



**Management Discussion and Analysis –
2020/21**

**2021 Annual Meeting
September 18, 2021**

Together we are Artistic Swimming in Canada

As Canada Artistic Swimming passed the half-way point of the 2016-2024 Strategic plan, the organization recognized several strategic paths not contemplated in 2016 when the plan was developed. Additionally, the CAS Board realized that many objectives initially contemplated when the plan rolled out in 2016 have in fact been accomplished. CAS will embark on a new strategic planning process in 2023 but the Board determined it was important to update the current plan to reflect the new brand implemented in 2018, including its focus on diversity and inclusion, and to specifically state our safe and welcoming sport objectives in the current plan. Some key modifications are captured in the CAS Vision, Mission, and Values re-stated below:

Our Vision

To be a world leading nation in Artistic Swimming

And to support and inspire all participants to realize their dreams in artistic swimming (revised August 2021)

Our Mission

To achieve excellence in all aspects of Artistic Swimming in Canada

Our Core Values

- **People** - as we work together to make artistic swimming diverse and inclusive for all. *(revised August 2021)*
- **Excellence** - We are motivated by excellence and innovation in everything we do.
- **Teamwork/Collaboration** - We believe in the power of our team, people and organizations.
- **Ethics/Respect/Safety** - We expect behaviour of the highest ethical standard, demonstrating accountability, integrity, respect and safety by all people in the sport. *(revised August 2021)*

Our Brand Essence

Forging unity through diversity – with key brand attributes: inclusive, powerful, creative, collaborative, and dynamic

Our Mandate

To provide leadership for Artistic Swimming-In-Canada by setting overall vision and strategic guidance relevant to the key roles and responsibilities of each governance body through engagement and partnership with Provincial Sport Organizations, Clubs and key external stakeholders and

To build collaboration, alignment and an effective organizational structure to support the strategic plan



Executive Summary

2020-2021 was a year like no other. Like all national sport organizations, CAS struggled with the inevitable disruptions caused by the pandemic and in addition was rocked by internal legal actions stemming from a safe sport complaint made by several athletes on our senior national team. It is clear that these issues were in part influenced by a period of intense social change that was fueled by the growing Black Lives Matter movement, a renewed emphasis on truth and reconciliation commitments and other social justice issues in Canada which further highlighted different cultural beliefs and tolerances among athletes and staff. It also became clear that the work initiated by CAS previously to bring more diversity to the organization and the sport through the 2018 re-brand and other subsequent initiatives, including the organization's new directions in safe sport, needed accelerating and more intentional and purposeful education at all levels.

Although the outcome of the independent, external investigation was the dismissal of the allegations against the head coach, much was learned through the process of applying the CAS Conduct, Discipline and Complaints, and Appeals Policies in terms of the definition of what constitutes maltreatment. As an outcome of this process:

- CAS put a number of strategic and operational plans and programs in place to address the immediate priority to ensure a safe and welcoming environment for all athletes. This included all CAS staff and coaches voluntarily taking over 30 hours of specific training in areas related to safe sport, diversity, cultural awareness and mental health. It also included forming a new partnership with Montreal-based company Alias to streamline and standardize the "make a report" process across the country – applicable for all clubs and PTSO partners to be launched in the late fall of 2021.
- A high-performance culture project was undertaken with the support of our Own The Podium partners, starting with the senior national team, to better define the objectives of person-centred and performance-centred excellence within the national team program. This work is on-going with the support of external experts and will inform decisions made around all national team programming in the future.
- A complete review and revision of the existing safe sport policies evolved into the CAS Safe and Welcoming Sport Policy suite which is currently nearing completion. These policies continue to be applicable (modified as necessary to meet provincial legislative requirements) to PTSO Members and their clubs and will continue to be revised as best practices evolve in this area.
- A partnership with Balboa Sports was undertaken to assist the organization in finding new ways to get information more effectively to the various stakeholders in our organization in the method that is meaningful and best suits their needs.
- And the organization initiated the Rise Up Project – a comprehensive strategy with the following initiatives overseen by its Management Committee: development of an action plan and educational curriculum to focus attention on safe and welcoming sport environments at all levels; creation of sub-committees to complete the projects; commitment to regular and more detailed communication about work being done in the area of diversity, inclusion and safe sport; theming of the 2021 Technical and Leadership conference to extend communication and learning opportunities under the umbrella of Rise Up.

