
CANADIAN SNOWBOARD FEDERATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Snowboard Federation

Opinion

We have audited the financial statements of Canadian Snowboard Federation (the "Federation"), which comprise the statement of financial position as at June 30, 2021, and the statements of revenues and expenses, 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 Federation as at June 30, 2021, and the results of its operations and 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 Federation in accordance with 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 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation'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.

INDEPENDENT AUDITORS' REPORT

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:

- 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 Federation'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 Federation'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 Federation 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.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

November 21, 2021

CANADIAN SNOWBOARD FEDERATION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

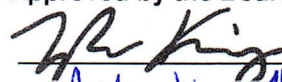
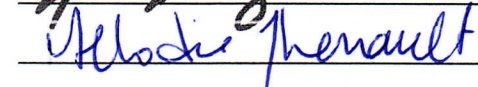
	2021	2020
REVENUES		
Contributions (<i>Notes 3 & 4</i>)	\$ 3,602,981	\$ 4,310,522
Sponsorships (<i>Note 4</i>)	932,741	1,224,928
Program revenue	94,500	267,514
Other revenue (<i>Note 8</i>)	56,942	93,171
Donations	9,812	10,840
	4,696,976	5,906,975
EXPENSES		
High performance program	2,809,237	2,517,983
Business development program	580,516	551,945
Administrative program	540,160	406,884
Sports development program	395,628	554,852
Events program	100,000	1,837,736
Amortization of capital assets	38,213	33,114
	4,463,754	5,902,514
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 233,222	\$ 4,461

CANADIAN SNOWBOARD FEDERATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 385,109	\$ 1,191,822
Accounts receivable	290,467	260,591
Goods and services tax receivable	10,056	30,843
Prepaid expenses and deposits	80,791	9,428
	766,423	1,492,684
CAPITAL ASSETS (Note 5)	68,927	40,173
	\$ 835,350	\$ 1,532,857
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 272,572	\$ 220,583
Deferred revenue (Note 7)	29,312	1,085,756
Athlete deposits	52,350	18,624
	354,234	1,324,963
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 8)	40,000	-
	394,234	1,324,963
NET ASSETS		
UNRESTRICTED	372,189	167,721
INVESTED IN CAPITAL ASSETS	68,927	40,173
	441,116	207,894
	\$ 835,350	\$ 1,532,857

COMMITMENTS (Note 9)

Approved by the Board

 Director
 Director

CANADIAN SNOWBOARD FEDERATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Unrestricted	Invested in capital assets	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 167,721	\$ 40,173	\$ 207,894	\$ 203,433
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	271,435	(38,213)	233,222	4,461
PURCHASE OF CAPITAL ASSETS	(68,752)	68,752	-	-
DISPOSITION OF CAPITAL ASSETS	1,785	(1,785)	-	-
BALANCE, END OF YEAR	\$ 372,189	\$ 68,927	\$ 441,116	\$ 207,894

CANADIAN SNOWBOARD FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 233,222	\$ 4,461
Items not affecting cash:		
Amortization of capital assets	38,213	33,114
Forgiveness of Canada Emergency Business Account Loan	(20,000)	-
	251,435	37,575
Changes in non-cash working capital:		
Accounts receivable	(29,876)	374,079
Goods and services tax receivable	20,787	(1,656)
Prepaid expenses and deposits	(71,363)	22,806
Accounts payable and accrued liabilities	51,989	(517,096)
Deferred revenue	(1,056,444)	1,085,756
Athlete deposits	33,726	(1,078)
	(1,051,181)	962,811
Cash flow (used by) from operating activities	(799,746)	1,000,386
INVESTING ACTIVITIES		
Purchase of capital assets	(68,752)	(29,214)
Proceeds on disposal of capital assets	1,785	-
Proceeds from Canada Emergency Business Account Loan	60,000	-
Cash flow used by investing activities	(6,967)	(29,214)
(DECREASE) INCREASE IN CASH FLOW	(806,713)	971,172
CASH, BEGINNING OF YEAR	1,191,822	220,650
CASH, END OF YEAR	\$ 385,109	\$ 1,191,822

See notes to financial statements

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NATURE OF OPERATIONS

The Canadian Snowboard Federation (the "Federation") promotes the development of snowboarding in Canada and local, national and international competitions and any other snowboarding events in Canada.

The Federation is incorporated under the Canada Not-for-Profit Corporations Act and accordingly, is exempt from income taxes. The Federation is also a registered amateur athletic association with the Canada Revenue Agency, which allows it to issue donation receipts for tax purposes.

The ongoing global pandemic of COVID-19 has developed rapidly in 2020, with a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders.

Measures taken by various governments to contain the virus have affected economic activity. At this time, the extent of the impact that the COVID-19 pandemic may continue having on the Federation stays unknown as this will depend on future ongoing developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to foresee the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and changes in quarantine/isolation measures that are currently in place, or may be put in place by Canada, U.S. and other countries to fight the virus.

