)</u>	<u>(35)</u>	<u>1,217</u>

The accompanying notes are an integral part of the non-consolidated financial statements.

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Operations

For the year ended December 31, 2020

(in thousands of dollars)

	2020						
	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total Externally Restricted Funds	Internally Restricted Funds	Unrestricted Fund	Total General Fund	Total Funds
	\$	\$	\$	\$	\$	\$	\$
Revenues (Note 11)							
Partner and marketing revenues	-	-	-	-	41,221	41,221	41,221
Investment revenue	784	1,191	1,975	12,407	795	13,202	15,177
Grants, donations and other (Note 17)	-	-	-	-	4,855	4,855	4,855
	<u>784</u>	<u>1,191</u>	<u>1,975</u>	<u>12,407</u>	<u>46,871</u>	<u>59,278</u>	<u>61,253</u>
Expenses							
Program and operating expenses (Notes 12 and 14)	-	-	-	-	45,397	45,397	45,397
Grants and related expenses	768	1,625	2,393	-	-	-	2,393
Investment management fees	48	68	116	678	-	678	794
	<u>816</u>	<u>1,693</u>	<u>2,509</u>	<u>678</u>	<u>45,397</u>	<u>46,075</u>	<u>48,584</u>
(Deficiency) excess of revenues over expenses	<u>(32)</u>	<u>(502)</u>	<u>(534)</u>	<u>11,729</u>	<u>1,474</u>	<u>13,203</u>	<u>12,669</u>

The accompanying notes are an integral part of the non-consolidated financial statements.

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Changes in Fund Balances

For the year ended December 31, 2021
(in thousands of dollars)

	General Fund				Total General Fund	2021 Total
	Externally Restricted Funds	Canadian Olympic Family Fund	Invested in Capital Assets	Unrestricted Fund		
	\$	\$	\$	\$	\$	\$
Balances, beginning of year	23,602	151,397	4,212	34,748	190,357	213,959
Excess (deficiency) of revenues over expenses	1,252	19,000	-	(19,035)	(35)	1,217
Interfund transfers (Note 19)	-	(10,472)	-	10,472	-	-
Deferred capital contributions received	-	-	(150)	150	-	-
Amortization of deferred capital contributions	-	-	584	(584)	-	-
Purchase of capital assets	-	-	920	(920)	-	-
Amortization of capital assets	-	-	(1,777)	1,777	-	-
Balances, end of year	24,854	159,925	3,789	26,608	190,322	215,176

The accompanying notes are an integral part of the non-consolidated financial statements.

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Changes in Fund Balances

For the year ended December 31, 2020
(in thousands of dollars)

	General Fund				Total General Fund	2020 Total
	Externally Restricted Funds	Canadian Olympic Family Fund	Invested in Capital Assets	Unrestricted Fund		
	\$	\$	\$	\$	\$	\$
Balances, beginning of year	24,136	165,162	4,346	7,646	177,154	201,290
(Deficiency) excess of revenues over expenses	(534)	11,729	-	1,474	13,203	12,669
Interfund transfers (Note 19)	-	(25,494)	-	25,494	-	-
Amortization of deferred capital contributions	-	-	1,025	(1,025)	-	-
Purchase of capital assets	-	-	797	(797)	-	-
Amortization of capital assets	-	-	(1,956)	1,956	-	-
Balances, end of year	23,602	151,397	4,212	34,748	190,357	213,959

The accompanying notes are an integral part of the non-consolidated financial statements.

