

Registered Canadian Amateur
Athletic Association Information Return

CH 222781348329

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

Return for fiscal period ending

2	0	2	2	0	3	3	1
Year	Month						Day

Is this the first return filed by this association?

Yes No

If "no," has the fiscal period changed from the last return filed?

Yes No

Is this the final return to be filed by this association?

Yes No

If "yes," please attach an explanation.

File number

BN/Registration number

120762380 R R 0001

Yes No 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. These statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or vested.

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

6110007817144

Form authorized by the Minister of National Revenue.

RECEIVED/REÇU

CISD

T2052 (blank) E (13)

(Ce formulaire existe en français.)

NCR MAILROOM
110

SALLE DU COURRIER

RCN

Canada

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. \$ 541,820.60
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, Edward Kalil

Name of director whose signature appears below.

of


2. I, Derek Estabrook

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.)

Position with the association

Director and Board Chair

Position with the association

Director and Chair of the Finance and Audit Committee

RCAA:

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-receiving 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
Attach documents for T2052 form year end March 31, 2021

4. List of the names, addresses, and occupations or lines of business of the association's current directors.

Name/Position	Address	Occupation
Edward Kalil	Board Chair	
Anton Scheier	Director	
Brennan Craig	DCC Representative	
Charlotte MacNaughton	Vice-Chair	
Jo-Anne Wolach	Vice-Chair	
Derek Estabrook	Director	
Alexis Turgeon	Director	
Katie Weaver	Athelte Director	
Morgan Rogers	Director	
Sarah Daitch	Director	
Scott Hill	Athelte Director	

5. Names and official positions of the individuals authorized to issue official receipts:

Accountant
Chief Operation Officer

6. Replacement procedure for the lost or spoiled receipts.

The office copy of the original receipt (pink copy) is pulled and marked as VOID.

This is further recorded in the receipts Master spreadsheet (receipt log).

A new tax receipt is processed and marked: "REPLACES RECEIPT #ISSUED ON[date]".

The office retains a copy of the new tax receipt, held together with the previously issued (and now VOID) receipt.

Independent Auditors' Report

To: The Members of Cross-Country Ski de Fond Canada o/a Nordiq Canada

Opinion

We have audited the financial statements of Cross-Country Ski de Fond Canada o/a Nordiq Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, 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, 2022, 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.

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.

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.

Independent Auditors' Report (continued)

- 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.

Calgary, Alberta

Chartered Professional Accountants

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Financial Position

As at March 31,

2022

2021

Assets

Current assets

Cash (Note 5)	\$ 648,409	\$ 623,788
Restricted cash (Note 9)	377,698	1,058,802
Contributions receivable	413,686	264,717
Prepaid expenses and deposits	33,039	39,476
Inventory	<u>23,213</u>	<u>31,898</u>
	<u>1,496,045</u>	<u>2,018,681</u>

Internally restricted investments (Note 6)

Internally restricted cash (Note 6)	745,656	673,596
Equipment (Note 7)	<u>2,122,601</u>	<u>1,326,819</u>
	<u>403,679</u>	<u>61,183</u>
	<u>\$ 4,767,981</u>	<u>\$ 4,080,279</u>

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued liabilities	\$ 1,118,347	\$ 932,101
Government assistance payable (Note 3)	-	27,778
Deferred contributions (Note 9)	<u>377,698</u>	<u>1,058,802</u>
	<u>1,496,045</u>	<u>2,018,681</u>

Deferred capital contributions (Note 8)

	<u>228,290</u>	<u>24,183</u>
	<u>1,724,335</u>	<u>2,042,864</u>

Net assets

Invested in equipment	175,389	37,000
Internally restricted funds (Note 6)	<u>2,868,257</u>	<u>2,000,415</u>
	<u>3,043,646</u>	<u>2,037,415</u>
	<u>\$ 4,767,981</u>	<u>\$ 4,080,279</u>

Approved on behalf of the Board:

Director

Director

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Operations

Year ended March 31,

	2022	2021
Revenues		
Government and OTP contributions	\$ 3,978,444	\$ 2,682,230
Membership, association and athlete fees	1,074,448	1,129,873
Division and training center directed donations	442,697	713,663
Commercial sponsors	414,150	400,110
Donations in kind (Note 10)	238,950	257,000
COC and CAC support	133,270	39,161
Fundraising projects	130,735	53,899
National Winter Sports Association	100,000	50,000
Miscellaneous	41,378	15,017
Sale of supplies	36,946	24,368
	6,591,018	5,365,321
Expenses		
Able-bodied high performance program	1,879,329	1,356,924
Para-nordic high performance program	1,523,482	862,463
Administration	776,921	739,324
Division and training center directed donations	444,118	708,895
Athlete development	313,053	150,436
Promotion and marketing	196,940	156,656
Coaching development	177,093	303,632
Events	129,031	123,484
High performance development	89,331	131,330
Membership support	87,059	83,409
Media relations	22,500	30,750
World Cup expense	-	5,004
	5,638,857	4,652,307
Excess of revenues over expenses before other income	952,161	713,014
Other income (losses)		
Interest income	61,996	15,236
Government assistance (Note 3)	-	230,598
Gain on sale of equipment	-	6,486
(Loss) gain on internally restricted investments	(7,926)	42,375
Excess of revenues over expenses	\$ 1,006,231	\$ 1,007,709

