

Registered Canadian Amateur Athletic Association Information Return

Identification

Name of association Cross - Country Ski de Fond Canada	
Address Bill Warren Training Centre 100 - 1995 Olympic Way	
City Canmore	
Province or territory Alberta	Postal code T1W2T6

C41924 0082 0444

Return for fiscal period ending											
2	0	1	9	0	3	3	1				
Year				Month		Day					
Is this the first return filed by this association?											
Yes <input type="checkbox"/>						No <input checked="" type="checkbox"/>					
If "no," has the fiscal period changed from the last return filed?											
Yes <input checked="" type="checkbox"/>						No <input checked="" type="checkbox"/>					
Is this the final return to be filed by this association?											
Yes <input type="checkbox"/>						No <input checked="" type="checkbox"/>					
If "yes," please attach an explanation.											
File number 0496547											
BN/Registration number 120762380 RR 0001											

Is the address above the same mailing address as last year?

Yes ☒ No ☐

If no, is the address above the new mailing address?

Yes ☐ No ☐

Instructions

Complete the Identification area.

Complete the boxes (above right) to indicate the end of the association's fiscal period.

Attach **FINANCIAL STATEMENTS** for the fiscal period covered by this return. These should include a statement of revenue and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. The statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or invested.

Attach a list of the names, addresses, and occupations or lines of business of the association's current directors.

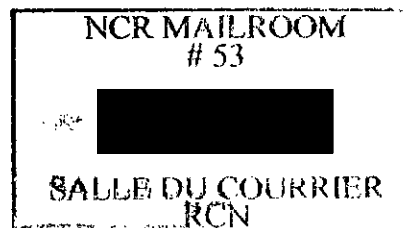
Attach a list of the names and the official positions of the people who are authorized to issue official receipts for the association.

Attach a note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.

Within six months from the end of the fiscal period of the association, mail or deliver a completed return and all required documents to:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

Form authorized by the Minister of National Revenue.




Information required

1. Have any changes not previously reported been made to the association's governing documents? If **yes**, please attach a certified copy of the changes. Yes ☐ No ☒
2. Have complete books and records been kept (including duplicate copies of receipts) which fully substantiate all financial transactions during the fiscal period? If **no**, please attach an explanation. Yes ☒ No ☐
3. Please indicate the total amount for which the association issued official donation receipts in this fiscal period. \$ 178,435.48
4. Are the receipt forms used to acknowledge payments that are **NOT** gifts clearly distinguishable from official donation receipts which bear the BN/registration number? If **no**, please attach an explanation. Yes ☒ No ☐
5. Did the association issue official donation receipts showing a date in the previous calendar year for donations that were mailed or otherwise submitted after the end of the calendar year? If **yes**, please attach an explanation. Yes ☐ No ☒
6. Have official donation receipts been issued to acknowledge donations in a form other than cash or cheque – e.g., goods, services rendered, etc.? If **yes**, please attach a list of these gifts and their value as shown on the official donation receipt. Yes ☐ No ☒
7. Has any amount donated to the association been returned to the donor during the year? If **yes**, please attach an explanation (confidential). Yes ☐ No ☒
- 8 a. During the fiscal period, did the association accept any gifts with the express or implied condition that such gifts were to be used for the benefit of another person, club, society or association? If **yes**, please attach an explanation (confidential). Yes ☐ No ☒
- b. Did the association issue an official donation receipt to acknowledge such a gift? Yes ☐ No ☐

Certification

To be signed by two directors of the association.

1. I, Angelo Cristofanilli of 
Name of director whose signature appears below.

2. I, Ted Kalil of 
Name of director whose signature appears below.

Address (confidential)

HEREBY CERTIFY that the information given in this return and in all attachments is, to the best of my knowledge, correct, complete and current. (Note: It is a serious offense under the *Income Tax Act* to provide false or deceptive information.)

