

CANADIAN OLYMPIC COMMITTEE

**Non-consolidated Financial Statements
December 31, 2023**

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, 2023, 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, 2023, 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Impact Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Impact Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

April 19, 2024

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Financial Position

As at December 31, 2023

(in thousands of dollars)

	2023	2022
	\$	\$
ASSETS		
Current assets		
Cash	14,611	11,839
Receivables and deposits (Note 17)	6,969	2,847
Short-term investments (Note 4)	1,309	1,402
	<u>22,889</u>	<u>16,088</u>
Investments (Note 4)	188,056	188,092
Capital assets (Note 5)	2,310	3,228
Total assets	<u>213,255</u>	<u>207,408</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 17)	7,799	6,086
Deferred revenue (Note 7)	4,145	5,429
	<u>11,944</u>	<u>11,515</u>
Deferred capital contributions (Note 8)	275	350
Total liabilities	<u>12,219</u>	<u>11,865</u>
Commitments (Note 13)		
FUND BALANCES		
Externally restricted (Note 9)		
Petro-Canada Olympic Torch Scholarship Fund	9,171	8,959
Olympic Legacy Coaching Fund	14,079	13,376
	<u>23,250</u>	<u>22,335</u>
General Fund		
Internally restricted		
Canadian Olympic Family Fund (Note 10)	147,873	143,983
Invested in capital assets	2,035	2,878
Unrestricted	27,878	26,347
	<u>177,786</u>	<u>173,208</u>
Total fund balances	<u>201,036</u>	<u>195,543</u>
Total liabilities and fund balances	<u>213,255</u>	<u>207,408</u>

Approved by the Board of Directors



_____, Director



_____, Director

CANADIAN OLYMPIC COMMITTEE

Non-consolidated Statement of Operations
For the year ended December 31, 2023
(in thousands of dollars)

	2023						
	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	-	-	-	-	36,976	36,976	36,976
Investment gain	882	1,337	2,219	14,337	1,941	16,278	18,497
Grants, donations and other (Note 17)	-	-	-	-	9,346	9,346	9,346
	882	1,337	2,219	14,337	48,263	62,600	64,819
Expenses							
Program and operating expenses (Notes 12 and 14)	-	-	-	-	57,370	57,370	57,370
Grants and related expenses	625	572	1,197	-	-	-	1,197
Investment management fees	45	62	107	652	-	652	759
	670	634	1,304	652	57,370	58,022	59,326
Excess (deficiency) of revenues over expenses	212	703	915	13,685	(9,107)	4,578	5,493

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, 2022

(in thousands of dollars)

	2022						
	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	-	-	-	-	39,676	39,676	39,676
Investment loss	(487)	(721)	(1,208)	(7,600)	(1,248)	(8,848)	(10,056)
Grants, donations and other (Note 17)	-	-	-	-	9,533	9,533	9,533
	(487)	(721)	(1,208)	(7,600)	47,961	40,361	39,153
Expenses							
Program and operating expenses (Notes 12 and 14)	-	-	-	-	56,795	56,795	56,795
Grants and related expenses	628	567	1,195	-	-	-	1,195
Investment management fees	45	71	116	680	-	680	796
	673	638	1,311	680	56,795	57,475	58,786
Deficiency of revenues over expenses	(1,160)	(1,359)	(2,519)	(8,280)	(8,834)	(17,114)	(19,633)

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, 2023

(in thousands of dollars)

	General Fund					2023 Total
	Externally Restricted Funds	Canadian Olympic Family Fund	Invested in Capital Assets	Unrestricted Fund	Total General Fund	
	\$	\$	\$	\$	\$	
Balances, beginning of year	22,335	143,983	2,878	26,347	173,208	195,543
Excess (deficiency) of revenues over expenses	915	13,685	-	(9,107)	4,578	5,493
Interfund transfers (Note 19)	-	(9,795)	-	9,795	-	-
Amortization of deferred capital contributions	-	-	75	(75)	-	-
Purchase of capital assets	-	-	133	(133)	-	-
Amortization of capital assets	-	-	(1,051)	1,051	-	-
Balances, end of year	23,250	147,873	2,035	27,878	177,786	201,036

