

**CANADIAN FREESTYLE SKI ASSOCIATION  
ASSOCIATION CANADIENNE DE SKI ACROBATIQUE**

**FINANCIAL STATEMENTS**  
**March 31, 2021**

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CANADIAN FREESTYLE SKI ASSOCIATION/ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

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### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Canadian Freestyle Ski Association/Association Canadienne de Ski Acrobatique, which comprise the statement of financial position as at March 31, 2021, and the statement of operations, statement of changes in net assets and statement of cash flows for the year ended March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, and its financial performance and its cash flows for the year ended March 31, 2021 in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Association 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 opinion.

#### *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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 generally accepted auditing standards 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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

- ◆ 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 Association'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 Association'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 Association 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.



REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, B.C.  
July 26, 2021



**CANADIAN FREESTYLE SKI ASSOCIATION  
ASSOCIATION CANADIENNE DE SKI ACROBATIQUE**

**STATEMENT OF OPERATIONS  
For the year ended March 31, 2021**

	2021	2020
	\$	\$
<b>REVENUES</b>		
Contributions	6,199,216	5,533,394
Donations	2,256	5,100
Program fees	468,294	680,363
Provincial and other funding	86,520	764,751
Sponsorship	666,949	668,520
	<b>7,423,235</b>	<b>7,652,128</b>
<b>EXPENSES (Note 15)</b>		
Business operations	477,566	746,091
High performance	4,120,796	4,218,945
Major events & domestic events	111,752	1,632,345
MarCom	297,345	253,566
Sport development	331,132	319,069
	<b>5,338,591</b>	<b>7,170,016</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>2,084,644</b>	<b>482,112</b>

The accompanying notes are an integral part of these financial statements.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## STATEMENT OF FINANCIAL POSITION As at March 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	342,330	279,425
Investments (Note 3)	2,642,694	57,956
Accounts receivable (Note 4)	266,749	607,535
GST/HST receivable	22,194	44,791
QST receivable	5,023	13,071
Prepaid expenses	72,471	100,678
	3,351,461	1,103,456
<b>TANGIBLE CAPITAL ASSETS (Note 5)</b>	<b>895,155</b>	<b>914,364</b>
	4,246,616	2,017,820
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	618,736	1,044,961
Due to government agencies	6,388	5,516
Deferred contributions (Note 8)	589,659	-
	1,214,783	1,050,477
Callable debt (Note 9)	383,355	403,509
	1,598,138	1,453,986
<b>NET ASSETS</b>		
Invested in tangible capital assets	895,155	914,364
Unrestricted	1,753,323	(350,530)
	2,648,478	563,834
	4,246,616	2,017,820

Approved by the Directors:

 Director  
 Director

The accompanying notes are an integral part of these financial statements.

**CANADIAN FREESTYLE SKI ASSOCIATION  
ASSOCIATION CANADIENNE DE SKI ACROBATIQUE**

**STATEMENT OF CHANGES IN NET ASSETS  
For the year ended March 31, 2021**

	Invested in Tangible Capital Assets	Unrestricted	2021	2020
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$ 914,364</b>	<b>\$ (350,530)</b>	<b>\$ 563,834</b>	<b>\$ 81,722</b>
Excess (deficiency) of revenues over expenses	(28,953)	2,113,597	<b>2,084,644</b>	482,112
Acquisition of tangible capital assets	9,744	(9,744)	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>895,155</b>	<b>1,753,323</b>	<b>2,648,478</b>	<b>563,834</b>

The accompanying notes are an integral part of these financial statements.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## STATEMENT OF CASH FLOWS For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	2,084,644	482,112
Items not requiring the outlay of cash:		
Depreciation	28,953	29,844
Accrued interest on investments	(16,944)	-
	2,096,653	511,956
Change in non-cash working capital items:		
Accounts receivable	340,786	210,436
Prepaid expenses	28,207	(66,538)
Inventory	-	25,740
GST/HST receivable	22,597	(509)
Deferred contributions	589,659	(162,010)
QST receivable	8,048	8,217
Accounts payable and accrued liabilities	(426,226)	(190,567)
Due to government agencies	872	3,741
	2,660,596	340,466
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computer equipment	(9,744)	(5,599)
Purchase of office furniture and equipment	-	(27,979)
Acquisition of investments	(3,925,750)	(57,956)
Disposition of investments	1,357,957	-
	(2,577,537)	(91,534)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on callable debt	(20,154)	(12,670)
<b>INCREASE IN CASH</b>	62,905	236,262
<b>CASH, BEGINNING OF YEAR</b>	279,425	43,163
<b>CASH, END OF YEAR</b>	342,330	279,425