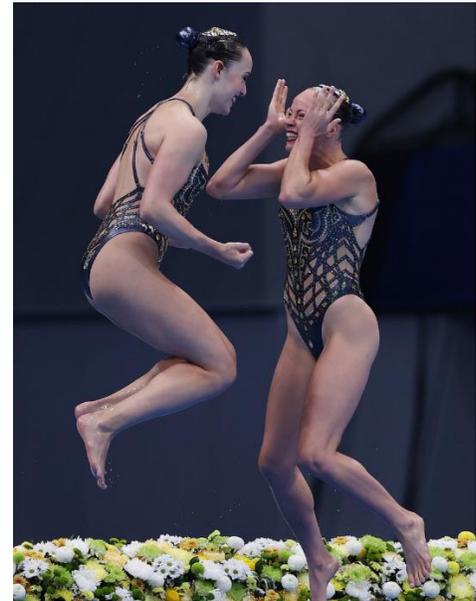


The end of the 2020-2021 season saw Canadians inside and outside our organization celebrate CAS athletes' incredible success at the much anticipated and one-year delayed Tokyo Olympic Games. As the only top-eight artistic swimming federation to move up in the World rankings at the Games - to fifth place for the duet and six overall for the team (5th in the Technical routine) - Canada's best results since 2012, and the only duet and team to close the gap substantially on scores with the countries above, our athletes' Olympic experience was truly magical. The pictures say it all...



Olympic Team Members: Armstrong, Emily; Boissonneault, Rosalie; Côté, Andrée-Anne; Fiola-Dion, Camille; Holzner, Claudia; Joly, Audrey; Pratt, Halle; Simoneau, Jacqueline; Alternate: Priddell, Kenzie

Head Coach: Gabor Szauder
Assistant Coaches: Kasia Kulesza, Karine Dore



Olympic Duet: Claudia Holzner / Jacqueline Simoneau

Operational Activity

CAS pivoted during the pandemic to focus on delivering a re-formatted NCCP curriculum for AquaGO! instructor certification and Competition Introduction coach certification - moving to an on-line platform. This allowed instructors and coaches to complete aspects of their certification in virtual classrooms at a time when many were at home and away from regular pool activities. 239 AquaGO! Instructors were trained in a virtual format and are ready to offer the program when recreational activities are fully resumed.

Some other notable accomplishments in 2020-2021

- Re-imagined our 2021 competition season to allow athletes to participate in whatever way they could respecting local and provincial COVID restriction and managed to create a season for everyone - albeit very different than normal.
- Continuing the virtual experience, CAS executed the largest virtual FINA World Series event - with 20 nations and 75 entries taking part from their home pools around the world
- Despite very unusual conditions, CAS supported our Olympic duet to attend the Hungarian Open World Series event in person, as well as sending a full team to the FINA AS World Series Super Final in Barcelona in early June.



- adoption of a national on-line injury tracker launched in September, 2021 to enable athletes across the country to report their injuries confidentially – allowing important safety mechanisms and training programs to be developed over time with the aggregate data collected;
- Developed a Marketing Tool kit for the AquaGO! program to allow clubs and provinces to take advantage of standardized, consistently branded marketing tools to advertise their AquaGO! sessions
- Collectively, with our Members, we continue to recognize the importance of the AquaGO! Program in athlete recruitment, addressing concerns related to diversity and inclusivity within the sport and the important place the recreational base plays in development on the LTAD continuum. Ultimately, AquaGO! will enable the organization at all levels to maintain greater financial stability as the we wade through still uncertain waters ahead.

