



## **Management Discussion and Analysis**

Canadian Cycling Association (Cycling Canada)

Fiscal Year Ending March 31, 2025

### **Overview**

Cycling Canada experienced a year of operational resilience in the fiscal year ending March 31, 2025, while continuing to deliver on its mission of growing and developing the sport of cycling across Canada. Despite a decrease in total revenue compared to the previous year, the organization maintained program delivery, stabilized operations, and preserved a strong balance sheet in an increasingly complex and challenged sport funding environment. Cash flow management presented a challenge in the first quarter, as core funding from Sport Canada was not received until June, requiring careful financial planning to maintain operational continuity.

### **Financial Position**

As of March 31, 2025, Cycling Canada reported total assets of \$4.18 million, compared to \$4.77 million the previous year. This decline is primarily due to reductions in accounts receivable and the amortization of capital assets. Net assets ended the year at \$1.29 million, a slight decrease from \$1.33 million, while liabilities decreased to \$2.89 million from \$3.44 million.

### **Current Assets and Liabilities**

#### Current Assets

Total current assets declined to \$3.73 million (from \$4.18 million in 2024), reflecting a reduction in both accounts receivable and prepaid expenses. Notably, accounts receivable dropped by \$611K, corresponding with the timing of cash flows for international sport hosting grants (most notably the 2026 UCI World Road Championships in Montreal). Prepaid expenses were \$278K at

year end, primarily reflecting expenditures for future National Team projects in preparation for the 2025 competition season.

#### Current Liabilities

Total current liabilities decreased to \$2.89 million from \$3.44 million. This decline was driven primarily by a reduction in accounts payable and accrued liabilities (down nearly \$660k), due to timely reconciliation of prior year event costs as well as timing of cash flows related to international event hosting grants. Deferred revenue increased modestly to \$698k, reflecting funding received for projects to be delivered in fiscal 2025–26.

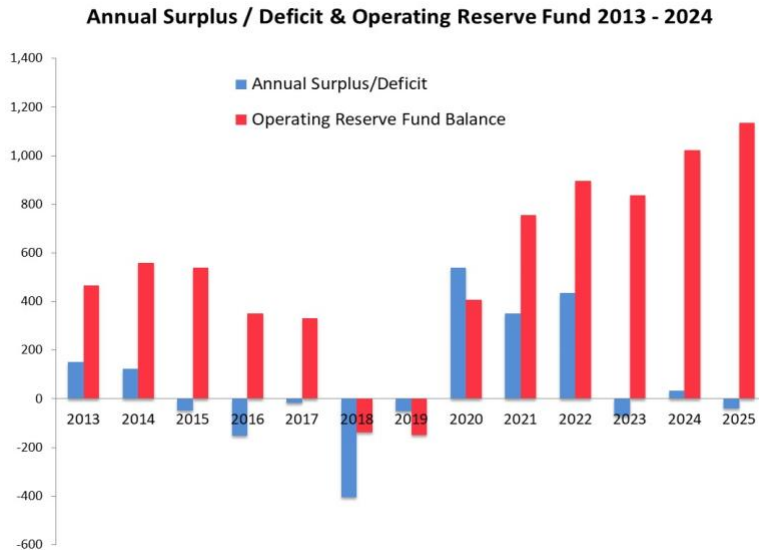
#### Contingency

Cycling Canada continues to monitor the progress of a pending legal matter disclosed in the financial statements. The outcome remains uncertain, but management expects any potential liability to be fully covered by existing insurance.

### **Net Assets**

Cycling Canada's total net assets decreased marginally to \$1.29 million in 2025 from \$1.33 million in 2024. This reflects a modest operational deficit of \$39K and continued amortization of capital assets.

Unrestricted Net Assets, which serve as the association's operating reserve, increased from \$1.02 million to \$1.13 million, supported by a transfer from capital asset-related equity. This reserve remains within the organization's target range (10–15% of annual operating budget), reinforcing financial stability through periods of revenue fluctuation. The table below provides an overview of Cycling Canada's operating reserve fund balance and annual surplus/deficit since 2013.



