

# **CANADIAN OLYMPIC FOUNDATION**

**Financial Statements  
December 31, 2021**



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# Independent Auditor's Report

To the Members of  
The Canadian Olympic Foundation

## Opinion

We have audited the financial statements of the Canadian Olympic Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the 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 Foundation 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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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  
June 15, 2022

# CANADIAN OLYMPIC FOUNDATION

## Statement of Financial Position as at December 31, 2021 (in thousands of dollars)

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,535	804
Receivables and deposits	403	1,104
Short-term investments (Note 4)	136	67
	<u>2,074</u>	<u>1,975</u>
Investments (Note 4)	<u>10,042</u>	<u>8,927</u>
<b>Total assets</b>	<u>12,116</u>	<u>10,902</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 5 and 7)	<u>974</u>	<u>3,244</u>
<b>Total liabilities</b>	<u>974</u>	<u>3,244</u>
<b>FUND BALANCES</b>		
Endowment Funds	7,953	5,168
Restricted Funds	1,583	987
Unrestricted Funds	1,606	1,503
<b>Total fund balances</b>	<u>11,142</u>	<u>7,658</u>
<b>Total liabilities and fund balances</b>	<u>12,116</u>	<u>10,902</u>

Approved by the Board of Directors



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Director



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Director

## CANADIAN OLYMPIC FOUNDATION

Statement of Operations  
for the year ended December 31, 2021  
(in thousands of dollars)

	2021			2020		
	Restricted Funds (Note 8(a))	Unrestricted Funds	Total Funds	Restricted Funds (Note 8(a))	Unrestricted Funds	Total Funds
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Fundraising (Note 11)	6,001	1,655	7,656	3,931	3,436	7,367
Grants (Note 5 and 10)	2,400	-	2,400	2,000	-	2,000
Interest and dividend income	1,310	277	1,587	371	174	545
Investment gain	7	15	22	-	-	-
Unrealized investment gain	-	-	-	82	42	124
	<b>9,718</b>	<b>1,947</b>	<b>11,665</b>	<b>6,384</b>	<b>3,652</b>	<b>10,036</b>
<b>Expenses</b>						
Program and operating (Note 9)	2	1,241	1,243	-	2,365	2,365
Investment loss	-	-	-	12	-	12
Unrealized investment loss	378	47	425	-	-	-
Investment management fees	82	11	93	56	13	69
	<b>462</b>	<b>1,299</b>	<b>1,761</b>	<b>68</b>	<b>2,378</b>	<b>2,446</b>
Excess of revenues over expenses before grants	<b>9,256</b>	<b>648</b>	<b>9,904</b>	6,316	1,274	7,590
Grants (Note 5 and 10)	<b>5,875</b>	<b>545</b>	<b>6,420</b>	5,790	2,166	7,956
<b>Excess (deficiency) of revenues over expenses and grants</b>	<b>3,381</b>	<b>103</b>	<b>3,484</b>	526	(892)	(366)

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

## CANADIAN OLYMPIC FOUNDATION

Statement of Changes in Fund Balances  
for the year ended December 31, 2021  
(in thousands of dollars)

	2021			2020		
	Restricted Funds (Note 8(b)) \$	Unrestricted Funds \$	Total Funds \$	Restricted Funds (Note 8(b)) \$	Unrestricted Funds \$	Total Funds \$
<b>Balance, beginning of year</b>	<b>6,155</b>	<b>1,503</b>	<b>7,658</b>	5,629	2,395	8,024
Excess (deficiency) of revenues over expenses and grants	<b>3,381</b>	<b>103</b>	<b>3,484</b>	526	(892)	(366)
<b>Balance, end of year</b>	<b>9,536</b>	<b>1,606</b>	<b>11,142</b>	6,155	1,503	7,658

## CANADIAN OLYMPIC FOUNDATION

Statement of Cash Flows  
for the year ended December 31, 2021  
(in thousands of dollars)

	2021	2020
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>Operating</b>		
Excess (deficiency) of revenues over expenses and grants	3,484	(366)
Unrealized investment loss (gain)	425	(124)
	<u>3,909</u>	<u>(490)</u>
Changes in non-cash working capital items		
Receivables and deposits	701	330
Accounts payable and accrued liabilities	(2,270)	1,025
Deferred revenue	-	(122)
	<u>2,340</u>	<u>743</u>
<b>Investing</b>		
Change in investments, net	<u>(1,609)</u>	<u>(350)</u>
Increase in cash	731	393
Cash, beginning of year	<u>804</u>	<u>411</u>
<b>Cash, end of year</b>	<u><b>1,535</b></u>	<u><b>804</b></u>