Financially, the organization maximized government funding levels through accessing the various pandemic emergency funds made available by Sport Canada and the Government of Canada. This, in combination with activities not undertaken because of the pandemic, allowed the organization to sustain the costs of the legal challenges and achieved the goal of a surplus. This comes with the reality that federal funders will monitor our spending over a two-year period, recognizing that with little activity happening in 2020-2021 and programs re-starting in 2021-2022, there will be an immediate need for funds in year two. With the financial picture somewhat at risk due to the uncertainty of the pandemic, and the recovery period we are now entering, this ability to sustain the organization through fiscal responsibility and creative and opportunistic programming will be even more important in the future.

As we look ahead to the 2021-2022 season, the world of sport continues to be challenging, but we know our organization has creative and bold leaders at all levels, and programs that have the potential to sustain growth and lead to greater stability in the future.

The Financial Year in Review

Overall, CAS continued to perform well financially in 2020-2021, and at the same time realized gains in its investment in human potential. As a National Sport Organization, success is not only measured by the financial bottom line, but also in terms of the value we bring to the Members and registrants we serve. The purpose of the information provided below focuses on the financial strength and capacity of the organization but this is always to be considered in the context of how well the organization is doing on a number of other fronts including athlete success, registration growth, public image and strength of governance.

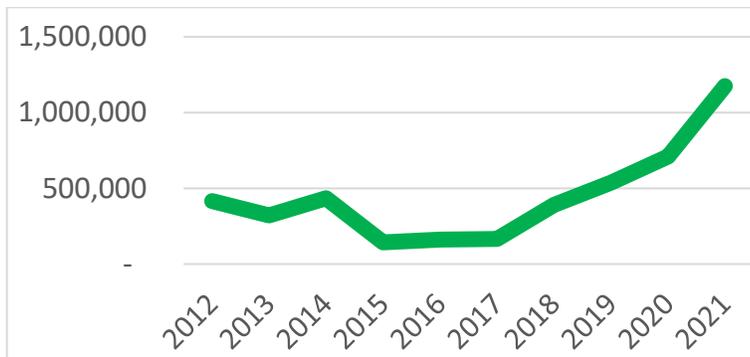


Balance Sheet

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,326,811	\$ 722,594
Amounts receivable	71,932	97,455
Inventories	18,936	18,376
Prepaid expenses	20,094	35,067
	<u>1,437,773</u>	<u>873,492</u>
Endowment assets	10,220	9,161
Tangible capital and intangible assets (note 3)	23,840	30,790
	<u>\$ 1,471,833</u>	<u>\$ 913,443</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 155,226	\$ 144,878
Deferred revenue (note 5)	141,869	59,531
	<u>297,095</u>	<u>204,409</u>
Net assets:		
Unrestricted (note 6)	1,140,678	669,083
Invested in tangible capital and intangible assets	23,840	30,790
Endowment	10,220	9,161
	<u>1,174,738</u>	<u>709,034</u>
Contingencies and commitments (note 7)		
Impact of COVID-19 (note 10)		
	<u>\$ 1,471,833</u>	<u>\$ 913,443</u>

Note: Positive year end result improved unrestricted assets by approx. \$ 465K

Comparison of Net Assets (unrestricted)



Net Assets

Year	Net Assets
2012	415,000
2013	321,000
2014	434,000
2015	143,000
2016	162,000
2017	165,000
2018	390,000
2019	537,334
2020	709,034
2021	1,174,738

Net Assets continue to grow and are critical to seeing us through a storm such as the one we are facing. CAS is not yet at the one year of retained earnings set in the strategic plan. Given the two-year approach to budgeting for federal government compliance, next year we expect a deficit roughly equivalent to the 2020-21 surplus.



