

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

**FINANCIAL STATEMENTS  
March 31, 2024**

# 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, 2024, and the statement of operations, statement of changes in net assets and statement of cash flows for the year ended March 31, 2024, 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, 2024, and its financial performance and its cash flows for the year ended March 31, 2024 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.  
September 2, 2024

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## STATEMENT OF OPERATIONS For the year ended March 31, 2024

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>REVENUES</b>		
Contributions	5,701,863	6,140,505
Donations	2,752	5,886
Program fees	943,557	714,371
Provincial and other funding	883,126	754,458
Sponsorship	214,500	189,875
	<b>7,745,798</b>	<b>7,805,095</b>
<b>EXPENSES (Note 12)</b>		
Business operations	1,046,841	785,015
High performance	4,626,577	4,536,626
Major events & domestic events	2,018,865	1,676,387
MarCom	86,599	204,718
Sport development	312,619	216,172
	<b>8,091,501</b>	<b>7,418,918</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>(345,703)</b>	<b>386,177</b>

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, 2024

	Invested in Tangible Capital Assets	Unrestricted	2024	2023
	\$	\$	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	866,125	4,714,835	<b>5,580,960</b>	5,194,783
Excess of revenues over expenses	(37,338)	(308,365)	<b>(345,703)</b>	386,177
Acquisition of tangible capital assets	66,957	(66,957)	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>895,744</b>	<b>4,339,513</b>	<b>5,235,257</b>	<b>5,580,960</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, 2024

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	267,203	380,679
Investments (Note 3)	-	1,397,409
Accounts receivable	6,004,713	4,020,400
GST/HST receivable	63,141	38,215
QST receivable	83,746	36,851
Prepaid expenses	86,198	57,939
	<b>6,505,001</b>	5,931,493
TANGIBLE CAPITAL ASSETS (Note 4)	<b>895,744</b>	866,125
	<b>7,400,745</b>	6,797,618
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Bank Indebtedness	549,091	-
Accounts payable and accrued liabilities (Note 5)	1,275,885	815,101
Due to government agencies	1,656	1,975
Deferred contributions (Note 6)	-	50,000
	<b>1,826,632</b>	867,076
CALLABLE DEBT (Note 7)	<b>338,856</b>	349,582
	<b>2,165,488</b>	1,216,658
<b>NET ASSETS</b>		
Invested in tangible capital assets	895,744	866,125
Unrestricted	4,339,513	4,714,835
	<b>5,235,257</b>	5,580,960
	<b>7,400,745</b>	6,797,618

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 CASH FLOWS For the year ended March 31, 2024

	2024	2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	(345,703)	386,177
Items not requiring the outlay of cash:		
Depreciation	37,338	24,811
Unrealized gains on investments	-	(32,245)
	<b>(308,365)</b>	<b>378,743</b>
Change in non-cash working capital items:		
Accounts receivable	(1,984,313)	(3,034,438)
Prepaid expenses	(28,259)	(8,259)
GST/HST receivable	(24,926)	4,791
Deferred contributions	(50,000)	(7,938)
QST receivable	(46,895)	524
Accounts payable and accrued liabilities	460,783	(197,727)
Due to government agencies	(319)	(899)
	<b>(1,982,294)</b>	<b>(2,865,203)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(66,957)	(9,525)
Acquisition of investments	-	(1,365,164)
Disposition of investments	1,397,409	1,041,373
	<b>1,330,452</b>	<b>(333,316)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on callable debt	(10,725)	(13,015)
<b>DECREASE IN CASH</b>	<b>(662,567)</b>	<b>(3,211,534)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>380,679</b>	<b>3,592,213</b>
<b>CASH (BANK INDEBTEDNESS), END OF YEAR</b>	<b>(281,888)</b>	<b>380,679</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	267,203	380,679
Bank indebtedness	(549,091)	-
	<b>(281,888)</b>	<b>380,679</b>