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Cash Flows

For the year ended December 31, 2021

(in thousands of dollars)

	2021	2020
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating		
Excess of revenues over expenses	1,217	12,669
Amortization of deferred capital contributions	(584)	(1,025)
Amortization of capital assets	1,777	1,956
Change in unrealized gain on investments	9,134	(1,590)
	<u>11,544</u>	<u>12,010</u>
Changes in non-cash working capital items		
Receivables and deposits	(236)	(1,627)
Accounts payable and accrued liabilities	1,588	(148)
Deferred revenue	3,164	303
	<u>16,060</u>	<u>10,538</u>
Investing		
Purchase of capital assets	(920)	(797)
Change in investments, net	(22,335)	(4,203)
	<u>(23,255)</u>	<u>(5,000)</u>
Financing		
Deferred capital contributions received	150	-
	<u>150</u>	<u>-</u>
(Decrease) increase in cash	(7,045)	5,538
Cash, beginning of year	11,140	5,602
Cash, end of year	<u>4,095</u>	<u>11,140</u>

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

1. PURPOSE OF THE ORGANIZATION

The Canadian Olympic Committee (the "C.O.C.") is the National Olympic Committee in Canada recognized by the International Olympic Committee. As such, it is responsible for the selection and entry of all Canadian athletes in the Olympic and Pan American Games and is charged with the development and promotion of the Olympic Movement in Canada.

The C.O.C. was incorporated on January 3, 1952 without share capital, and was continued under the Canada Not-for-Profit Corporations Act on February 6, 2014. The C.O.C. is a Registered Canadian Amateur Athletic Association as defined in the Income Tax Act and is not subject to income taxes.

2. DESCRIPTION OF THE FUNDS

The C.O.C. obtains funds from various sources, some of which are designated for specific purposes or programs and are therefore not available for general purposes. The Unrestricted Fund accounts for the C.O.C.'s program delivery and administrative activities. This fund reports unrestricted resources and receives transfers from the internally and externally restricted funds.

The Petro-Canada Olympic Torch Scholarship Fund, Olympic Legacy Coaching Fund and Canadian Olympic Family Fund are managed under the direction of an Investment Committee appointed by the Board of Directors.

Externally Restricted Funds

Petro-Canada Olympic Torch Scholarship Fund

The Petro-Canada Olympic Torch Scholarship Fund was created pursuant to an agreement between Petro-Canada Inc., the C.O.C. and the previously dissolved Canadian Olympic Foundation (the "Foundation").

Beginning in 2008, the fund began operating as Fuelling Athlete and Coaching Excellence and the objectives were modified to align with the objectives of the C.O.C. as follows:

- a) To pay and satisfy all administrative costs associated with the fund; and,
- b) To distribute the remaining income to athletes and coaches in their pursuit of Olympic podium success.

Olympic Legacy Coaching Fund

Pursuant to an agreement between the Government of Canada, the now dissolved XV Olympic Winter Games Organizing Committee (OCO'88) and the C.O.C., the C.O.C. received an amount as capital of the Olympic Legacy Coaching Fund.

The investment returns of the fund are to be used to achieve the following objectives:

- a) To pay and satisfy all administrative costs associated with the fund;
- b) To add to the original capital contribution of the fund on an annual basis an amount in order to maintain the original purchasing value of the fund;
- c) To distribute the remaining income to:
 - (i) Support coaching and coaching-related activities, with priority emphasis on professional coaching services to high performance athletes, at the legacy facilities in Calgary attributable to the XV Olympic Winter Games;
 - (ii) Optimize high performance athlete development at the legacy facilities;
 - (iii) Such other charitable purposes as may be determined by the C.O.C. and the Government of Canada.

Grants and related expenses are calculated at 4.0% of the average fund balance at the end of each of the previous three years. Additional grants may be distributed consistent with the objectives of the fund.

CANADIAN OLYMPIC COMMITTEE
Notes to the Non-consolidated Financial Statements
December 31, 2021
(in thousands of dollars)

2. DESCRIPTION OF THE FUNDS (continued)

Externally Restricted Funds (continued)

Olympic Legacy Coaching Fund (continued)

In order to maintain the purchasing value of this fund, the cumulative capital as protected must be increased by an amount equal to the percentage increase in the Core Consumer Price Index. For 2021, the rate is 4% (2020 - 1.5%). This recapitalization to maintain purchasing power is a contractual requirement.

Internally Restricted Funds

Canadian Olympic Family Fund

The Canadian Olympic Family Fund is an internally restricted fund. This internally restricted fund is not available for unrestricted purposes without the approval of the Board of Directors.