The accompanying notes are an integral part of these financial statements.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

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### 1 NATURE OF OPERATIONS

Canadian Freestyle Ski Association / Association Canadienne de Ski Acrobatique (the "Association") is incorporated under Part II of the Canada Corporations Act. It serves as the governing body of freestyle skiing in Canada and under the terms of the Income Tax Act, is a non-profit organization and exempt from income taxes. The Association received a certificate of continuance under the Canada Not-for-profit Corporations Act. The Association is a registered Canadian amateur athletic association (Business number 89375 8680 RC0001).

The accompanying financial statements reflect the assets, liabilities and operating results of the Association. These statements do not reflect the assets, liabilities or operating results of any of the Divisions or Clubs of the Association.

### 2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) Financial instruments

##### (i) Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses in the period incurred.

Financial assets measured at amortized cost on a straight line basis include cash, investments, accounts receivable, GST/HST receivable, and QST receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, amounts due to government agencies, and callable debt.

##### (ii) Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenses. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.



# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

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### 2 SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### (iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in excess of revenues over expenses in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in excess of revenues over expenses over the life of the instrument using the straight-line method.

#### (b) Tangible Capital Assets

Tangible capital assets are recorded at cost and depreciated over their estimated useful lives using the following methods, annual rates and periods:

Building	Declining balance	4%
Office furniture and equipment	Declining balance	20%
Leasehold improvements	Declining balance	20%
Computer equipment	Declining balance	30%

#### (c) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program fees are recognized as unrestricted contributions as they are non-refundable and do not relate directly to the services provided.

#### (d) Government Contributions

Government of Canada contributions are subject to certain terms and conditions regarding the expenditures of these funds, with the expenditures charged against these contributions being subject to a government audit. As a result, adjustments may be made, in the year of the audit, to the original contributions received.

#### (e) Donated Material and Services

Some of the equipment, supplies and services provided to athletes by the Association are donated free of charge by manufacturers. As it is not practical to estimate fair value, no value has been recorded for such donated equipment, supplies, and services.

#### (f) Measurement Uncertainty

The preparation of financial statements in conformity 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Accounts subject to estimates include depreciation, collectability of accounts receivable, accrued receivables and accrued liabilities.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

### 3 INVESTMENTS

Institution	Instrument	Matures	Interest Rate	Value
				\$
Bank of Montreal	GIC	June 10, 2021	1.00 %	1,512,082
Bank of Montreal	GIC	June 11, 2021	0.90 %	125,750
Bank of Montreal	GIC	June 30, 2021	0.65 %	<u>1,004,862</u>
				<u>2,642,694</u>

### 4 ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Accounts receivable	266,749	696,270
Allowance for doubtful accounts	-	(88,735)
	<u>266,749</u>	<u>607,535</u>

### 5 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated depreciation	2021 Net	2020 Net
	\$	\$	\$	\$
Building	292,752	123,999	168,753	175,785
Computer equipment	213,549	183,805	29,744	30,660
Land	651,609	-	651,609	651,609
Leasehold improvements	30,000	27,681	2,319	2,899
Office furniture and equipment	208,915	166,185	42,730	53,411
	<u>1,396,825</u>	<u>501,670</u>	<u>895,155</u>	<u>914,364</u>

The land and building is located at 808 Pacific Street, Vancouver, BC. and the BC Assessment provides the fair market value of \$1,853,000 for 2021.

### 6 LINE OF CREDIT

In October 2020, the Association negotiated a new credit facility with the Bank of Montreal. The total credit facility is to a maximum of \$1,167,414 which includes an operating demand loan at prime plus 1.6% repayable on demand.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

### 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	\$	\$
Trade and accrued liabilities	532,912	965,765
Athlete deposits	32,540	26,540
Due to Athlete Sponsorship Fund	38,940	40,120
Employee benefits	532	523
RSP payable	13,811	12,013
	618,736	1,044,961

### 8 DEFERRED CONTRIBUTIONS

	2021	2020
	\$	\$
Sport Canada - Sport Support Program	589,659	-

The deferred contributions from Sport Canada represents an allocated surplus in the year ended March 31, 2021 that will be used towards the same objectives and results in the next fiscal year.