1. Signature of director (confidential)

Position with the association

Board Director

Home telephone number (confidential)

Business telephone number

Date

2. Signature of director (confidential)

Position with the association

Board Director

Home telephone number (confidential)

Business telephone number

Date

RCAAA:

Personal information is collected under the authority of the Income Tax Act and is used to establish and validate the identity and contact information of directors, trustees, officers and/or like officials and authorized representatives of the organization. This information will also be used as a basis for the indirect collection of additional personal information from other internal and external sources, which includes social insurance number (SIN), personal tax information, and relevant financial and biographical information, which may be used to assess the overall risk of registration with respect to the obligations of registration as outlined in the Act and the common law. The SIN is collected pursuant to subsection 237 of the Act and is used for identification purposes.

The Canada Revenue Agency (CRA) will make this form and all attachments available to the public upon request and/or on the Charities Directorate website, except for information or data identified as confidential. Personal information may also be disclosed to the organization in question and/or its authorized representatives and other third parties pursuant to the disclosure provisions under Section 241 of the Act. Personal information may also be shared with other government departments and agencies under information-sharing agreements in accordance with the disclosure provisions under Section 241 of the Act. Incomplete or inaccurate information may result in a range of actions including suspension of tax-receipting privileges, up to and including revocation of registered status.

Information is described in Charities Program CRA PPU 200 and is protected under the **Privacy Act**. Individuals have a right of protection, access to and correction or notation of their personal information. Please be advised that you are entitled to complain to the Privacy Commissioner of Canada regarding our handling of your information.

Notification to directors and like officials: The CRA strongly encourages the association to voluntarily inform directors and like officials that their personal information has been collected and disclosed to the CRA for the submission of its annual information return.

☒ I confirm that I have read the Privacy statement above.

Cross-Country Ski de Fond Canada

Financial Statements

March 31, 2019



Independent Auditors' Report

To: The Members of Cross Country Ski de Fond Canada

Opinion

We have audited the financial statements of Cross Country Ski de Fond Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets and cash flows for the year then ended, 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 Organization as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Message from the Executive Director.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.


We obtained the Message from the Executive Director prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 judgement and maintain professional skepticism throughout the audit. We also:

- 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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.

[REDACTED]

[REDACTED]

Chartered Professional Accountants,
Chartered Accountants

Cross-Country Ski de Fond Canada

Statement of Financial Position

As at March 31,

2019

2018

Assets

Current assets

Cash (Note 4)	\$ 597,450	\$ 437,536
Accounts receivable	529,808	296,080
Prepaid expenses and deposits	87,207	40,476
Inventory	29,822	54,821
	<u>1,244,287</u>	<u>828,913</u>

Restricted investments (Note 5 & 13)

247,591 243,772

Equipment (Note 6)

117,415 148,702

\$ 1,609,293 \$ 1,221,387

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued liabilities	\$ 785,063	\$ 547,795
Deferred contributions (Note 8)	138,441	104,000
	<u>923,504</u>	<u>651,795</u>

Deferred capital contributions (Note 7)

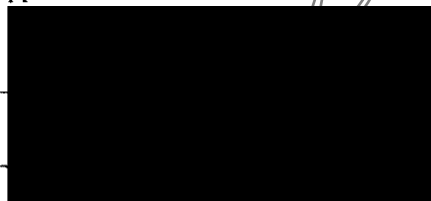
49,837 63,509

973,341 715,304

Net assets

Invested in equipment	67,577	85,193
Operating reserve (Note 5)	184,116	183,772
Nordiq Canada Development Fund (Note 5)	63,475	60,000
Unrestricted	320,784	177,118
	<u>635,952</u>	<u>506,083</u>
	<u>\$ 1,609,293</u>	<u>\$ 1,221,387</u>

Approved on behalf of the Board:



