

Overview

The Canadian Cycling Association (CCA) experienced a year of continued operational stability and achievement in the fiscal year ending March 31, 2024. The association continues to deliver on its mission of promoting and developing the sport of cycling across Canada, despite the challenges faced by the broader economic environment.

Financial Position

As of March 31, 2024, the CCA's financial position remains strong with total assets of \$4.8 million, up from \$3.3 million in 2023. The increase in total assets is attributed to higher cash balances and accounts receivable, resulting primarily from international sport hosting grants related to future international events in Canada.

Current Assets and Liabilities

- **Current Assets:** Total current assets increased to \$4.2 million from \$2.6 million, driven primarily by a significant increase in accounts receivable and cash, in both cases due to large instalments from Sport Canada for sport hosting grants (\$2 million for the 2026 UCI Road World Championships).

Prepaid expenses finished the fiscal year at \$439k, reflecting expenditures for future National Team projects in preparation for the 2024 season, most notably the Olympic and Paralympic Games in Paris.

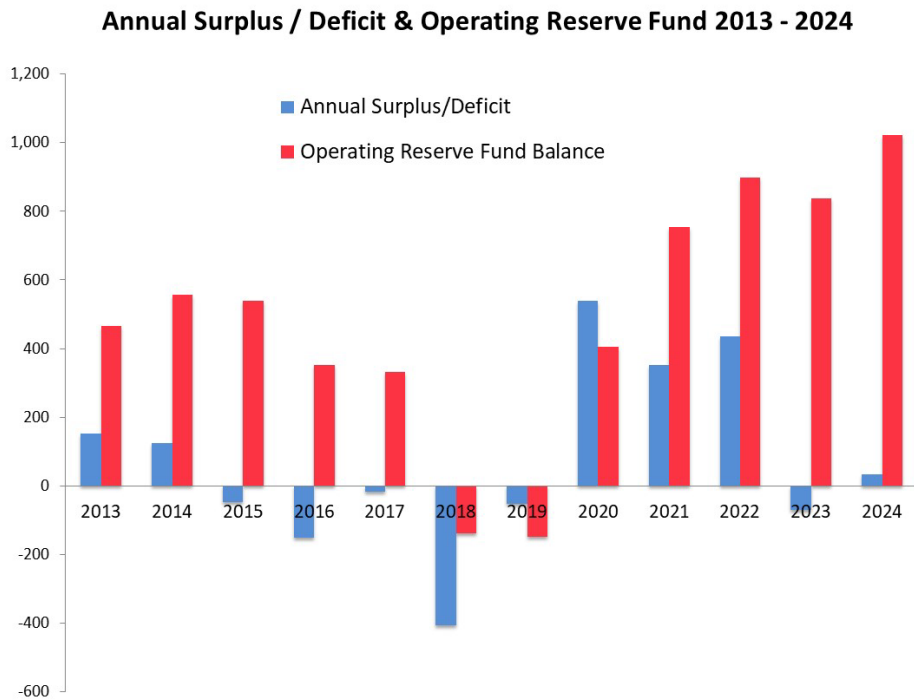
- **Current Liabilities:** Total current liabilities rose to \$3.4 million from \$2.0 million, consisting primarily of the \$2 million Sport Canada international event instalment noted above. The instalments are effectively flow-through amounts that Cycling Canada transfers to the appropriate local organizing committee once received.

Our accrued liability balance includes \$160k of accumulated accrued vacation liability, which increased slightly from 2023 at \$126k. We are continuing to refine and update our HR policies with support from an external HR consultant to help decrease our liability in this area, while ensuring continued support for our staff.

Deferred revenues at year-end were \$592K primarily consisting of the 2024 Enhanced Excellence and NextGen Funding, 2024 UCI BMX World Championships, and the 2024 Track Nations Cup in Milton, which were all received prior to the March 31, 2024, fiscal year-end.

Net Assets The association's net assets increased to \$1.33 million from \$1.30 million in the previous year, supported by prudent management of both unrestricted and capital-invested assets.