# CANADIAN OLYMPIC FOUNDATION

## Notes to the Financial Statements

December 31, 2021

(in thousands of dollars)

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### 1. PURPOSE OF THE ORGANIZATION

The Canadian Olympic Foundation, (the "Foundation") was incorporated without share capital under the Canada Corporations Act on October 25, 2005, and was continued under the Canadian Not-For-Profit Corporations Act on August 28, 2014. The Foundation is a public foundation registered under the Income Tax Act (Canada) effective January 1, 2006 and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

As the official charitable organization of the Canadian Olympic Committee, 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 Canadian Olympic Committee (the "C.O.C.") and other organizations endorsed by the C.O.C. that support high performance sport excellence.

The C.O.C. is an independent corporation without share capital. The C.O.C. 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.

### 2. DESCRIPTION OF THE FUNDS

The Restricted Fund includes funds that are externally or internally restricted. Externally restricted funds are comprised of resources that are to be used for specific purposes as specified by the donor or fund holder. Internally restricted funds are comprised of resources that are to be used for specific purposes as specified by the Board of Directors. The Board of Directors exercises discretionary control over the investment of these funds through external investment fund managers. Income earned on these funds is reported in the Restricted Fund and is either retained in the Restricted Fund, internally transferred, retracted or granted in the year.

The Unrestricted Funds are comprised of unrestricted resources. At such time as any of these funds are restricted by the Board of Directors, the resources are internally transferred to the Restricted Fund and administered according to their restrictions. Unrestricted funds include resources available for the Foundation's general operating activities. These activities include donor services, grant support and administration. The cost of these activities is reported in the operating expenses of the Unrestricted Funds.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations using the restricted fund method of accounting for contributions.

#### Revenue recognition

The Foundation follows the practice of accounting for grants, donations and fundraising activities at the time such funds are received, or become receivable under the terms of contracts.

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

#### Grants

Grants are recognized as an expense and a payable when approved.

#### Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.



# CANADIAN OLYMPIC FOUNDATION

## Notes to the Financial Statements

December 31, 2021

(in thousands of dollars)

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments

The fair value of investments 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.

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.

#### Use of estimates

The preparation of 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 statement of financial position date and the reported amounts of revenues and expenses during the year. Accounts requiring significant estimates and assumptions include investments and accrued liabilities. Actual results could differ from those estimates.

### 4. INVESTMENTS

	2021 \$	2020 \$
Short-term investments	<b>136</b>	67
Long-term investments		
Fixed income	<b>2,881</b>	3,230
Equity	<b>5,473</b>	4,578
Real Estate	<b>1,688</b>	1,119
	<b>10,042</b>	8,927
Total	<b>10,178</b>	8,994

Investments include \$8,799 (2020 - \$5,991) in restricted investments and \$1,379 (2020 - \$3,003) in unrestricted investments.

The fixed income securities bear a yield to maturity from 1.13% to 8.0% (2020 - from 0.61% to 8.0%) 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 \$10,529 (2020 - \$8,920).

# CANADIAN OLYMPIC FOUNDATION

## Notes to the Financial Statements

December 31, 2021

(in thousands of dollars)

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### 5. RELATED PARTY TRANSACTIONS

The Foundation is responsible for fundraising activities carried out on behalf of the C.O.C. During the year, the Foundation granted \$417 (2020 - \$1,750) from the Own the Podium Fund (Internally Restricted) and \$360 (2020 - \$660) from the Unrestricted Fund to the C.O.C. During the year, the C.O.C. granted \$2,400 (2020 - \$2,000) to the Foundation designated to Next Generation Initiative.

As at December 31, 2021, the Foundation has a net payable to the C.O.C. of \$62 (2020 - \$2,625).

The C.O.C. provided administrative support to the Foundation during the year at no charge.

### 6. CONTINGENCIES AND GUARANTEES

In the normal course of business, the Foundation has entered into agreements that include indemnities in favour of counterparties and third parties, including but not limited to confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements and service agreements. These indemnification agreements may require the Foundation to compensate counterparties and/or third parties for losses or potential losses incurred by such parties as a result of breaches of contract, in representation 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 have not yet arisen, as such the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Foundation 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 Foundation 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.

### 7. GOVERNMENT REMITTANCES

Accounts payables and accrued liabilities include \$Nil with respect to government remittances as at December 31, 2021 (2020 - \$Nil).