Income Statement

	2021	2020
Revenue:		
Sport Canada contributions	\$ 1,365,750	\$ 1,120,000
Covid-19 government grants and subsidies	384,642	-
Registration, affiliation and entry fees	213,608	1,365,371
Rebates, interest and other revenue	77,142	84,105
Canadian Olympic Committee	75,250	70,500
Sport Canada - OTP contributions to INS	59,500	49,000
Coaching Association	15,300	3,000
Sponsorship and fundraising	7,742	21,390
Sale of products	1,267	12,376
Competition revenue (prize money)	-	275,126
Sport Canada hosting contributions	-	100,000
	2,200,201	3,100,868
Expenses:		
High performance	666,393	1,259,454
Sport development	45,185	814,763
Cost of products sold	532	11,128
Administration:		
Payroll and benefits	618,891	610,985
Association	318,583	102,911
National office	67,706	72,133
Promotions and communication	10,429	28,475
Planning and management	7,837	28,836
	1,735,556	2,928,685
Excess of revenue over expenses	\$ 464,645	\$ 172,183

Revenue Highlights/Variations 2021 vs 2020

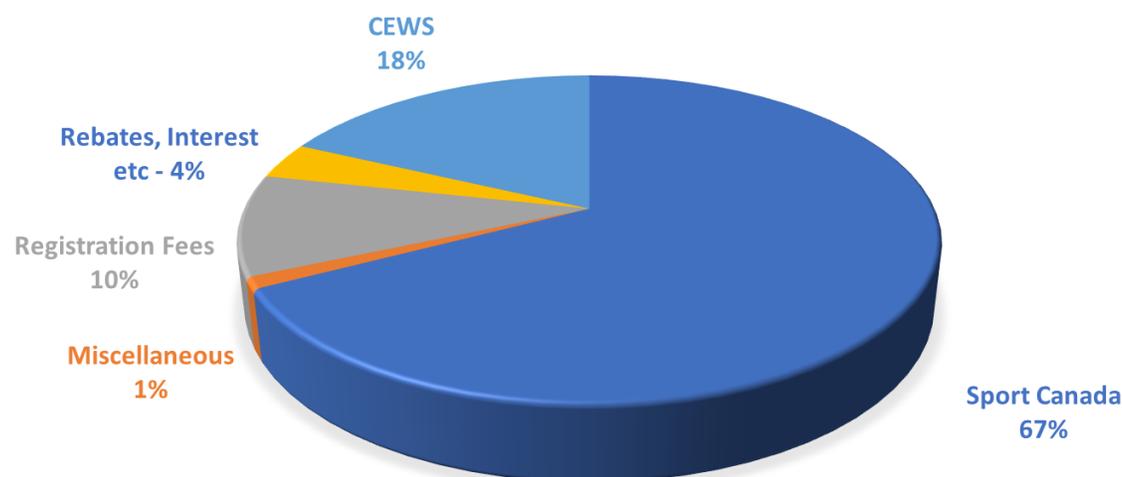
- Sport Canada - \$241,000 COVID support
- CEWS - \$384K COVID support
- No events hosted
- No prize money earned
- Membership decreased
- Revenue DOWN \$893K or 29%