Director

Director

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada

Statement of Operations

Year ended March 31,	2019	2018
Revenues		
Government and OTP contributions	\$ 2,558,750	\$ 2,702,375
Membership and other fees	1,244,362	1,108,954
Commercial sponsors	524,038	658,677
Donations in kind (Note 9)	341,350	369,500
Division and training center directed donations	191,560	266,778
National Winter Sports Association	151,500	150,000
Sale of supplies	97,114	42,421
Fundraising projects	75,008	83,780
COC and CAC support	66,107	72,447
Miscellaneous	16,816	21,281
World Cup and World Championships (Note 10)	10,000	6,000
	<u>5,276,605</u>	<u>5,482,213</u>
Expenses		
Able-bodied high performance program	1,994,766	2,428,279
Para-nordic high performance program	1,324,196	1,177,494
Administration	569,465	580,353
Athlete development	446,333	430,526
Promotion and marketing	217,116	304,909
Events	215,022	175,532
Coaching development	169,205	164,184
High performance development	100,590	97,343
Membership support	75,675	65,559
Media relations	24,296	22,949
Women's program	8,704	8,827
Interest on loans payable	-	63
	<u>5,145,368</u>	<u>5,456,018</u>
Excess of revenues over expenses before other income	<u>131,237</u>	<u>26,195</u>
Other income (losses)		
Interest income	-	294
Loss on restricted investments	(1,368)	-
Excess (deficiency) of revenues over expenses	<u>\$ 129,869</u>	<u>\$ 26,489</u>

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada

Statement of Changes in Net Assets

Year ended March 31,

	2019				
	Unrestricted	Invested in equipment	Operating reserve	Nordiq Canada Development Fund	Total
Balance, beginning of year	\$ 177,118	\$ 85,193	\$ 183,772	\$ 60,000	\$ 506,083
Excess (deficiency) of revenues over expenses	148,057	(17,616)	344	(916)	129,869
Transfers	(4,391)	-	-	4,391	-
Investment in equipment	-	-	-	-	-
Balance, end of year	\$ 320,784	\$ 67,577	\$ 184,116	\$ 63,475	\$ 635,952
	2018				
	Unrestricted	Invested in equipment	Operating reserve	Nordiq Canada Development Fund	Total
Balance, beginning of year	\$ 153,595	\$ 82,521	\$ 243,478	\$ -	\$ 479,594
Excess (deficiency) of revenues over expenses	48,523	(22,328)	294	-	26,489
Settlement of Nordiq Canada Development Fund	-	-	(60,000)	60,000	-
Investment in equipment	(25,000)	25,000	-	-	-
Balance, end of year	\$ 177,118	\$ 85,193	\$ 183,772	\$ 60,000	\$ 506,083

Cross-Country Ski de Fond Canada

Statement of Cash Flows

Year ended March 31,	2019	2018
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 129,869	\$ 26,489
Items not affecting cash:		
Amortization	31,288	39,938
Loss on restricted investments	1,368	-
Amortization of deferred capital contributions	(13,672)	(17,610)
	<u>148,853</u>	<u>48,817</u>
Changes in non-cash working capital items		
Accounts receivable	(233,728)	(41,210)
Prepaid expenses and deposits	(46,731)	(16,089)
Inventory	24,999	188,831
Accounts payable and accrued liabilities	237,268	11,017
Deferred contributions	<u>34,441</u>	<u>(10,757)</u>
	<u>165,102</u>	<u>180,609</u>
Investing activities		
Purchase of investments	(249,493)	(241,943)
Proceeds from sale of investments	<u>244,305</u>	<u>241,649</u>
	<u>(5,188)</u>	<u>(294)</u>
Financing activities		
Repayment of loans	<u>-</u>	<u>(25,000)</u>
	<u>-</u>	<u>(25,000)</u>
Increase in cash	159,914	155,315
Cash, beginning of year	<u>437,536</u>	<u>282,221</u>
Cash, end of year	<u>\$ 597,450</u>	<u>\$ 437,536</u>

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

1. Nature of operations

Cross-Country Ski de Fond Canada (the "Organization") is incorporated under the Not-for-Profit Corporations Act, continuing the operations of the Canadian Ski Organization – Cross Country Discipline. It serves as the governing body of Cross Country Skiing in Canada and is a registered Canadian amateur athletic Organization under the Income Tax Act which is exempt from corporate tax. The Organization's operations are dependent on funding received from government grants and corporate sponsors.