### 9 CALLABLE DEBT

The mortgage with the Bank of Montreal is demand loan with a variable rate at prime plus 1% with monthly payments of \$2,810. Interest paid on the loan was \$13,572 (2020: \$20,124).

Estimated payments are as follows:

	\$
2022	20,866
2023	21,597
2024	22,323
2025	23,136
2026	23,947
	111,869

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

### 10 FUNDS HELD IN TRUST

The Association holds in trust, on behalf of athletes, various funds received from individual sponsors as follows:

	2021	2020
	\$	\$
Balance, beginning of year	(5,130)	(5,202)
Bank charges paid	(72)	(72)
Trust Assets - balance, end of year	5,058	5,130
Trust Liabilities - balance, end of year	(5,058)	(5,130)

### 11 FINANCIAL INSTRUMENTS

The Association's financial instruments consists of cash, accounts receivable, GST/HST receivable, QST receivable, accounts payable and accrued liabilities, amounts due to government agencies, and callable debt.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks arising from its financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

#### (a) Fair value

The Association is exposed to fair value risk in its financial assets and liabilities. The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. In the opinion of management the fair value risk exposure to the Association is low and is not material.

#### (b) Foreign exchange risk

The Association is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Association by a customer, or that an obligation in a foreign currency was made to the Association to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The Association reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made to the Association. The Association did not have any hedges at the time that the financial statements were issued. The Association does not utilize financial instruments to manage its foreign exchange risk. The Association maintains adequate foreign currency balances in its bank provided by its customers that discharged their obligations to the Association in the related currency, to discharge its related foreign currency obligations. In the opinion of management the foreign exchange risk exposure to the Association is low and is not material.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

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### (c) Credit risk

The Association is exposed to credit risk with respect to its accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Association reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Association maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Association is low and is not material.

### (d) Interest rate risk

The Association is exposed to interest rate risk with respect to its mortgage that bears interest at a variable rate and its investment in GICs that accrue interest at a fixed rate. Interest rate risk is not considered significant because the Association is able to maintain monthly payments and the interest rate on its investments are fixed.

## 12 ECONOMIC DEPENDENCE

The Association is economically dependent on government grants, which represents 84% (2020 - 79%) of the total revenue.

## 13 COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The economic effects within the Association's environment and in the global markets due to the disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) have a material impact on the Association's operations.

The extent of the impact of this outbreak and related containment measures on the Association's operations cannot be reliably estimated at this time.

## 14 COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.



**CANADIAN FREESTYLE SKI ASSOCIATION  
ASSOCIATION CANADIENNE DE SKI ACROBATIQUE**

**NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2021**

**15 EXPENSES BY OBJECT**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Bad debts	<b>16,959</b>	199,581
Communications	<b>35,099</b>	36,658
Contractors, salaries and benefits	<b>2,563,991</b>	2,636,381
Depreciation	<b>28,953</b>	29,845
Entertainment and meals	<b>117,632</b>	332,305
Facility and equipment	<b>612,514</b>	346,276
Foreign exchange (gain) loss	<b>14,072</b>	(30,238)
IST-others	<b>57,469</b>	41,881
Information technology	<b>35,477</b>	40,474
Insurance	<b>109,637</b>	138,504
License, membership and subscription	<b>13,895</b>	91,613
Marketing and promotion	<b>34,141</b>	174,394
Medical and therapy	<b>216,114</b>	356,921
Meetings	<b>11,684</b>	14,951
Office	<b>54,515</b>	48,513
Prize money and event sponsorship	<b>40,324</b>	365,051
Professional fees	<b>99,834</b>	95,208
Service charges and interest	<b>57,992</b>	88,958
Strength and conditioning	<b>90,777</b>	131,242
TV production, sound and photography	<b>85,057</b>	390,459
Translation	<b>4,774</b>	10,368
Travel and accommodation	<b>1,031,575</b>	1,625,021
Website	<b>6,106</b>	5,650
	<b>5,338,591</b>	<b>7,170,016</b>