Under the terms of arrangements pertaining to the 1988 Olympic Winter Games Calgary, an amount was received from OCO'88.

The investment returns of the fund are to be used to achieve the following objectives:

- a) To add to the original capital contribution of the fund on an annual basis an amount in order to maintain the original purchasing value of the fund.
- b) To help finance the programs of the C.O.C.

Encroachment on the capital as protected is permissible only upon approval by not less than three-quarters (3/4) of the members of the Session (as defined below) at each of two successive and regularly constituted meetings.

"Session" is a meeting of the members of the C.O.C. and includes any meeting designated as the Annual Session or as an Extraordinary Session. "Member" means a member of the C.O.C. holding any class of voting membership.

Distributions are based upon 3.5% (2020 - 3.5%) of the average of the three previous year end fund balances, with an additional 1% (2020 - 1%) distribution based on fund performance at the recommendation of the Investment Committee of the Board of Directors.

In order to maintain the purchasing value of this fund, the cumulative capital as protected must be increased by an amount equal to the percentage increase in the Core Consumer Price Index. For 2021, the rate is 4% (2020 - 1.5%). This recapitalization to maintain purchasing power is a policy requirement approved by the Board of Directors.

Invested in Capital Assets Fund

The Invested in Capital Assets Fund reflects capital assets purchased and used in the C.O.C.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management on a non-consolidated basis in accordance with Canadian accounting standards for not-for-profit organizations. Details of the non-consolidated organization (the Foundation) are provided in Note 16.

Fund accounting

The C.O.C. follows the restricted fund method of accounting for restricted contributions.

Revenue recognition

The C.O.C. follows the practice of accounting for donations, sponsorships and licensing at the time such funds are received, or become receivable under the terms of contracts.

The value of donated goods and services received if they would otherwise have been purchased is accounted for at fair value at the time of the receipt.

Investment income earned on restricted resources is recognized as revenue of the applicable restricted fund according to the terms of the restricted contribution.

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other investment income is recognized as revenue of the General Fund.

Value-in-kind is recognized in these financial statements when the fair value can be reasonably determined and if the C.O.C. would have purchased the goods or services in the normal course of its business. The fair market value is recorded as partnership revenue and an offsetting expense is recorded in the area that the goods and services were utilized.

Government grants for which no restricted fund has been established are deferred and recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred.

Amounts received with respect to capital assets are included as deferred capital contributions and are amortized at the same rate as the related capital assets.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the C.O.C becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. The C.O.C. uses fair value to measure investments, with any subsequent changes in fair value recorded in the statement of operations.

Investments

Investments are stated at fair value. Fair value is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Fair value is determined as follows:

- (i) Quoted closing bid prices for publicly traded equities and unit values for public equity funds are used to represent fair value for these investments. Unit values reflect the quoted bid prices of the underlying securities.
- (ii) Quoted bid prices are used to represent the fair value for inflation linked bonds.
- (iii) Money market securities are recorded at cost together with accrued interest income, which approximates fair value.

As set out in the C.O.C.'s Statement of Long-Term Investment Strategy and Policies, financial risk associated with investments is managed as follows:

- (i) Currency risk: No more than 46% of the portfolio may be invested in Global equities.
- (ii) Interest rate risk: An analysis of maturity dates and interest rates for fixed income securities is included in Note 4.
- (iii) Market, credit and liquidity risk: Investment managers are required to hold prudently diversified portfolios with exposure to the intended markets meeting specified minimum quality requirements as follows: individual short-term investments -'R-1' or equivalent; individual preferred shares 'P-3' or equivalent; all investments shall, in normal circumstances, be capable of liquidation within one month; and Canadian commercial real estate should be capable of liquidation on a quarterly basis.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization of capital assets is provided on the straight-line basis method at the following rates:

Furniture and fixtures	5 years
Computer equipment and software	3 years
Leasehold improvements	Term of the lease

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates include investments, accrued liabilities, deferred revenue, amortization of deferred capital contributions and amortization of capital assets. Actual results could differ from those estimates.