# CANADIAN OLYMPIC FOUNDATION

## Notes to the Financial Statements

December 31, 2021

(in thousands of dollars)

### 8. RESTRICTED FUNDS

#### a) Statement of operations

	2021				2020			
	Internally restricted	Externally restricted	Endowment	Total	Internally restricted	Externally restricted	Endowment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Fundraising	2,166	1,432	2,403	6,001	3,260	411	260	3,931
Grants (Notes 5 and 10)	2,400	-	-	2,400	2,000	-	-	2,000
Interest and dividend income	89	-	1,221	1,310	45	-	326	371
Investment gain	2	-	5	7	-	-	-	-
Unrealized investment gain	-	-	-	-	6	-	76	82
	<b>4,657</b>	<b>1,432</b>	<b>3,629</b>	<b>9,718</b>	<b>5,311</b>	<b>411</b>	<b>662</b>	<b>6,384</b>
<b>Expenses</b>								
Program and operating	-	-	2	2	-	-	-	-
Investment loss	-	-	-	-	1	-	11	12
Unrealized Investment loss	25	-	353	378	-	-	-	-
Investment management fees	5	-	77	82	6	-	50	56
	<b>30</b>	<b>-</b>	<b>432</b>	<b>462</b>	<b>7</b>	<b>-</b>	<b>61</b>	<b>68</b>
Excess of revenue over expenses before grants	<b>4,627</b>	<b>1,432</b>	<b>3,197</b>	<b>9,256</b>	<b>5,304</b>	<b>411</b>	<b>601</b>	<b>6,316</b>
Grants (Notes 5 and 10)	<b>4,448</b>	<b>1,015</b>	<b>412</b>	<b>5,875</b>	<b>5,410</b>	<b>169</b>	<b>211</b>	<b>5,790</b>
<b>Excess (deficiency) of revenue over expenses and grants</b>	<b>179</b>	<b>417</b>	<b>2,785</b>	<b>3,381</b>	<b>(106)</b>	<b>242</b>	<b>390</b>	<b>526</b>

**CANADIAN OLYMPIC FOUNDATION****Notes to the Financial Statements****December 31, 2021****(in thousands of dollars)****8. RESTRICTED FUNDS (continued)**

## b) Statement of changes in fund balances

	2021				2020			
	Internally restricted \$	Externally restricted \$	Endowment \$	Total \$	Internally restricted \$	Externally restricted \$	Endowment \$	Total \$
<b>Balance, beginning of year</b>	721	266	5,168	6,155	827	24	4,778	5,629
Excess (deficiency) of revenue over expenses and grants	179	417	2,785	3,381	(106)	242	390	526
<b>Balance, end of year</b>	<b>900</b>	<b>683</b>	<b>7,953</b>	<b>9,536</b>	721	266	5,168	6,155

# CANADIAN OLYMPIC FOUNDATION

## Notes to the Financial Statements

December 31, 2021

(in thousands of dollars)

### 9. PENSION PLAN

The Foundation provides a defined contribution pension plan to eligible employees. Employer contributions were \$24 in 2021 (2020 - \$24) and are included in program and operating expenses of the Unrestricted Funds.

### 10. NEXT GENERATION INITIATIVE

During the year, the Foundation granted \$4,000 (2020 - \$4,000) for the Next Generation Initiative. Of this amount, \$2,400 (2020 - \$2,000) was granted by the C.O.C., as detailed in Note 5, with no requirement of repayment.

### 11. CHARITABLE GAMING PROGRAM

During the year, the Foundation launched a Charitable Gaming program (the "Program") which consisted of twelve provincially and territorially run 50/50 lotteries that were held throughout the duration of the Tokyo 2020 Summer Olympic Games (held in 2021). The net proceeds of the Program are presented as fundraising revenue of the Externally Restricted and Unrestricted Funds in the Statement of Operations.

The Program's details are as follows:

	<b>2021</b>		
	<b>Externally Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	<b>574</b>	<b>1,367</b>	<b>1,941</b>
<b>Expenses</b>			
Prizes	<b>300</b>	<b>975</b>	<b>1,275</b>
Marketing and other	<b>146</b>	<b>203</b>	<b>349</b>
	<b>446</b>	<b>1,178</b>	<b>1,624</b>
<b>Net proceeds</b>	<b>128</b>	<b>189</b>	<b>317</b>
<b>Grants</b>	<b>128</b>	<b>189</b>	<b>317</b>
	<b>-</b>	<b>-</b>	<b>-</b>