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Changes in Net Assets

Year ended March 31,

				2022
	Unrestricted	Internally restricted funds	Invested in equipment	Total
Balance, beginning of year	\$ -	\$ 2,000,415	\$ 37,000	\$ 2,037,415
Excess (deficiency) of revenues over expenses	988,750	41,465	(23,984)	1,006,231
Invested in equipment	(162,373)	-	162,373	-
Transfers	(826,377)	826,377	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 2,868,257</u>	<u>\$ 175,389</u>	<u>\$ 3,043,646</u>

				2021
	Unrestricted	Internally restricted funds	Invested in equipment	Total
Balance, beginning of year	<u>\$ 367,647</u>	<u>\$ 608,403</u>	<u>\$ 53,656</u>	<u>\$ 1,029,706</u>
Excess (deficiency) of revenues over expenses	952,997	55,354	(642)	1,007,709
Invested in equipment	16,014	-	(16,014)	-
Transfers	(1,336,658)	1,336,658	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 2,000,415</u>	<u>\$ 37,000</u>	<u>\$ 2,037,415</u>

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Cash Flows

Year ended March 31,

	2022	2021
Operating activities:		
Excess of revenues over expenses	\$ 1,006,231	\$ 1,007,709
Items not affecting cash:		
Amortization	52,037	15,651
Loss (gain) on restricted investments	7,926	(42,375)
Gain on sale of equipment	-	(6,486)
Reinvested restricted income	(49,392)	(12,978)
Amortization of deferred capital contributions	<u>(28,052)</u>	<u>(15,007)</u>
	988,750	946,514
Changes in non-cash working capital items		
Contributions receivable	(148,971)	36,172
Prepaid expenses and deposits	6,437	7,279
Inventory	8,685	4,855
Accounts payable and accrued liabilities	186,246	(53,825)
Deferred contributions	(681,104)	937,722
Government assistance payable	<u>(27,778)</u>	<u>27,778</u>
	332,265	1,906,495
Investing activities		
Purchase of investments	(30,591)	(9,840)
Purchase of equipment	(394,534)	-
Proceeds from sale of vehicle	-	22,500
Deferred capital contributions	<u>232,159</u>	<u>-</u>
	<u>(192,966)</u>	<u>12,660</u>
Increase in cash	139,299	1,919,155
Cash, beginning of year	3,009,409	1,090,254
Cash, end of year	\$ 3,148,708	\$ 3,009,409
Cash consists of		
Cash	648,409	623,788
Restricted cash	377,698	1,058,802
Internally restricted cash	<u>2,122,601</u>	<u>1,326,819</u>
	<u>\$ 3,148,708</u>	<u>\$ 3,009,409</u>

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

1. Nature of operations

Cross-Country Ski de Fond Canada o/a Nordiq 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, corporate sponsors, and members.

The accompanying financial statements reflect the assets, liabilities, and operating results of the Organization. These statements do not reflect the assets, liabilities, or operating results of any of the affiliated entities 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. Novel coronavirus (“COVID-19”)

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. The pandemic and enacted measures caused material disruption to businesses globally. Certain of the enacted measures have subsequently been lifted. The Organization continues to monitor and adapt its operations in response to the ongoing outbreak and guidance of public health authorities.

As a result of the pandemic and government measures the Organization cancelled some cross country skiing events throughout the current year. The Organization has received government assistance of \$nil (2021 - \$258,376) in the form of the Canada Emergency Wage Subsidies. These amounts have been recorded in other income. There are no additional amounts accrued or to be received related to this program. Any liability to repay government assistance is recognized in the period in which conditions of repayment arise.

The duration of the COVID-19 outbreak and the extent of the impact on the Organization’s future operations is unknown at this time.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

4. 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 internally restricted investments, 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, restricted cash, internally restricted cash and contributions receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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.

(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.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

4. Significant accounting policies (continued)

(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:

Treadmills	20%
Wax truck	20%
Computer equipment	30%
Ski grinders	20%
Computer software	100%
Sit ski sleds	20%
Generator	20%
Office equipment	20%

The Organization records a write-down when the capital assets no longer have any long-term service potential to the Association and its net carrying amount exceeds the residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

(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.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

4. Significant accounting policies (continued)

(g) 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.