4. INVESTMENTS

	2021			
	Canadian Olympic Family Fund	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total
	\$	\$	\$	\$
Short-term investments	2,460	136	198	2,794
Long-term investments				
Fixed income	52,151	2,880	4,191	59,222
Canadian equities	27,512	1,520	2,211	31,243
International equities	70,662	3,903	5,679	80,244
Real estate	30,553	1,687	2,456	34,696
	180,878	9,990	14,537	205,405
	183,338	10,126	14,735	208,199
	2020			
	Canadian Olympic Family Fund	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total
	\$	\$	\$	\$
Short-term investments	1,288	72	101	1,461
Long-term investments				
Fixed income	61,700	3,437	4,889	70,026
Canadian equities	35,974	2,004	2,851	40,829
International equities	51,471	2,868	4,079	58,418
Real estate	21,379	1,191	1,694	24,264
	170,524	9,500	13,513	193,537
	171,812	9,572	13,614	194,998

The fixed income securities bear a yield to maturity from 1.13% to 8.00% (2020 - from 0.61% to 8.00%) with staggered maturity dates and a weighted average term to maturity from 2 years to 9.9 years (2020 - from 0.8 years to 11.3 years).

The historical cost or book value of the investments held at December 31, 2021 was \$188,954 (2020 - \$166,619).

The Canadian Olympic Family Fund includes \$159,775 (2020 - \$151,124) in internally restricted investments and \$23,563 (2020 - \$20,688) in unrestricted investments.

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

5. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and fixtures	1,110	824	286	421
Computer equipment and software	6,936	5,642	1,294	1,583
Leasehold improvements	5,054	2,303	2,751	3,184
	13,100	8,769	4,331	5,188

6. GOVERNMENT REMITTANCES

Outstanding government remittances as at December 31, 2021 are \$2 (2020 - \$4).

7. DEFERRED REVENUE

	2021	2020
	\$	\$
Opening balance	996	693
Add: amounts received	4,111	608
Less: amounts recognized as revenue	947	305
Balance, end of year	4,160	996

8. DEFERRED CAPITAL CONTRIBUTIONS

	2021	2020
	\$	\$
Opening balance	976	2,001
Add: amounts received	150	-
Less: amounts recognized as revenue	584	1,025
Balance, end of year	542	976

9. EXTERNALLY RESTRICTED FUND BALANCES

Externally restricted fund balances include the Petro-Canada Olympic Torch Scholarship Fund and the Olympic Legacy Coaching Fund. The balances are restricted as to use as outlined in Note 2. The balances are further restricted as follows:

	2021		Total
	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	
	\$	\$	
Capital	5,831	9,854	15,685
Available for grants and funding programs	4,288	4,881	9,169
	10,119	14,735	24,854

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

9. EXTERNALLY RESTRICTED FUND BALANCES (continued)

	2020		Total
	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	
	\$	\$	\$
Capital	5,831	9,475	15,306
Available for grants and funding programs	3,733	4,563	8,296
	<u>9,564</u>	<u>14,038</u>	<u>23,602</u>

10. INTERNALLY RESTRICTED FUND BALANCE

The internally restricted fund balance consists of the Canadian Olympic Family Fund and the Invested in Capital Assets Fund.

The Canadian Olympic Family Fund balance is restricted for use as outlined in Note 2.

The C.O.C established that the Canadian Olympic Family Fund maintain a Capital Safety Margin equal to 33% of capital to ensure an annual distribution of 3.5%.

