

Pre-Conference Workshop



**Review of Proposed Bylaw Amendments
Finance Webinar**

Presented by Debra Armstrong, CEO

May 17, 2024

2024 Proposed Amendments to Skate Canada Bylaws



Interested Parties

Article 12 and by February 25, 2024

- Skate Canada Board of Directors
- Skate Canada Sections
- Skate Canada Clubs / Skate Schools (IGS*)
- Skate Canada Coaches (IGS*)

*IGS = In good standing

Submissions and Circulation

- Skate Canada Board of Directors
- Circulated publicly by notice via the Skate Canada website on May 3, 2024
- Rationale for proposed amendments posted
- No other amendments permitted
- If approved, effective July 1, 2024

Canadian Sport Governance Code

The Sport Code is a set of guidelines that aims to improve governance in sports organizations and ensure that athletes, coaches, and other participants have access to safe, healthy, and inclusive sport experiences. Among other things, the Sport Code includes parameters around board independence and term limits and various requirements regarding transparency.

Amendment 1 is a comprehensive amendment to incorporate changes required to include appropriate provisions of the Sport Code.

Amendment 1

ARTICLE 5 & 6: Board of Directors, Officers

Recommended change:

All of the amendments required to incorporate the appropriate provisions of the **Canadian Sport Governance Code (Sport Code)** are illustrated in the lined version of the By Law presented.

Significant revisions are made to Articles 5 and 6 of the By Law. Significant amendments include:

- Definition of an Independent Director
- Elimination of the President as an elected director
- Increase in the number of Directors-at-Large from 6 to 7
- The election of the President by the elected directors by ordinary resolution.
- The imposition of a maximum term for all Directors of eight (8) years [four (4) terms of two (2) years].
- The imposition of a maximum term of twelve (12) years for a Director elected as President. This allows the President an extension of a maximum of four (4) years (two (2) terms of two (2) years).



Article 5

Article 5 : Board of Directors

5.1 The Board shall consist of:

- i) ~~President;~~
- ii) Director (West);
- iii) Director (Ontario);
- iv) Director (Quebec);
- v) Director (Atlantic);
- vi) Director (Coach); and
- vii) ~~Six (6)~~ Seven (7) Directors at Large; and
- viii) vii) Additional Directors, if any.



Article 5 (cont'd)

Eligibility

5.2 Any person who is 18 years of age or older who has the power under law to contract, who has not been declared incapable by a court in Canada or in another country, and who does not currently have the status of bankrupt, may be nominated for election as a Director ~~or President~~.

5.2.1 Candidates for the Director (West), Director (Ontario), Director (Quebec) and Director (Atlantic) are further restricted to persons who are either Registrants or Skate Canada Coaches. Candidates must be in Good Standing.

5.2.2 Candidates for Director (Coach) are further restricted to Skate Canada Coaches. Candidates must be in Good Standing.

5.2.3 Candidates for ~~President and Directors at Large~~ are restricted to Registrants and Skate Canada Coaches. Candidates Director must be in Good Standing. If a candidate for Director is neither a Registrant nor a Skate Canada Coach at the time of their election, they must become a Registrant promptly after their election and remain in Good Standing.

5.2.4 No person holding the position of Chair of any Section ~~shall also be~~ may hold the position of Director ~~or President~~ of Skate Canada. ~~Such person must~~ unless they resign from ~~their~~ the Chair position once elected or appointed.

5.2.5 No ~~sitting person~~ holding the position of Director ~~or President~~ of Skate Canada may ~~be elected or appointed to hold~~ the position of Chair of any Section unless ~~he or she first resigns~~ they resign as Director ~~or President~~ of Skate Canada once elected or appointed.



Article 5 (cont'd)

Nominations of Directors

5.3 No current member of Senior Management may be nominated for election as a Director ~~or President.~~ No past member of Senior Management may be nominated for election as a Director ~~or President~~ unless at least twelve (12) months have passed since that person vacated their Senior Management position.

5.4 ~~Any Director~~ nominations ~~to fill a vacancy on the Board, must be~~ accompanied by the written consent of the nominee by signed or electronic signature, ~~and~~ shall be submitted in writing or by electronic transmission pursuant to Skate Canada policies ~~seventy-five (75) days prior to the next scheduled Annual Meeting to the President or such other person as the Board may designate.~~

~~5.55.4~~ ~~Individuals currently on the Board eligible to be re-elected are not subject to nomination but must provide written notice seventy-five (75) days by the March 15~~ prior to the next scheduled Annual Meeting to the President or such other person as the Board may designate.

~~5.65.5~~ Names of ~~valid recommended~~ nominees and ~~those seeking re-election~~ other eligible nominees will be circulated to all Members.

~~5.75.6~~ For greater certainty, nominations from the floor of a Members' Meeting will not be accepted.