(h) 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 in 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.

5. Overdraft lending agreement

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 o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

6. Internally restricted funds

The board of directors has internally restricted funds to sustain future financial operations and to fund management initiatives not otherwise funded for within the operating budget. Restricted investments were invested in the Canadian Olympic Fund during 2022 and 2021. Internally restricted reserves are related to:

	2021			2022	
	Balance, beginning of year	Excess (deficiency) of revenue over expenses	Board approved transfers		Balance, end of year
Operating reserve	\$ 510,283	\$ 42,636	-	\$ 552,919	
Safety in sport reserve	40,000	-	20,000	60,000	
Total operating reserve	550,283	42,636	20,000	612,919	
Nordiq Canada development fund	123,314	(1,171)	10,594	132,737	
Strategic priorities fund	1,326,818	-	795,783	2,122,601	
	\$ 2,000,415	\$ 41,465	\$ 826,377	\$ 2,868,257	

Operating and safety in sport reserve

The operating and safety in sport reserve was established as part of Nordiq Canada's risk management strategy. The reserve is to ensure financial sustainability upon any potential unforeseen financial need.

Nordiq Canada development fund

The Nordiq Canada development fund is a reserve for the purpose of developing high performance athletes. Funds within the reserve earn interest income and annual disbursements are made to support approved projects.

Strategic priorities fund

The strategic priorities fund was established in 2021 as a result of unanticipated membership growth and budget impacts, both related to the COVID-19 pandemic. This fund has been established to fund planned management initiatives that are not otherwise funded through standard operations.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

7. Equipment

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Treadmills	\$ 280,653	\$ 28,065	\$ 252,588	\$ -
Wax truck	227,794	193,398	34,396	42,996
Ski grinders	142,461	40,328	102,133	15,890
Computer equipment	64,981	61,059	3,922	1,996
Computer software	18,600	18,600	-	-
Sit ski sleds	11,553	1,155	10,398	-
Generator	7,981	7,964	17	21
Office equipment	2,485	2,260	225	280
	<u>\$ 756,508</u>	<u>\$ 352,829</u>	<u>\$ 403,679</u>	<u>\$ 61,183</u>

8. 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:

	2022	2021
Balance, beginning of the year	\$ 24,183	\$ 39,190
Capital assets purchased with contributions	232,159	-
Amount amortized into revenue	(28,052)	(15,007)
Balance, end of the year	<u>\$ 228,290</u>	<u>\$ 24,183</u>

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

9. Deferred contributions

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

	2022	2021
Balance, beginning of the year	\$ 1,058,802	\$ 121,080
Restricted contributions received	337,492	1,058,802
Utilized, during the year	(1,018,596)	(121,080)
Balance, end of the year	<u>\$ 377,698</u>	<u>\$ 1,058,802</u>

Of the restricted contributions received in fiscal 2021, \$731,669 was allocated surplus funds related to Sport Canada funding. As a result of COVID-19, the timeframe in which funds were to be used was extended. These funds were used in the current year.

10. Donated materials and services

During the year, \$238,950 (2021 - \$257,000) in materials and services were received as donations in kind from various sponsors and contributors. Of this amount, \$238,950 (2021 - \$257,000) is included in the high-performance programs expense.

11. 2021 World Cup events

These financial statements do not include the assets, liabilities, revenues or expenditures related to the 2021 Cross Country Ski World Cup events (the "Events") for which the Organization acted as an agent. The revenues and expenses for the Events were primarily the responsibility of other organizations. The cash contributions and expenditures incurred on behalf of the organizing committee are as follows:

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

11. 2021 World Cup events (continued)

	2022	2021
Cash balance, beginning of year	\$ -	\$ -
Contributions received	90,000	12,333
Expenditures paid	- (12,333)	(12,333)
Cash balance, end of the year	<u>\$ 90,000</u>	<u>\$ -</u>

There is \$160,000 (2021 - \$nil) in receivables and \$250,000 (2021 - \$nil) in payables related to the Events which are not included in these financial statements.

12. Trust funds

These financial statements do not include trust funds of \$1,766,655 (2021 - \$2,092,850) 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.

13. Expenses incurred for fundraising

Expenses incurred for soliciting donations and commercial sponsorship were \$68,377 (2021 - \$47,455).

14. Financial instruments

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. At year end, 63% of contributions receivable were owing from two contributors.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2022

14. Financial instruments (continued)

Financial assets

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

	2022	2021
Measured at amortized cost	\$ 3,562,394	\$ 3,274,126
Measured at fair market value	<u>745,656</u>	<u>673,596</u>
	<u><u>\$ 4,308,050</u></u>	<u><u>\$ 3,947,722</u></u>