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, 2022

(in thousands of dollars)

	General Fund					2022 Total
	Externally Restricted Funds	Canadian Olympic Family Fund	Invested in Capital Assets	Unrestricted Fund	Total General Fund	
	\$	\$	\$	\$	\$	
Balances, beginning of year	24,854	159,925	3,789	26,608	190,322	215,176
Deficiency of revenues over expenses	(2,519)	(8,280)	-	(8,834)	(17,114)	(19,633)
Interfund transfers (Note 19)	-	(7,662)	-	7,662	-	-
Deferred capital contributions received	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	192	(192)	-	-
Purchase of capital assets	-	-	356	(356)	-	-
Disposal of capital assets	-	-	(157)	157	-	-
Amortization of capital assets	-	-	(1,302)	1,302	-	-
Balances, end of year	22,335	143,983	2,878	26,347	173,208	195,543

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, 2023

(in thousands of dollars)

	2023	2022
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating		
Excess (deficiency) of revenues over expenses	5,493	(19,633)
Amortization of deferred capital contributions	(75)	(192)
Amortization of capital assets	1,051	1,302
Loss on disposal of capital assets	-	157
Change in unrealized gain on investments	(12,449)	23,180
	<u>(5,980)</u>	<u>4,814</u>
Changes in non-cash working capital items		
Receivables and deposits	(4,122)	7,773
Accounts payable and accrued liabilities	1,713	(1,281)
Deferred revenue	(1,284)	1,269
	<u>(9,673)</u>	<u>12,575</u>
Investing		
Purchase of capital assets	(133)	(356)
Change in investments, net	12,578	(4,475)
	<u>12,445</u>	<u>(4,831)</u>
Increase in cash	2,772	7,744
Cash, beginning of year	11,839	4,095
Cash, end of year	<u>14,611</u>	<u>11,839</u>

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2023

(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, 2023
(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 core inflation as measured by the CPI-trim Index. For 2023, the rate is 3.7% (2022 - 5.3%). 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% (2022 - 3.5%) of the average of the three previous year end fund balances, with an additional 1% (2022 - 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 core inflation as measured by the CPI-trim Index. For 2023, the rate is 3.7% (2022 - 5.3%). 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 and losses on restricted resources are 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, 2023
(in thousands of dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other investment income and losses are 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 Non-consolidated 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.
- (iv) Fair value for alternative investments, which include fixed income, international equities and real estate pooled funds that do not trade on a recognized exchange, is based on the net asset value as reported by the external managers of the funds.

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, 2023

(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

	2023			
	Canadian Olympic Family Fund	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total
	\$	\$	\$	\$
Short-term investments	1,148	64	97	1,309
Long-term investments				
Fixed income	38,756	2,142	3,288	44,186
Canadian equities	18,112	1,002	1,536	20,650
International equities	56,272	3,111	4,774	64,157
Alternatives	51,804	2,864	4,395	59,063
	164,944	9,119	13,993	188,056
	166,092	9,183	14,090	189,365
	2022			
	Canadian Olympic Family Fund	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total
	\$	\$	\$	\$
Short-term investments	1,237	66	99	1,402
Long-term investments				
Fixed income	38,287	2,054	3,067	43,408
Canadian equities	18,921	1,015	1,516	21,452
International equities	56,649	3,039	4,537	64,225
Alternatives	52,046	2,793	4,168	59,007
	165,903	8,901	13,288	188,092
	167,140	8,967	13,387	189,494

The fixed income securities bear a yield to maturity from 3.17% to 8.00% (2022 - from 3.89% to 8.00%) with staggered maturity dates and a weighted average term to maturity from 0.9 years to 9.9 years (2022 - from 1 year to 9.4 years).

The historical cost or book value of the investments held at December 31, 2023 was \$180,851 (2022 - \$193,429).

The Canadian Olympic Family Fund includes \$147,909 (2022 - \$144,018) in internally restricted investments and \$18,183 (2022 - \$23,122) in unrestricted investments.