Expense Highlights/Variations 2021 vs 2020

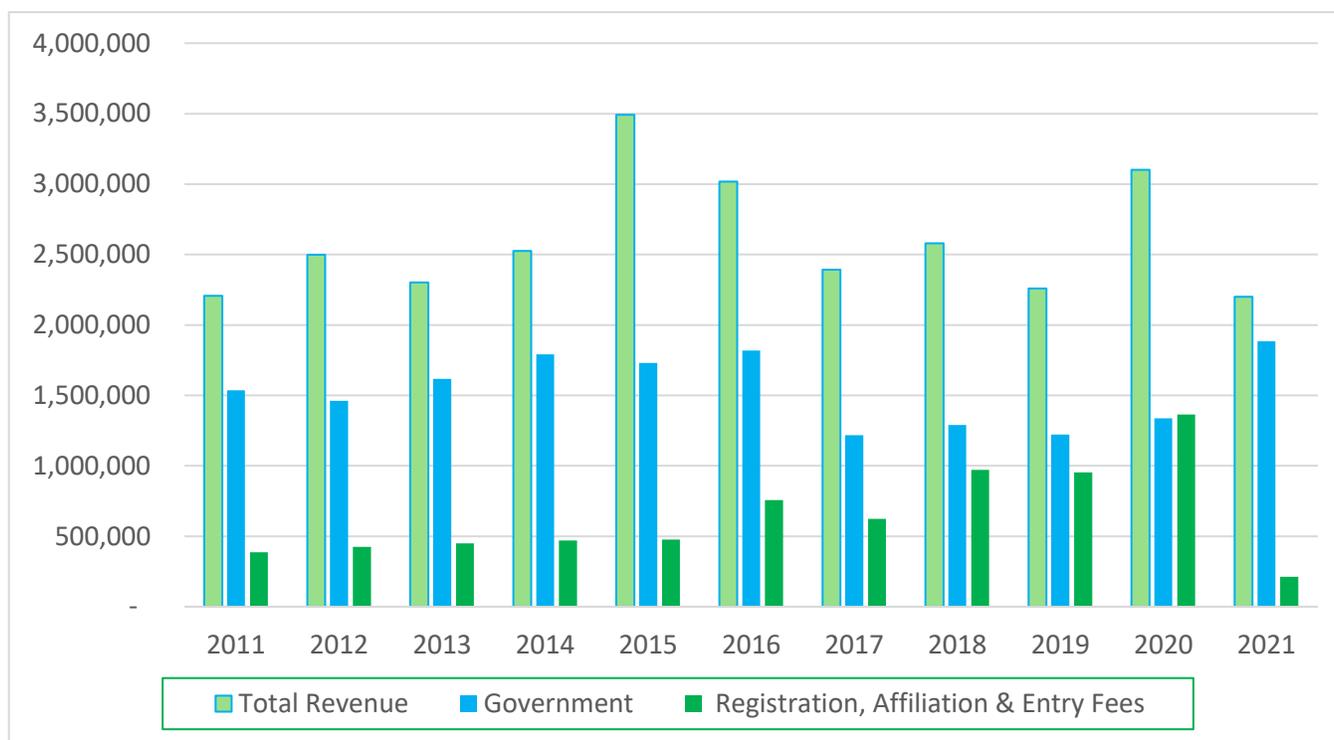
- No Int'l events attended
- Increase in safe sport related costs
- Expense DOWN almost \$1.2M or 41%

Revenue Summary 2020-2021

Sources of Revenue



Revenue Trends



The most important observation to make in considering the revenue sources and trends in 2020-2021 is the interruptive impact the pandemic has had on CAS work to level out funding between government and self generated revenues as CAS works to its strategic goal of more balanced revenue streams.

Registration/Membership Revenue

	2020-21	2019-20	2021 to 2020	% Change	2018-19	2021 to 2019	% Change
British Columbia	13,946	17,822	-3,876	-30.3%	19,339	-5,393	-27.9%
Alberta	25,965	32,230	-6,265	-23.9%	33,652	-7,687	-22.8%
Saskatchewan	11,603	22,860	-11,257	6.1%	10,208	1,395	13.7%
Manitoba	8,266	10,983	-2,717	6.8%	7,520	746	9.9%
Ontario	54,553	67,502	-12,949	-23.5%	70,445	-15,892	-22.6%
Quebec	54,506	73,000	-18,494	-31.5%	77,502	-22,996	-29.7%
New Brunswick	5,840	7,058	-1,218	-20.6%	7,295	-1,455	-19.9%
Nova Scotia	2,985	4,616	-1,631	-32.1%	4,467	-1,482	-33.2%
Prince Edward Island	1,156	1,232	-76	-60.1%	1,897	-741	-39.1%
Newfoundland	5,753	5,359	394	7.7%	5,341	412	7.7%
Yukon	364	795	-431	-77.5%	980	-616	-62.9%
Other	938	2,100	-1,162	-43.8%	1,857	-919	-49.5%
Total	185,875	245,557	-59,682	-22.2%	240,503	-54,628	-22.7%