Article 5 (cont'd)

~~Directors' and President's Terms~~

The President

~~5.85.7~~ The President will ~~hold office for four (4) years and will hold such office until a successor has been duly be an Independent Director who is elected in accordance with from~~ the Bylaws, unless the President resigns, is removed from or vacates their office. ~~The Elected Directors to the position of President may serve a second consecutive term of two (2) years after serving by an Ordinary Resolution of the initial four-year term as Directors. The President: will be elected for a term of up to 2 years.~~ The President may not serve longer than ~~six (6)4~~ years in succession.

5.7.1 ~~Each Elected Director elected after~~ The first election of the coming into force of this provision will hold office for two (2) ~~President pursuant to Section 5.7 shall be at the first meeting of Directors following the Annual Meeting in 2025 unless the President in place at the time this Bylaw comes into force (who shall continue in this position unless one of the following occurs) resigns, is removed from or vacates their office, in which case the first election of the President pursuant to Section 5.7 shall be at the first meeting of Directors after such resignation, removal or vacation from office.~~

5.7.2 ~~Notwithstanding Section 5.11 and subject to Section 5.7.1, the President in place at the time this Bylaw comes into force is eligible to be elected as President pursuant to Section 5.7 for one additional 2-year term.~~



Article 5 (cont'd)

Director's Terms

~~5.9~~5.8 Each Elected Director will hold office for 2 years and will hold office until their successor has been duly elected in accordance with ~~the Bylaws~~this Bylaw, unless that Director resigns, is removed from, or vacates their office. ~~An~~Subject to Section 5.11, an Elected Director may not serve more than ~~three (3) consecutive~~four 2-year terms.

~~5.10~~ ~~Subject to section 5.11, an Elected Director who has served three (3) consecutive terms, or a President who has served consecutive terms of four (4) years and two years (2) will be eligible for nomination to a vacant Board position only if there has been a period of two (2) years between the Annual Meeting at which their term limit was reached and the Annual Meeting at which the individual would again be a candidate.~~

~~5.11~~5.9 ~~Section 5.10 shall not apply to Any partial term served by an Elected Director seeking nomination after December 31, 2021 shall be considered as President following a full 2-year term for purposes of the service of three (3) consecutive~~maximum number of terms ~~as an~~ Elected Director is permitted to serve pursuant to Section 5.8.



Article 5 (cont'd)

5.10 ~~An~~Any full 2-year term served by a Director prior to December 31, 2021 will apply against the maximum number of terms an Elected Director serving a partial term will, upon completion of the partial term, remain eligibleis permitted to serve ~~three (3) consecutive two~~pursuant to Section 5.8 to a maximum of two 2-year terms.

~~5.13~~5.11 Commencing with the first election of the President pursuant to Section 5.7, a Director who has served the maximum of four 2-year terms as Elected Director. may serve as a Director beyond the four 2-year terms to a maximum of an additional two 2-year terms provided that person serves as President throughout that extended period (provided further that in no event may a person serve in the position of President for more than 4 years).

~~5.14~~ ~~The President serving a partial term will, upon completion of the partial term, remain eligible to serve a term of 4 years, and is eligible for a second consecutive term of 2 years as President.~~



Article 5 (cont'd)

Elections

~~5.45~~5.12 The election of the President pursuant to Sections 5.7 and 6.1 will take place in years as required be for a 2-year term subject to Section 6.5 and provided the President remains a Director.-

~~5.46~~5.13 The election of the Elected Directors will take place at Annual Meetings. Terms of Elected Directors shall be staggered as follows:

~~5.46.15~~5.13.1 the Director (Ontario), Director (Atlantic), and ~~three (3)~~four Directors at Large will be elected to the Board at alternate Annual Meetings to those listed in section ~~5.44~~5.13.2 below;

~~5.46.25~~5.13.2 the Director (West), Director (Quebec), Director (Coach) and ~~three (3)~~ Directors at Large will be elected to the Board at alternate Annual Meetings to those listed in section ~~5.44~~5.13.1 above.



Article 5 (cont'd)

5.175.14 All elections of Elected Directors shall be determined by Ordinary Resolution, and the voting procedure shall be prescribed by the Board.

5.185.15 In the voting for the ~~President and~~ Elected Directors, the scrutineer(s) shall accept and count only those ballots that are cast for a full slate of positions listed on a ballot.