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2023

(in thousands of dollars)

5. CAPITAL ASSETS

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and fixtures	1,112	1,079	33	123
Computer equipment and software	6,399	6,016	383	775
Leasehold improvements	5,066	3,172	1,894	2,330
	12,577	10,267	2,310	3,228

6. GOVERNMENT REMITTANCES

Outstanding government remittances as at December 31, 2023 are \$1 (2022 - \$nil).

7. DEFERRED REVENUE

	2023	2022
	\$	\$
Opening balance	5,429	4,160
Add: amounts received	9,756	9,788
Less: amounts recognized as revenue	11,040	8,519
Balance, end of year	4,145	5,429

8. DEFERRED CAPITAL CONTRIBUTIONS

	2023	2022
	\$	\$
Opening balance	350	542
Less: amounts recognized as revenue	75	192
Balance, end of year	275	350

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:

	2023		
	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	Total
	\$	\$	\$
Capital	5,831	10,761	16,592
Available for grants and funding programs	3,340	3,318	6,658
	9,171	14,079	23,250

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2023

(in thousands of dollars)

9. EXTERNALLY RESTRICTED FUND BALANCES (continued)

	2022		Total
	Petro-Canada Olympic Torch Scholarship Fund	Olympic Legacy Coaching Fund	
	\$	\$	\$
Capital	5,831	10,377	16,208
Available for grants and funding programs	3,128	2,999	6,127
	<u>8,959</u>	<u>13,376</u>	<u>22,335</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, excluding the unrestricted portion, is restricted for use as outlined in Note 2. The C.O.C established that the Canadian Olympic Family Fund aims to maintain an additional Capital Safety Margin equal to 33% of capital to ensure an annual distribution of 3.5% along with a discretionary distribution of 1%. The balance of the Canadian Olympic Family Fund is broken down as follows:

	2023	2022
	\$	\$
Capital	115,991	111,853
Capital Safety Margin	38,277	36,911
Deficiency against Capital Safety Margin	(6,395)	(4,781)
	<u>147,873</u>	<u>143,983</u>

11. REVENUES - GENERAL FUND

	2023	2022
	\$	\$
Partner and marketing revenues		
Sponsorship (including value in kind of \$1,800; \$2,818 in 2022)	36,901	39,484
Amortization of deferred capital contributions	<u>75</u>	<u>192</u>
	36,976	39,676
Investment income		
Realized gain on investments	575	46
Unrealized gain (loss)	10,907	(20,445)
Interest and dividends	<u>4,796</u>	<u>11,551</u>
	16,278	(8,848)
Grants	8,137	7,724
Donations	71	355
Other revenues (including value in kind of \$610; \$610 in 2022)	1,146	1,324
Foreign exchange (loss) gain	<u>(8)</u>	<u>130</u>
	9,346	9,533
Total revenues	<u>62,600</u>	<u>40,361</u>

CANADIAN OLYMPIC COMMITTEE

Notes to the Non-consolidated Financial Statements

December 31, 2023

(in thousands of dollars)

11. REVENUES - GENERAL FUND (continued)

Total value in kind included in revenues noted above is \$2,410 (2022 - \$3,428). In addition to the value in kind revenues noted above, goods and services of \$2,257 (2022 - \$2,236) were received and used during the year, the value of which is not included in the Non-consolidated statement of operations given they would not have been purchased otherwise.

12. PROGRAM AND OPERATING EXPENSES - GENERAL FUND

	<u>2023</u>	<u>2022</u>
	\$	\$
Sport		
High Performance Sport Funding	11,226	9,741
Next Generation Funding	4,000	2,000
Olympic Preparation	4,071	3,694
Team Operations	6,736	11,190
National Sport Organization Enhancement Initiative	2,958	542
National Sport Organization Contributions	494	889
Athlete Services	2,003	505
Training Ground	<u>770</u>	<u>771</u>
Brand and Commercial Management	2,942	5,121
Operations	19,589	16,823
Governance	685	713
International Relations and Public Affairs	845	3,504
Amortization	<u>1,051</u>	<u>1,302</u>
Total expenses	<u>57,370</u>	<u>56,795</u>

The expenses noted above include value in kind good and services of \$2,410 (2022 - \$3,428).