Note 1: Membership fee increase effective September 1, 2018

Note 2: Other is CUASL fees



Registration/Membership Data

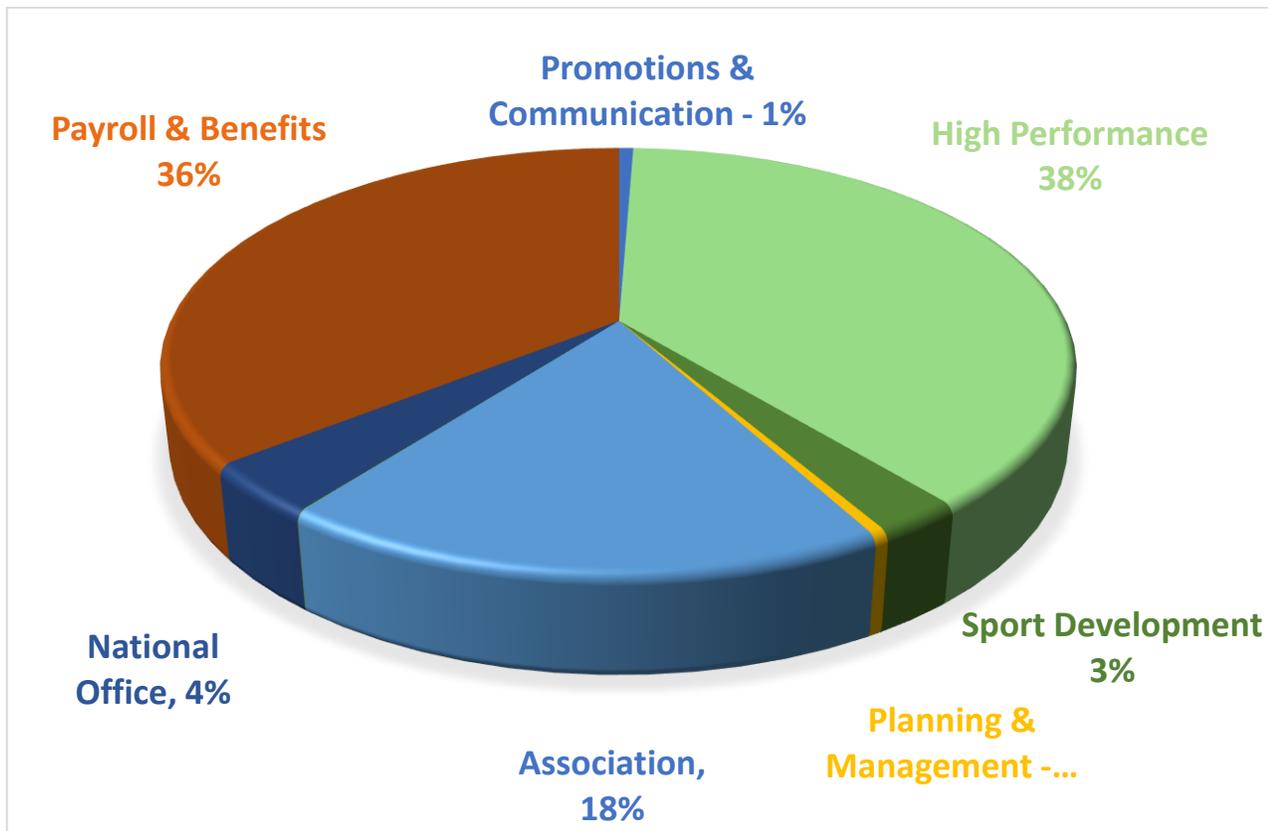
Membership declined approximately 24% in 2020-21, so registration is not analyzed in detail this year given the impact of the pandemic on clubs to offer programming – particularly at the recreational level and the corresponding decrease in registration. Registration data from 2021-2022 will be compared against years prior to COVID to enable the organization to estimate, at least in part, the increase attributable to Olympic performances, results and media coverage which typically predicates a positive bump in registration in the year following the Games.