## Operational Results

Cycling Canada faced a significant revenue contraction in 2024–25, with total revenues of \$9.92 million compared to \$12.3 million the previous year. This was met with careful expenditure management, allowing the organization to maintain strategic investments while ending the year with only a modest operating deficit of \$39k.

## Revenue

Total revenue decreased by 19% year-over-year, primarily due to lower government contributions related to international event hosting as well as lower funding levels for grassroots and high performance programs.

Highlights of note include:

- Sport Canada Contributions totaled \$4.81 million (down from \$5.9 million), including Reference Level (core) funding, Enhanced Excellence support via Own The Podium, and targeted investments. This decrease reflects a modest reduction in Excellence funding via Own The Podium as well as a 60% reduction in grassroots support via the Community Sport For All grant funding program. Reference Level funding remained flat at \$1.1 million once again, a level which has effectively been frozen since 2005.
- International Event Hosting (ISSE) revenue declined to \$1.54 million from \$2.32 million, primarily as a result of the timing of grant funding

- instalments for the 2026 UCI Road World Championships as well as two events being unsuccessful in securing funding.
- Private Funding and Sponsorship revenues declined significantly to a combined \$475k (from \$1.1 million), primarily reflecting the conclusion of Cycling Canada's multi-year collaboration with 94 Forward. Cash sponsorship revenue remains stable although decreased slightly from to \$370k to \$323k due primarily to the termination of Cycling Canada's multi-year partnership with Corpay in 23/24.
  - Athlete Program Fees continued to decrease (from \$242k to \$217k), consistent with Cycling Canada's commitment to mitigating programming fees borne by national team athletes while improving resource equity across core national team programs.
  - Donations & Fundraising revenues increased slightly to \$628k (from \$583k), reflecting strong ongoing support from individual and major donors for the development of cycling across the country. Most notably, targeted contributions received for cycling clubs and trade team programs across Canada grew 14% in 24/25 to \$435k, while donation revenues for the Club 1882 program remained flat at \$184k.
  - Non-Recurring Contributions & Other Revenue remained strong at just over \$1 million, consisting primarily of revenues related to the Milton UCI Track Cycling Nations Cup hosted in April of 2024. Please see below for additional financial information related to this event.

## **Expenses**

Total expenditures for the year were \$9.96 million, down from \$12.27 million in 2023–24. Notable cost areas include:

- High Performance Programming expenses dropped to \$2.63 million (from \$3.29 million), reflecting fewer international competition projects and leaner program delivery in the post-Olympic and Paralympic games period.
- Salaries, Benefits and Contracts decreased to \$3.02 million from \$3.62 million, reflecting strategic staffing adjustments and reduced reliance on external agencies and contractors.

- International Event Hosting costs decreased to \$2.33 million (from \$3.12 million), consistent with timing-related reductions in ISSE hosting grants as referenced above.
- Charitable Donation Program expenditures rose to \$425k, reflecting an increase in targeted donations for Canadian cycling clubs and trade team programs as outlined above.
- Marketing and Communications expenses rose to \$224k from \$175k, driven primarily by increased investments in the Cycling Canada website as well as customized servicing and activation programs for several key Cycling Canada corporate partners.

## **Net Revenue**

Cycling Canada reported a small deficit of \$39,270 in 2024–25. While revenue pressures were significant, disciplined cost control allowed the organization to maintain essential services and strategic priorities without compromising its financial position.

## **Risks and Uncertainties**

The most significant risks to Cycling Canada's financial outlook continue to be:

- Dependency on Government Funding: Fluctuations in federal support (e.g., Enhanced Excellence, CSAI, ISSE) can have material impact on planning for and delivery of high performance, grassroots and event hosting programs.
- Private Funding Volatility and Scarcity: The philanthropic and sponsorship landscape remains competitive, requiring continued strategic investment in fundraising capacity and donor engagement.

## **Conclusion**

Despite a challenging fiscal environment marked by reduced revenues and delayed funding, Cycling Canada remains on solid financial footing. The organization continues to prioritize long-term sustainability, strategic partnerships, and performance excellence, while maintaining its commitment to prudent financial stewardship.

Looking ahead, Cycling Canada will focus on diversifying revenue streams, deepening stakeholder engagement, and maintaining its capacity to deliver high-impact programming that supports athletes, events, and grassroots development across the country.