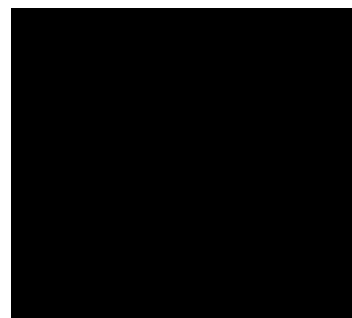


# Cheerleading Canada Inc.

**Financial statements**

**March 31, 2018 and 2017**



## Independent auditors' report

To the Members of  
**Cheerleading Canada Inc.**

We have audited the accompanying financial statements of **Cheerleading Canada Inc.**, which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of operations and changes in net assets, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for qualified opinion

In common with many non-profit organizations, **Cheerleading Canada Inc.** derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of **Cheerleading Canada Inc.** Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2018 and 2017 and current assets and net assets as at March 31, 2018 and 2017.

### Qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Cheerleading Canada Inc.** as at March 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Canada

Chartered Professional Accountants

**Cheerleading Canada Inc.**

**Statements of financial position**

As at March 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	<b>85,095</b>	2,374
Accounts receivable	<b>1,577</b>	800
	<b>86,672</b>	<b>3,174</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	<b>18,161</b>	4,807
<b>Total liabilities</b>	<b>18,161</b>	<b>4,807</b>
<b>Net assets</b>	<b>68,511</b>	(1,633)
	<b>86,672</b>	<b>3,174</b>

*See accompanying notes*

On behalf of the Board:

Director

Director

**Cheerleading Canada Inc.**

**Statements of operations and changes in net assets**

Years ended March 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Donations <i>[note 3]</i>	<b>81,891</b>	—
Provincial Sports Organizations membership fees <i>[note 3]</i>	<b>4,000</b>	3,600
	<b>85,891</b>	3,600
<b>Expenses</b>		
Professional fees	<b>12,075</b>	—
Travel	<b>1,314</b>	—
Administrative expenses	<b>355</b>	
Bank charges and service fees	<b>679</b>	26
Dues and subscriptions	<b>1,324</b>	1,345
	<b>15,747</b>	1,371
<b>Excess of revenue over expenses</b>	<b>70,144</b>	2,229
Net assets, beginning of year	<b>(1,633)</b>	(3,862)
<b>Net assets, end of year</b>	<b>68,511</b>	(1,633)

*See accompanying notes*

**Cheerleading Canada Inc.**

**Statements of cash flows**

Years ended March 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	<b>70,144</b>	(1,633)
Changes in non-cash working capital balances related to operations		
Accounts receivable	<b>(777)</b>	(800)
Accounts payable and accrued liabilities	<b>13,354</b>	4,807
<b>Cash provided by operating activities</b>	<b>82,721</b>	2,374
<b>Change in cash and cash equivalents during the year</b>	<b>82,721</b>	2,374
Cash and cash equivalents, beginning of the year	<b>2,374</b>	—
<b>Cash and cash equivalents, end of the year</b>	<b>85,095</b>	2,374

*See accompanying notes*

## **Cheerleading Canada Inc.**

### **Notes to financial statements**

March 31, 2018 and 2017

#### **1. Nature of the organization**

Cheerleading Canada Inc. [the "Organization"] is established as the National Sports Organization for cheerleading in Canada to manage, direct, promote and assist the activities of cheerleading in Canada.

The Organization is a not-for-profit corporation incorporated under the Canada Corporations Act, and was granted continuance under the Canada Not-for-profit Corporations Act on October 16, 2014.

#### **2. Summary of significant accounting policies**

##### **Basis of presentation**

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations," which sets out generally accepted accounting principles for not-for-profit organizations in Canada and include the significant accounting policies described hereafter.

##### **Cash and cash equivalents**

Bank balances are presented with cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have a maturity of approximately three months or less from the date of acquisition.

##### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions, which includes donations. Donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Membership fees are recognized as revenue when received or receivable.

##### **Financial instruments**

The Organization initially records a financial instrument at its fair value. The Organization recognizes its transaction costs in net income in the period incurred. Subsequently, the Organization measures all financial instruments, which include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, at amortized cost.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Organization expects to realize by exercising its right to collateral. If events and circumstances reverse in the future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## Cheerleading Canada Inc.

### Notes to financial statements

March 31, 2018 and 2017

#### Measurement uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty that affect the reporting amounts of assets and liabilities, revenues and expenses at the date of the financial statements. Measurement uncertainty exists when there is a significant variance between the recognized or disclosed amount and another reasonably possible amount. These estimates and assumptions are reviewed periodically at least annually. Actual results could differ from the estimates determined by management in these financial statements, and these difference, which may be material, could require adjustment in subsequent reporting periods.

#### 3. Related party transactions

During the year, the Organization normally has transactions with Provincial sports organizations that are members of the Organization. All related party transactions have been recorded at their agreed upon exchange amounts. Revenue from donations and membership fees is recorded in the related revenue account.

Transactions with related parties during the year were as follows:

	2018 \$	2017 \$
<b>Revenue</b>		
Donations	15,437	—
Membership fees	4,000	3,600
	<b>14,437</b>	<b>3,600</b>

#### 4. Financial instruments

The Organization is exposed to various financial risks through transactions in financial instruments.

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. To mitigate this risk, the Organization monitors outstanding balances regularly and allows for uncollectible amounts when determined.

##### Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### 5. Contingencies

From time to time, various legal claims may be pending against the Organization. Management believes that the Organization has recognized adequate provisions for probable and reasonably estimable liabilities, if any, associated with such claims, and that their ultimate resolution will not have a material adverse effect on the Organization's financial position or its financial activities.