Event Results

Similarly, no in person events were held in 2020-2021. Although virtual competitions were held and there were some financial results attributed to them, the comparison against prior years is not relevant. This reporting will be re-instituted in the next season pending the return of competitions.

Expense Summary 2020-2021

Breakdown of Expenses



Expenditure Highlights – High Performance

High performance	2021	2020
Senior National Team	173,629	299,227
Junior Team	1,091	70,890
13-15 National Team	1,091	147,181
Coaching & Other Support	364,869	413,077
FINA World Championships	-	24,394
PanAm Games	-	23,604
International Events	58,935	211,112
Other	7,277	20,972
	606,893	1,210,457
Own the Podium funding to INS	59,500	49,000
	666,393	1,259,457

HP spending down almost \$600K in total - a significant change

- Focus on SRNT OLY Prep at the national training centre + Safe Sport
- International competitions were cancelled
- No JR or 13-15 activity
- 2020 competitions 4x ASWS + SSF + Worlds + PanAm

Expenditure Highlights – Sport Development

Sport Development	2021	2020
Annual Meeting and Leadership	-	22,192
Events Expenses & Hosting	23,613	
NCCP	17,610	
LTAD Implementation	9,603	9,530 **
International Initiatives	-	
Other Development Projects	-	
	50,826	31,722

**AquaGO! development

Financial Risks and Opportunities – Looking Forward

While there are always risks identified annually by organizations and attempts made to mitigate those risks through careful strategic and operational planning, the COVID-19 pandemic and to a certain extent the emphasis on safe sport reporting has pushed national sport organizations and sport in general to a whole new level of short and long-term uncertainty.

Safe Sport Expenses

Spending on aspects of external, independent safe sport complaint management is summarized in the chart below and crosses two fiscal periods:



	<u>2020-21</u>	<u>2021-22</u>
Internal Review	\$ 9,000	\$ 2,600
Investigation Costs	139,600	9,500
Discipline Panel	74,200	175,400
Appeal	-	7,400
Training & Development	9,900	8,400
Culture Project	+ 32,800	-
Miscellaneous	29,000	1,600

Safe Sport spending was up over \$210K (480%) over the previous fiscal period. The Rise Up initiative and corresponding educational campaign are extremely important to mitigate the risks of new safe sport related complaints. Conduct and culture will be an emphasis in the immediate future. Additionally, with the establishment of a central government agency for safe sport reporting (Sport Dispute Resolution Centre of Canada), the current federal funding levels for NSO safe sport programming are at risk.

There are significant inherent risks to revenue streams related to the impact of the pandemic. In particular, there is a possible risk that athletes do not return to the sport or return in reduced numbers such that current registration revenue at all levels is moderately to seriously impacted. There is a corresponding risk that this happens and results in a major reduction in the size of the talent pool which might be unrecoverable for years to come, even if CAS is able to stabilize the financial impact. This reduction in the talent pool will most certainly impact high performance results in the next five years and that creates a corresponding risk in the position of the sport in the NSO family in terms of marketability and government funding.

Similarly, any drop in the number of competitive athletes in particular will have an impact on CAS' ability to hold events given that domestic events are not structured to be profit-making and many host costs are fixed regardless of the number of athletes participating. This could also seriously impact CAS' finances and ability to invest in athlete development through hosting national events.

Given the huge deficit undertaken by the federal government through the various emergency economic measures realized during the pandemic to date, it is also highly possible that current levels of Sport Canada funding will be negatively impacted over the foreseeable future as the country attempts to paydown the massive debt we will be left with. The potential impact of a change in government has already impacted the long-awaited delivery of the new Sport Funding Accountability Framework (SFAF) promised for this fall by Sport Canada and delayed again – already more than seven years behind schedule.

The Road to Recovery

The silver lining is that so far, our competitive numbers have stayed relatively stable. Our senior team athletes had an amazing Olympics run, we have a readiness to expand the AquaGO! Programming through application of the new Marketing Tool Kit, and a commitment to bring safe and welcoming culture to the sport at all levels to generate new interest from current and new communities.