Unrestricted net assets (our operating reserve) increased from \$838k at year end in 2023 to just over \$1 million as at March 31, 2024. This balance remains slightly below our long-term targets (10-15% of operating budget) but is trending upwards with a surplus of \$32k for the year ended March 31, 2024. The table below provides an overview of our operating reserve fund balance and annual surplus/deficit since 2013.



Operational Results

Cycling Canada was positioned for continued stability through the 2023/24 fiscal, despite a small operating deficit in the 2022/23 fiscal and forecasted reductions in revenue from several key sources in 23/24.

Revenue Total revenue for the year ended March 31, 2024, was \$12.3 million compared with \$11.5 million in fiscal 2023. This increase was driven primarily by enhanced support from Sport Canada, most notably an increased in Sport Canada international event hosting grant instalments. Specifically:

- Sport Canada Contributions:** Funding from Sport Canada, which remains the backbone of our financial resources, accounted for approximately \$5.9 million in fiscal 2024, including reference level funding, enhanced excellence grants and continued financial support for our grassroots activities from the Community Sport for All Initiative.

- **Sport Canada – International Event Hosting (ISSE):** Revenue from international event hosting grants nearly doubled to \$2.3 million, due in large part to increasing instalment levels for the upcoming 2026 UCI Road World Championships in Montreal.
- **Private Funding and Sponsorships:** Although revenues from private funding partners decreased compared to the previous year, sponsorship income saw a 34% increase, reinforcing our brand's value within the business and sport communities.
- **Athlete Program Fees:** Cycling Canada has made significant changes to programming fees for national team athletes, reducing total fees by nearly half from 2023 to 2024. This reflects our broader strategy to work more strategically and equitably across all cycling disciplines, ensuring that athletes are better supported in attending various projects.
- **Non-Recurring Contributions & Other:** Revenues from non-recurring contributions increased from \$693k to \$1.06 million, consisting primarily of funding grants and revenues related to the 2023 UCI Track Cycling Nations Cup in Milton. The event resulted in a small surplus. Additional revenue sources in this category include fees from grassroots programs, coaching courses, merchandise revenues and equipment sales.
- **Donations & Fundraising:** Donation and fundraising revenues decreased from \$879k in 2023 to \$583k in 2024, reflecting modest decreases in both direct donations to Cycling Canada as well as charitable donations targeted toward Cycling Canada affiliate clubs and trade teams. Since launching our Club 1882 program in 2021 our charitable donation programs have generated over \$1.2 million from more than 150 individual donors as well as several large corporate donors. We must extend our sincere gratitude to our entire donor community for their incredible support and we look forward to building on this momentum in the years to come.

Expenses Total expenses for the year were \$12.3 million, closely matching total revenues. Key areas of expenditure included:

- **High Performance Programming:** Overall spending related to national team and high performance programming increased slightly from \$3.2 million in fiscal 2023 to \$3.3 million in 2024, reflecting consistent year-over-year levels of both total programming as well as per-project costs.
- **Salaries and Benefits:** Costs related to salaries, benefits, and contracts were \$3.6 million, slightly down from the previous year as we continued to optimize our workforce to reflect resource levels while meeting strategic goals.
- **International Event Hosting:** Expenses related to international events increased significantly to \$3.1 million, in line with the rise in current and near-term event hosting activities.

Net Revenue The CCA reported a modest net revenue of \$32,560 for the year. While the net revenue remains positive, it highlights the balanced approach between generating income and reinvesting in the sport's growth and development.

Risks and Uncertainties

The primary risks facing the CCA include potential fluctuations in government funding and sponsorships, as well as the impact of economic conditions on donor contributions. Additionally, the outcome of a legal claim against the association remains uncertain, although it is expected to be covered by insurance.

Conclusion

The Canadian Cycling Association remains well-positioned for stability with a strong financial foundation and a clear strategic direction. The achievements of the past year have set the stage for continued success in promoting and developing cycling across Canada.