5.195.16 Elections will be held as required in following order and will be conducted on separate secret ballots:

i) ~~President~~

ii) Director (Ontario) and Director (Atlantic) or Director (West) and Director (Quebec)

iii) Director (Coach)

iv) Directors at Large

~~5.20 Notwithstanding sections 5.3 to 5.6, any validly nominated candidate who runs for but fails to be elected to the office of President may choose, if otherwise eligible, to stand for election as the Director (West), Director (Quebec), or Director (Coach), or in alternate years Director (Ontario) or Director (Atlantic).~~

5.215.17 ~~Notwithstanding sections 5.34~~ to 5.6, any validly nominated candidate who runs for but fails to be elected to the position of Director (West), Director (Quebec), Director (Ontario), Director (Atlantic), or Director (Coach) may choose, if otherwise eligible, to stand for election as Director at Large.



Article 5 (cont'd)

Additional Directors

5.225.18 The Board may by Ordinary Resolution appoint one ~~(1)~~ or more directors, who shall hold office for a term expiring not later than the close of the next Annual Meeting. The total number of Additional Directors may not exceed one-third (1/3) of the number of Elected Directors elected at the previous Annual Meeting.

5.235.19 The Board may not appoint the same individual as an Additional Director for more than two ~~(2)~~ consecutive terms in accordance with section 5.2018 nor appoint an individual who has as of the immediate prior Annual Meeting served the maximum allowable consecutive terms as an Elected Director, unless that individual reached the limit of allowable consecutive terms and is elected by the Directors to serve in the position of President.

5.245.20 An Subject to Section 5.11, an individual who has served as an Additional Director for two ~~(2)~~ years in succession and who subsequently seeks election as an Elected Director will only be eligible for two (2) consecutive terms as Elected Director three 2-year terms as an Elected Director. If an Additional Director is neither a Registrant nor Skate Canada Coach at the time of their appointment, they must become a Registrant promptly after their appointment and remain in Good Standing.



Article 6

Article 6 : Officers

- ~~6.1 The President is an Officer of Skate Canada and shall be elected by the Members in accordance with this Bylaw.~~
- ~~6.26.1 Officers other than the President~~Officers (including the President) shall be appointed by the Board by Ordinary Resolution.
- ~~6.36.2~~ Two or more offices of Skate Canada may be held by the same person and a person appointed as an Officer (other than the President) need not be a Director.
- ~~6.46.3~~ The President shall ensure that the Board functions in accordance with its policies governing its own performance, ensure the execution of decisions made by the Board, sign all documents that require signature, fulfill all duties inherent to the office of President, and shall have such other powers and duties as may be assigned by the Board.



Article 6 (cont'd)

~~6.56.4~~ The Board may vest in a Director all powers and authorize such person to perform all duties of the President in the latter's absence or inability or refusal to act.

~~6.66.5~~ Any Officer ~~other than~~(including the President) may be removed by ~~Special~~Ordinary Resolution of the Board, provided that such Officer has been provided notice of and the opportunity to be present and to be heard at the meeting where such ~~Special Resolution is put to a vote.~~Ordinary Resolution is put to a vote. If the President is serving as a Director pursuant to Section 5.11, and that person ceases to be the President for any reason, that person shall be deemed to have resigned as a Director.

~~6.7~~ ~~The President may only be removed by Ordinary Resolution of the Members in a Members' Meeting.~~

~~6.6~~ No Director (including the President) may serve as CEO unless a period of at least twelve (12) months has passed since that person vacated their position as Director (and, when applicable, President).



Consideration of the motion

MOTION: THAT Skate Canada bylaws are amended to incorporate the provisions of the Canadian Sport Governance Code as per the lined document provided.

The approval of a By Law Amendment is by Ordinary Resolution of the Members which is 50% plus 1 of all votes cast.

2023-2024 Skate Canada Financial Statements



Audit Timeline

- Dec 4th – Dec 8th: Interim Work KPMG
- Apr 29th – May 10th : Audit Work KPMG
- May 15: FERM reviews audited financial statements and recommends approval to the Skate Canada Board of Directors
- May 17: Skate Canada Board reviews the audited financial statements and recommends for approval by Membership at the Annual General meeting

Balance Sheet - Assets

ASSETS	2024 \$	2023 \$
Current assets		
Cash	1,055,984	761,566
Accounts receivable	6,824,628	1,551,508
Prepaid expenses	563,692	1,125,709
Skate Canada Skater Trust Fund	51	57,426
	8,444,355	3,496,209
Investments	30,189,416	27,041,842
Collections	1,377,950	1,223,050
Capital assets	941,057	547,704
	40,952,778	32,308,805

Accounts Receivables have increased due to the timing of the World Championships – several funding agreements and the Venue Settlement were still outstanding at year end 2024

Investment accounts grew significantly with improvements in the market.