Working together as a whole organization – aligned in planning, operations and strategy, policies and structure to streamline the ability for the organization to pivot quickly to address changing environment, to minimize the duplication of effort and investment in resources is more important now than ever before in our sport. CAS and its Members have embarked on a series of steps to better integrate and align operations which will serve us well in the post pandemic recovery period. It is critical that these efforts continue.

Similarly, the **Canadian University Artistic Swimming League (CUASL)** and CAS have continued a process of integration that will assist CAS in adding strength to the active for life stage of LTAD and encourage more junior athletes to consider targeting post secondary education in a Canadian university that would allow them to continue to participate in their sport longer than they do currently. CAS can bring administrative support to the CUASL as well as the potential for event support by hosting some or all of their current competitions in conjunction with CAS and PTSO events. A collaborative partnership with benefits to both will also help to increase participation numbers and keep more athletes in the sport through their post-secondary education period.

Money Management – CAS needs to continue to find ways to stretch its dollars as much as possible through the means available: managing expenses, targeting any and all funding programs including being strategic about the pursuit of prize money to help offset National team expenses; timely and clever investments through a policy that allows for some creativity to respond to market conditions; and expanding as much and as quickly as possible on its fledgling philanthropic and sponsorship recruitment programs. The key continues to be revenue diversification.

Hosting International Events – the hosting of international competitions in general, in whatever form they take moving forward, will continue to provide financial opportunities for CAS. We have been awarded the twice postponed Junior World event by FINA and hope that the pandemic situation is resolved enough to allow a face to face competition in August 2022. We will find a way to protect this source of revenue as much as possible.

The **virtual world** – CAS will continue to explore how we can use the virtual platform to carry on our business without compromising the quality of programming or the services we provide. Ultimately, the safety of our participants is our number one priority so this must factor into future decisions. For events, we have some advantages in being a judged sport that does not require head to head competition in order to participate and we need to take full opportunity to maximize those advantages.

Next Year...Key Metrics

Year six of the eight year strategic plan will again see Canada Artistic Swimming focused on achieving several key metrics and measures:

- AquaGO! is recognized as one of the best entry level grassroots programs for families – of any sport in Canada. AquaGO! Is the key to expanding the talent pool, helping our clubs recover, and fostering the spirit of inclusion in communities across Canada.
- Revision of NCCP training components will continue to be the focus with emphasis on building coaching skills and professionalizing the role through education components built into every opportunity (mentorship programs, webinars, workshops, and others).



- Canada Artistic Swimming is well on its way to having a fully integrated HP system from top to bottom including national testing protocols, flexibility and strength programs, has completed the Gold Medal Profile, and integrates the provincial and national streams into one collaborative system working toward aligned meaningful competition experiences for all athletes.
- Our National Team athletes consistently finish in the top 4 in the World Series ranking and maintain their hard fought Olympic finish. Developmental teams hold or improve their world ranking in 2022.
- NSO, PTSOs and Clubs are aligned in program delivery, actions, and values as an organization.
- Canada Artistic Swimming supports the principles of diversity and inclusivity in all programming and activity at all levels in the organization with a focus on enabling and encouraging males and all under-represented communities to participate in the sport. Registration data will quantify the achievement of this goal.
- Progressive alignment of NSO and PTSO operations based on consistent policies, rules and best practices and a commitment to values-based culture through collective support of the Safe and Welcoming Policy Suite and the various projects captured under the Rise Up banner.

The Last Word

Despite the most unpredictable set-back imaginable, a year marked by extreme lows and highs and corresponding concern for financial stability, Artistic Swimming-In-Canada remains focussed to achieve its strategic objectives by 2024. Working together at all levels to build and streamline inclusive programming, align administrative practices and processes, and share resources where possible, will enable the organization to make faster and better decisions where we need to stay ahead of the curve. It remains important that particularly in this difficult period we stay true to our values as an organization, serve all Members and current and potential registrants with excellence, and with great respect for our brand.



J. Buckingham, CEO
September 2021