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.

During 2023, Next Generation Initiative grants totalling \$4,000 were made by the C.O.C. As detailed in Note 17, the C.O.C. received a grant from the Foundation in 2023, a portion of which was used to fund the Next Generation Initiative grants. During 2022, Next Generation Initiative grants totalling \$4,000 were made by the Foundation (rather than the C.O.C.) with the C.O.C. granting the Foundation \$2,000.

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:

	\$
2024	816
2025	848
2026	872
2027	897
2028	<u>924</u>
	<u>4,357</u>

CANADIAN OLYMPIC COMMITTEE

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(in thousands of dollars)

14. PENSION PLAN

The C.O.C. provides a defined contribution pension plan to eligible employees. Employer contributions were \$426 in 2023 (\$369 in 2022) and are included in program and operating expenses of the Unrestricted Fund.

15. CONTINGENCIES AND GUARANTEES

In the normal course of business, the C.O.C. enters into various agreements that include indemnification obligations 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 commercial lease agreements for the use of various operating facilities. Under the terms of these agreements the C.O.C. has agreed 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) The C.O.C. has provided indemnity 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 this group of indemnified individuals. The maximum amount of any potential future payment cannot be reasonably estimated.
- (c) The C.O.C. has provided indemnities through the operation of various other forms of agreements 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 such party 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 obligations (collectively, the "Indemnities") 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 pursuant to such indemnities, and therefore no amount has been accrued in the financial statements with respect to the Indemnities.

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.

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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, 2023 are as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Financial position		
Total assets	<u>12,443</u>	13,964
Total liabilities	914	1,541
Total fund balances	<u>11,529</u>	<u>12,423</u>
	<u>12,443</u>	<u>13,964</u>
	<u>2023</u>	<u>2022</u>
	\$	\$
Results of operations		
Total revenues	6,998	13,737
Total expenses	1,616	2,691
Total grants	6,276	9,765
(Deficiency) excess of revenues over expenses and grants	<u>(894)</u>	<u>1,281</u>
	<u>2023</u>	<u>2022</u>
	\$	\$
Cash flows		
Cash (used) provided by operating activities	(2,197)	2,815
Cash provided (used) by investing activities	1,035	(848)
(Decrease) increase in cash	<u>(1,162)</u>	<u>1,967</u>

Total fund balances include \$315 (2022 - \$437) in internally restricted funds, \$2,015 (2022 - \$1,817) in externally restricted funds, \$7,605 (2022 - \$8,265) in endowed funds, and \$1,594 (2022 - \$1,904) in unrestricted funds.

17. RELATED PARTY TRANSACTIONS

During the year, the Foundation granted to the C.O.C. \$3,309 (2022 - \$1,316) of which \$750 (2022 - \$905) is from the Foundation's Internally Restricted Fund, \$1,944 (2022 - \$411) is from the Foundation's Externally Restricted Fund, and \$615 (2022 - \$nil) is from the Foundation's Unrestricted Fund. During the year, the C.O.C. granted \$nil (2022 - \$2,000) to the Foundation for Next Generation Funding.

As at December 31, 2023, the C.O.C. has a net receivable from the Foundation of \$345 (2022 - \$12 net payable). 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, 2023 and 2022. The credit facilities are secured by a General Security Agreement.

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19. INTERFUND TRANSFERS

During the year, the Board of Directors approved a transfer of \$9,795 (2022 - \$7,662) 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.

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
Official languages	12	12
Operations and programming	<u>2,909</u>	4,106
Total	<u>2,921</u>	4,118
Expenses		
Official languages	236	405
Operations and programming	<u>7,496</u>	8,622
Total	<u>7,732</u>	9,027

21. COMPARATIVE AMOUNTS

The presentation of the prior year comparative amounts for investments in Note 4 has been reclassified to conform to the current year's financial statement presentation.