The balance of the Internally Restricted Fund is broken down as follows:

	2021	2020
	\$	\$
Capital	106,223	102,138
Capital Safety Margin	35,054	33,705
Available for Funding	<u>18,648</u>	<u>15,554</u>
	<u>159,925</u>	<u>151,397</u>

11. REVENUES - UNRESTRICTED FUND

	2021	2020
	\$	\$
Partner and marketing revenues		
Sponsorship (including value in kind of \$807; \$2,487 in 2020)	30,577	40,196
Amortization of deferred capital contributions	<u>584</u>	<u>1,025</u>
	<u>31,161</u>	<u>41,221</u>
Investment income		
Realized gain on investments	1,186	425
Unrealized (loss) gain	(8,047)	1,685
Interest and dividends	<u>29,362</u>	<u>11,092</u>
	<u>22,501</u>	<u>13,202</u>
Grants	4,430	3,469
Donations	84	34
Other revenues (including value in kind of \$610; \$610 in 2020)	965	1,201
Foreign exchange (loss) gain	<u>(238)</u>	<u>151</u>
	<u>5,241</u>	<u>4,855</u>
Total revenues	<u>58,903</u>	<u>59,278</u>

In addition to the value in kind revenues noted above, goods and services of \$1,850 (2020 - \$2,025) were received and used during the year.

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2021

(in thousands of dollars)

12. PROGRAM AND OPERATING EXPENSES - UNRESTRICTED FUND

	<u>2021</u>		<u>2020</u>
	\$		\$
Sport			
High Performance Sport Funding	9,443		8,863
Next Generation Funding	2,400		2,000
Olympic Preparation	6,906		4,022
Team Operations	11,093		3,309
N.S.F. EI	789		729
National Sport Federation Contributions	180		399
Athlete Services	556		586
Training Ground	<u>467</u>	<u>31,834</u>	<u>464</u>
Marketing and Communications		6,359	20,372
Operations		16,542	5,271
Promotional and special events		134	15,809
Governance		114	565
International Relations and Public Affairs		1,383	146
Amortization		<u>1,777</u>	<u>1,277</u>
Total expenses		<u><u>58,143</u></u>	<u><u>45,397</u></u>

The expenses noted above include value in kind good and services of \$1,417 (2020 - \$3,097).

The C.O.C. entered into an agreement with the lessor of the C.O.C.'s Montreal office for a period of 15 years from October 1, 2012 to September 30, 2027. The lessor and the C.O.C. have agreed under the terms of the agreement that the C.O.C. will not pay for the use and occupancy of the office for the duration of the lease.

13. COMMITMENTS

The C.O.C. is committed under operating leases up to 2028 for the rental of premises. The approximate minimum future payments are as follows:

	\$
2022	789
2023	802
2024	825
2025	848
2026	863
Thereafter	<u>1,772</u>
	<u><u>5,899</u></u>

14. PENSION PLAN

The C.O.C. provides a defined contribution pension plan to eligible employees. Employer contributions were \$366 in 2021 (\$307 in 2020) and are included in program and operating expenses of the Unrestricted Fund.

CANADIAN OLYMPIC COMMITTEE

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(in thousands of dollars)

15. CONTINGENCIES AND GUARANTEES

In the normal course of business, the C.O.C. enters into agreements that meet the definition of a guarantee. The C.O.C.'s primary guarantees are as follows:

- (a) The C.O.C. has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the C.O.C. agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after, the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) Indemnity has been provided to all directors and/or officers, employees, volunteers or members of any duly constituted committees of the C.O.C. for various items including, but not limited to, all costs to settle suits or actions due to association with the C.O.C., subject to certain restrictions. The C.O.C. has purchased directors' and officers' liability insurance to mitigate the cost of any potential future claims or actions against individuals as a result of their service as a director, officer, employee, volunteer or member of any committee of the C.O.C.. The maximum amount of any potential future payment cannot be reasonably determined.
- (c) In the normal course of business, the C.O.C. has entered into agreements that include indemnities in favour of counterparties and third parties, including but not limited to marketing agreements, sponsorship agreements, confidentiality agreements, storage agreements, software agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnities may require the C.O.C. to compensate counterparties and/or third parties for losses or potential losses incurred by such parties as a result of breaches of contract, in representations or warranties, and/or violations of laws or regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are varied and potential claims not yet arisen, as such the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the C.O.C. from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events. Historically, the C.O.C. has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

16. CANADIAN OLYMPIC FOUNDATION

The C.O.C. has the right at all times to designate no less than two thirds of all members of the Foundation who elect the Board of Directors and, as such, exercises control over the Foundation. Summary information on the Foundation is disclosed below and in Note 17.