Balance Sheet – Liabilities & Net Assets

	2024 \$	2023 \$
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	5,483,368	2,024,487
Deferred revenue	167,431	929,355
Skate Canada Skater Trust Fund	51	57,426
	5,650,850	3,011,268
Net assets		
Unrestricted	32,688,231	27,232,093
Invested in capital assets and collections	2,319,007	1,770,754
Externally restricted	115,829	115,829
Endowment	178,861	178,861
	35,301,928	29,297,537
	40,952,778	32,308,805

Accounts Payables increased as several accruals and invoices from the World Championship still needed to be paid at year end

Skate Canada received funding from Sport Canada in 2023 in advance of the World Championships and needed to defer this revenue

Net assets have increased with growth from the World Championships, Revenue increases and Investment income

Statement of Operations – Revenue

	2024	2023	
	\$	\$	
Revenue			
Membership	11,556,445	8,818,310	Membership volumes and fees are increased from 2023. Skate Canada registration ended at 207,307 for 2024
Assessment fees	1,148,808	1,018,080	
Events	2,494,449	6,568,182	Skate Canada hosted additional events - WJFSC and WSSC in Fiscal 2023
Merchandising	131,801	152,517	
Government and other grants	2,641,654	2,867,388	
Sponsorship (note 10)	337,429	511,955	
Safe Sport	1,034,917	624,174	
Other	432,026	558,028	
2024 ISU World Figure Skating Championships (schedule A)	14,869,265	-	Skate Canada hosted the World Championships in Montreal in March 2024
	34,646,794	21,118,634	

Statement of Operations – Expenses

	2024	2023
	\$	\$
Expense		
Section payments	5,849,517	4,768,932
Athlete grants	694,812	764,810
Events	3,645,283	7,474,827
Advertising	86,055	159,361
Investment fees and bank charges	308,662	289,811
Salaries, benefits and professional development	4,329,896	4,305,194
Professional fees and contracted services	2,154,765	1,833,211
Facilities	691,752	692,876
Travel and living	2,420,010	2,684,585
Technology and subscriptions	301,049	253,855
Office	45,771	52,315
General	205,043	398,161
Amortization of capital assets	110,561	116,795
2024 ISU World Figure Skating Championships (schedule A)	11,357,228	-
	32,200,404	23,794,733

Section payments are increased from 2023 due to increases to Revenue and Registrant volumes

Skate Canada hosted additional events - WJFSC and WSSC in Fiscal 2023

Skate Canada hosted the World Championships in Montreal in March 2024

Statement of Operations – Profit/(Loss)

	2024	2023
	\$	\$
Total Revenue	34,646,794	21,118,634
Less: Total Expense	32,200,404	23,794,733
Net revenue from operations	<u>2,446,390</u>	<u>(2,676,099)</u>
Add: Investment income (loss)	3,403,101	(33,125)
Net Profit for the year	<u>5,849,491</u>	<u>(2,709,224)</u>

The World Championships contributed \$3.5MM of profit to Skate Canada in 2024

Realized and Unrealized Gains contributed significant profit to the total Net profit for Skate Canada

World Championship – Revenue

Worlds 2024

\$

Revenue

Government Grants - Sport Canada	2,800,000
Government Grants - Provincial/Municipal	3,100,000
ISU Contribution	1,343,771
Ticket Sales	5,503,640
Prize Money	1,180,023
Souvenir Sales	276,756
Other	665,075
	14,869,265

Funding contributed significantly to the success of the World Championships

Ticket sales represent the largest revenue stream from the World Championships

World Championship – Expense

	Worlds 2024 \$
Expense	
General & Admin	261,814
Venue Operations	5,272,490
Travel and living	1,361,766
Salaries and wages	116,704
Volunteer Program	124,675
Event Marketing	1,035,895
Broadcasting	631,541
Festival / Ancillary Events	183,987
Prize Money	1,208,650
Quebec Legacy (Montreal)	800,000
Other	359,706
	11,357,228

Venue costs are the largest expense in running the event. This includes the costs for the facility, lighting, catering, construction and staffing.

Travel costs include air transportation, hotel accommodations, per diems, and transportation to the event.

Funds from the Event will go towards a Quebec Legacy to fund programming.

World Championship – Profit/ (Loss)

	2024
	\$
Total Revenue- World Championships	14,869,265
Less: Total Expense - World Championships	11,357,228
Net Profit from World Championships	<u>3,512,037</u>

World Championships contributed \$3.5MM to Skate Canada's annual profit for 2023/2024



Thank you for watching!

Direct any questions to: info@skatecanada.ca

2024 Annual General Meeting (AGM)

Saturday, May 25, 10:00 **Pacific Time (PT)**

All voting delegates and observers must declare their attendance **prior to 09:00 (PT)** on Saturday, May 25, 2024.

Delegates must complete the 2-step declaration process prior to 09:00 PT, Saturday, May 25.

To declare: <https://elections.skatecanada.ca/index.php>

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**Proposed Bylaw Amendments
Financial Statements**



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May 17, 2024