The accompanying financial statements reflect the assets, liabilities and operating results of Cross-Country Ski de Fond Canada. These statements do not reflect the assets, liabilities or operating results of any of the Divisions of the Organization.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepting accounting principles, specifically Canadian accounting standards for not-for-profit organizations.

3. Significant accounting policies

(a) Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair market value, except for certain non-arm's length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for restricted marketable securities, which are measured at fair market value. Changes in fair market value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization considers all redeemable investments with maturities of three months or less to be cash equivalents.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 net income.

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of income.

(c) Cash and cash equivalents

The Organization considers all bank accounts and bank loans that are utilized periodically for day to day operations, and all investments with maturities of three months or less or guaranteed investment certificates that are redeemable to be cash equivalents.

(d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

(e) Equipment

Equipment is recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over their estimated useful lives. A half year of amortization is recorded in the year of acquisition and no amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Wax truck	20%
National Ski Team equipment	20%
Computer equipment	30%
Vehicles	30%
Ski Grinder	20%
Computer software	100%
Generator	20%
Office equipment	20%

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable and exceeds fair value. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value. In assessing fair value, discounted cash flow calculations are considered.

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

(f) Net assets invested in equipment

Net assets invested in equipment comprise the net book value of equipment less the unamortized balance of deferred capital contributions and loans payable used to purchase the equipment.

(f) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions, membership fees and amounts from fundraising projects are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Operating reserve contributions are reported as direct increases of net assets. Net investment incomes earned on internally restricted investments which are held in the operating reserve are recognized in the statement of operations.

Revenue from sales of inventory is recognized when title passes to customers, which is generally at the time goods are shipped if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Contributed materials and services

The Organization and its athletes receive materials and services that are donated free of charge by manufacturers and suppliers. In addition, other marketing services, and training resources are donated to the Organization. The donated materials and services that would have otherwise been purchased by the Organization are recorded at fair market value when such value can be reasonably estimated. The fair market value of these resources is reported as revenue as donations in kind and as expenses in the programs to which they relate.

The amounts recorded for donations in kind and donated materials and services are based on management estimates of fair market value. By their nature, these estimates are subject to measurement uncertainty.

4. Bank indebtedness

An overdraft lending agreement has been authorized to a maximum of \$190,000 and bears interest at the [REDACTED] prime lending rate plus 2.875%. The loan is repayable on demand. No amount is outstanding on the loan at year end.

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

5. Restricted investments and operating reserve

The board of directors has internally restricted funds to sustain future financial operations or to fund management initiatives not provided for in the operating budget. Restricted investments were invested in the Canadian Olympic Fund in 2019 and were invested in guaranteed investment certificates in 2018. Restricted investments are related to:

	2019	2018
Operating reserve	\$ 184,116	\$ 183,772
Nordiq Canada Development Fund	63,475	60,000
	<u>\$ 247,591</u>	<u>\$ 243,772</u>

6. Equipment

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Wax truck	\$ 227,793	\$ 160,614	\$ 67,179	\$ 83,973
National Ski Team equipment	205,165	191,057	14,108	17,635
Computer equipment	62,011	57,938	4,073	5,819
Vehicles	50,376	43,621	6,755	9,650
Ski Grinder	43,104	18,276	24,828	31,035
Computer software	18,600	18,600	-	-
Generator	7,981	7,948	33	42
Office equipment	2,485	2,047	438	548
	\$ 617,515	\$ 500,100	\$ 117,415	\$ 148,702

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

7. Deferred capital contributions

Deferred capital contributions represent donations directed for the purchase of specific capital equipment. These donations are amortized into revenues on the same basis as the cost of the associated capital equipment is amortized into expenses. The changes in the deferred capital contributions balance for the year are as follows:

	2019	2018
Balance, beginning of the year	\$ 63,509	\$ 81,119
Amount to amortize to revenue	(13,672)	(17,610)
Balance, end of the year	\$ 49,837	\$ 63,509

8. Deferred contributions

Deferred contributions represent grants from the Canadian Olympic Committee to subsidize programs to be undertaken by the Organization. Such grants are offset against expenses of the relevant programs as expenses are incurred.