- (a) As the official charitable organization of the C.O.C., the Foundation is a national charitable organization established to raise funds to support high performance athletes and to promote sports, healthy living and the pursuit of excellence in Canada. The mission of the Foundation is to generate support to meet the technical, scientific, medical and coaching needs of Canada's high performance sport system and assist current and future Canadian Olympic athletes in becoming ambassadors for sport, healthy living and the pursuit of excellence across Canada. The Foundation receives, accumulates and distributes funds to support the high performance sport excellence programs in Canada of the C.O.C. and other organizations endorsed by the C.O.C. that support high performance sport excellence. The Foundation is incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act.

CANADIAN OLYMPIC COMMITTEE

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16. CANADIAN OLYMPIC FOUNDATION (continued)

(b) The financial statements of the Foundation have not been consolidated with the financial statements of the C.O.C. Financial summaries of the Foundation as at December 31, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial position		
Total assets	<u>12,116</u>	10,902
Total liabilities	974	3,244
Total fund balances	<u>11,142</u>	7,658
	<u>12,116</u>	<u>10,902</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Results of operations		
Total revenues	11,665	10,036
Total expenses	1,761	2,446
Total grants	6,420	7,956
Excess (deficiency) of revenue over expenses	<u>3,484</u>	<u>(366)</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Cash flows		
Cash provided by operating activities	2,340	743
Cash (used) by investing activities	<u>(1,609)</u>	<u>(350)</u>
Increase in cash	<u>731</u>	<u>393</u>

Total fund balances include \$9,536 (2020 - \$6,155) in endowed and restricted funds, and \$1,606 (2020 - \$1,503) in unrestricted funds. The excess of revenue over expenses includes \$103 excess (2020 - \$892 deficiency) in general funds and \$3,381 excess (2020 - \$526 excess) in endowed and restricted funds.

17. RELATED PARTY TRANSACTIONS

During the year, the Foundation granted to the C.O.C. \$777 (2020 - \$2,410) of which \$360 (2020 - \$660) was unrestricted and \$417 (2020 - \$1,750) was designated to Own the Podium as the recipient via the C.O.C. During the year, the C.O.C. granted \$2,400 (2020 - \$2,000) to the Foundation for Next Generation Funding.

As at December 31, 2021, the C.O.C. has a net receivable from the Foundation of \$62 (2020 - \$2,625). The C.O.C. provides administrative support to the Foundation at no charge.

18. CREDIT FACILITIES

The C.O.C. has arranged credit facilities to fund the requirements of the Unrestricted Fund of \$2,500, of which \$nil has been drawn at December 31, 2021 and 2020. The credit facilities are secured by a General Security Agreement.

CANADIAN OLYMPIC COMMITTEE
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19. INTERFUND TRANSFERS

During the year, \$nil (2020 - \$12,786) were transferred from the Canadian Olympic Family Fund to the Unrestricted Fund to help finance the C.O.C.'s operations and the N.S.F. E.I.

During the year, the Board of Directors approved a transfer of \$10,472 (2020 - \$12,708) from the Canadian Olympic Family Fund to the Unrestricted Fund to help finance the programs of the C.O.C.

20. SPORT CANADA

Sport Canada provides funding for the purposes of Official languages and operations and programming.

	2021	2020
	\$	\$
Revenues		
Official languages	12	12
Operations and programming	699	740
Total	711	752
Expenses		
Official languages	243	188
Operations and programming	9,388	1,516
Total	9,631	1,704

21. COMPARATIVE AMOUNTS

Certain of the prior year comparative amounts for investments and revenue and expenses of the Unrestricted Fund have be reclassified to conform to the current year's financial statement presentation.