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, 2024

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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, 2024

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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%
Vehicles	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, 2024

### 3 INVESTMENTS

	2024	2023
	\$	\$
Bank of Montreal - GIC matured on December 28, 2023 at 5.20%	-	400,000
Canadian Olympic Committee - Marketable Securities	-	997,409
	-	1,397,409

### 4 TANGIBLE CAPITAL ASSETS

	Cost	Accumulated depreciation	2024 Net	2023 Net
	\$	\$	\$	\$
Building	292,752	143,450	149,302	155,523
Computer equipment	239,816	213,721	26,095	27,087
Vehicles	58,563	15,350	43,213	-
Land	651,609	-	651,609	651,609
Leasehold improvements	30,000	28,813	1,187	1,484
Office furniture and equipment	213,185	188,847	24,338	30,422
	1,485,925	590,181	895,744	866,125

The land and building is located at 808 Pacific Street, Vancouver, BC. and the BC Assessment provides the fair market value of \$1,793,000 for 2024.

### 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade and accrued liabilities	1,199,812	712,678
Athlete deposits	42,540	36,040
Due to Athlete Sponsorship Fund	18,665	53,681
Employee benefits	670	109
RSP payable	14,198	12,593
	1,275,885	815,101

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2024

### 6 DEFERRED CONTRIBUTIONS

	2024	2023
	\$	\$
Province of Québec - Val Saint-Côme 2023	-	50,000

### 7 CALLABLE DEBT

The mortgage with the Bank of Montreal is demand loan with a variable rate at prime plus 1% with monthly payments of \$3,375. Interest paid on the loan was \$27,771 (2023: \$21,524).

Estimated principal re-payments are as follows:

	\$
2025	13,271
2026	14,401
2027	15,628
2028	16,895
2029	18,397
2030	19,963
	<u>98,555</u>

### 8 LINE OF CREDIT

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

### 9 FUNDS HELD IN TRUST

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

	2024	2023
	\$	\$
Balance, beginning of year	4,914	4,986
Bank charges paid	(72)	(72)
Trust Assets - balance, end of year	4,842	4,914
Trust Liabilities - balance, end of year	(4,842)	(4,914)

# CANADIAN FREESTYLE SKI ASSOCIATION

## ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

### NOTES TO THE FINANCIAL STATEMENTS

#### March 31, 2024

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#### 10 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.

Investments in marketable securities are subject to changes in value based on markets where those investments are traded.

##### (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.

##### (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. 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.

#### 11 ECONOMIC DEPENDENCE

The Association is economically dependent on government grants, which represents 81% (2023 - 86%) of the total revenue.

# CANADIAN FREESTYLE SKI ASSOCIATION ASSOCIATION CANADIENNE DE SKI ACROBATIQUE

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2024

### 12 EXPENSES BY OBJECT

	2024	2023
	\$	\$
Bad debts	144,835	67,165
Communications	34,388	43,949
Contractors, salaries and benefits	2,858,502	2,700,798
Depreciation	37,338	24,811
Entertainment and meals	209,948	195,619
Facility and equipment	785,980	477,035
Foreign exchange (gain) loss	(532)	(26,239)
IST-others	8,790	10,979
Information technology	48,462	58,011
Insurance	126,035	151,506
License, membership and subscription	77,982	80,009
Marketing and promotion	159,406	144,022
Medical and therapy	336,976	374,201
Meetings	16,861	2,798
Office	64,505	56,632
Prize money and event sponsorship	503,650	481,241
Professional fees	128,736	64,182
Service charges and interest	74,946	63,952
Strength and conditioning	120,303	110,754
TV production, sound and photography	486,958	466,653
Training and Seminars	11,800	-
Translation	17,595	1,905
Travel and accommodation	1,824,360	1,857,177
Website	13,677	11,758
	<b>8,091,501</b>	<b>7,418,918</b>