	2019	2018
Balance, beginning of the year	\$ 104,000	\$ 114,757
Restricted contributions received	69,680	104,000
Utilized, during the year	(30,559)	(114,757)
Balance, end of the year	\$ 138,441	\$ 104,000

9. Donated materials and services

During the year, \$341,350 (2018 - \$369,500) in materials and services were received as donations in kind from various sponsors and contributors. Of this amount, \$337,350 (2018 - \$365,500) is included in the high performance programs expense and \$4,000 (2018 - \$4,000) is included in administration expense.

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

10. World Cup Finals and World Championship 2019

These financial statements do not include the assets, liabilities, revenues or expenditures related to FIS Cross Country World Cup Finals 2019 and the IPC World Championships (the "Events") for which the Organization acted as an agent. The Events took place from March 22 to 24, 2019, in Quebec City and February 15 to 24, 2019, in Prince George, respectively. The revenues and expenses for the Events were primarily the responsibility of Quebec Winter Events Corporation, Gestev and Caledonia Nordiq who engaged the Organization for the purpose of receiving contributions to hold in trust for the events. The cash contributions for the year that the Organization facilitated on behalf of the organizing committee are as follows:

	2019	2018
Cash balance, beginning of year	\$ -	\$ 363,431
Contributions received	537,471	273,494
Expenditures paid	-	(636,925)
Cash balance, end of the year	\$ 537,471	\$ -

In addition to the cash noted above which is not included in these financial statements, the Organization also has \$312,627 in receivables and \$850,098 in payables related to the Events which are not included in these financial statements.

In 2019, the Organization received a \$10,000 benefit from the Sport Canada Legacy Fund associated with the IPC World Championships as well as a \$25,000 cost recovery fee for National team preparation and participation.

11. Trust funds

These financial statements do not include trust funds of \$2,440,270 (2018 - \$2,483,142) held on behalf of athletes at year end. The investment of these funds is at the direction of the athletes to outside investment advisors retained by the athletes. The trust funds are quoted at fair market value and have not been audited as part of these financial statements.

12. Expenses incurred for fundraising

Expenses incurred for soliciting donations and commercial sponsorship were \$118,976 (2018 - \$131,523) including \$29,235 (2018 - \$103,605) paid to employees involved in fundraising.

Cross-Country Ski de Fond Canada

Notes to Financial Statements

March 31, 2019

13. Financial risks

The Organization's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in both western and eastern Canada.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from contributors; however, the Organization's contributors are primarily government organizations and corporate sponsors, which minimize credit risk. Credit risk is managed by the Organization through monitoring procedures.

The Organization has \$nil (2018 – \$72,382) of accounts receivable from the Canadian Olympic Committee (2018 – Canadian Olympic Committee) which represents nil% (2018 – 23%) of total accounts receivable.

Financial assets

The carrying amounts of financial assets recognized in the financial statements consist of:

	2019	2018
Measured at amortized cost	\$ 1,316,429	\$ 733,616
Measured at fair market value	247,591	-
	<u>\$ 1,563,920</u>	<u>\$ 733,616</u>

14. Subsequent events

Subsequent to year end, the Board agreed to restrict the year end surplus by investing it with the Canadian Olympic Foundation, and segregating it between both the Operating Reserve and Nordiq Canada Development Fund. Both the Operating Reserve and the Nordiq Canada Development Fund will receive restricted funds of \$100,000 and \$29,870, respectively.