The Federation has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for all staff (such as social distancing and working from home) and securing the supply of materials that are essential to operating activities. The Federation continues to monitor its operations and assess the impact COVID-19 will have on its operations. At this time, the extent of the effect of the COVID-19 pandemic on the Federation is indeterminable.

A large portion of the Federation's operating revenues are earned from contracts with Sport Canada, a government agency, and the Canadian Olympic Committee, as explained in Note 3. Although there is still a degree of uncertainty surrounding upcoming events for fiscal 2022 due to the COVID-19 pandemic, funding has been secured from those government agencies for the 2022 seasons' events assuming attendees will be able to participate. Furthermore, the Federation has over \$385,000 of liquid assets and subsequent to the year end received additional funding of \$908,000 to sustain operations and maintain its ability to continue as a going concern.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(a) Financial instruments

i) Measurement

The Federation's financial instruments consist of cash, accounts receivable, accounts payable and athlete deposits.

The Federation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Federation subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenues and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, 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 the statement of revenues and expenses in the period in which it is determined.

iii) Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the statement of revenues and expenses in the period incurred.

(b) Cash

Cash consists of cash on hand and cash on deposit.

(c) Capital assets

Capital assets are amortized over their estimated useful life according to the following rates and methods:

Electronic equipment	30%	declining balance method
Furniture and equipment	30%	declining balance method
Vehicles	3 years	straight-line method

The Federation's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the Federation's value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of revenues and expenses and are not reversed.

(d) Revenue recognition

The Federation follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenditures are deferred and are recognized as revenue in the year in which the related expenditures 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.

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Contributions-in-kind

Certain equipment and supplies provided to athletes by the Federation are donated free of charge by manufacturers or rented out to the Federation at no cost. As it is not practical to estimate fair value, and the equipment and supplies would not otherwise have been purchased or rented out in the normal course of operations by the Federation, no value has been recorded in these financial statements.

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, the determination of the useful lives of assets for calculating amortization, measurement of deferred revenue and the amounts recorded as accrued liabilities.

2. FINANCIAL INSTRUMENTS RISKS

The Federation's financial instruments are described in Note 1(a). In management's opinion the Federation is not exposed to significant credit, liquidity, or other market risks. In addition, the Federation is not exposed to any material concentrations of risk and there has been no significant change in risk exposures from the prior year.

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 its responsibilities. The Federation is exposed to this risk mainly due to its accounts receivable. Management considers all amounts are collectible and no other measures are considered necessary, other than described below.

The COVID-19 health pandemic has caused significant economic uncertainty which increases the risk associated with collectibility of accounts receivable. Management regularly reviews receivables to ensure collectibility and maintains a provision for losses as necessary steps to mitigate any potential credit losses.

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. FINANCIAL INSTRUMENTS RISKS (*continued*)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to this risk mainly in respect of its accounts payable. The Federation's exposure to liquidity risk is dependent upon receiving funding from sponsorships and contributions and its access to financing. The Federation mitigates liquidity risk by maintaining an adequate cash balance in the bank, as well as through the usage of a credit facility. The Federation anticipates that its cash reserves and credit facility will adequately minimize liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of exchange rate fluctuations. The Federation is not exposed to significant currency risk as the majority of its transactions take place in Canadian funds.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Federation has floating rate credit facility which is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The Federation mitigates interest rate risk by maintaining a nil or low balance on the credit facility. The interest rate on the credit facility is disclosed in Note 5.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Federation is not exposed to other price risk.

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3. CONTRIBUTIONS

Contributions revenue recognized in the current year consists of the following:

	2021	2020
Sport Canada	\$ 2,826,908	\$ 2,316,652
Canadian Olympic Committee	616,073	553,000
Sport Canada hosting contributions (major events)	100,000	631,000
Provincial and Regional contributions	60,000	664,870
Sport Canada hosting contributions (domestic events)	-	145,000
	\$ 3,602,981	\$ 4,310,522

In July 2021, the Federation received funding from Sport Canada and Swatch in the amount of \$908,000 to fund operations related to fiscal 2022. As of the audit report date, \$850,763 of this amount remains unspent and recorded as fiscal 2022 deferred revenue and will be recognized as revenue once the related expenditures are incurred.

4. ECONOMIC DEPENDENCE

The continued operations of the Federation is dependent upon the support of government funding from various agencies. For the year ended June 30, 2021, approximately 89% (2020 - 84%) is derived from Sport Canada, Li Ning and the Canadian Olympic Committee, which are included in contributions and sponsorships on the statement of revenues and expenses.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Electronic equipment	\$ 130,282	\$ 115,383	\$ 14,899	\$ 9,484
Furniture and equipment	4,606	4,606	-	1,181
Vehicles	141,461	87,433	54,028	29,508
	\$ 276,349	\$ 207,422	\$ 68,927	\$ 40,173

6. CREDIT FACILITY

The Federation has a credit facility with the Royal Bank of Canada which is secured by a general security agreement covering all property of the Federation. The facility includes a revolving demand loan of up to \$300,000 that bears interest at the bank's prime lending rate plus 2.5%. The demand loan was not in use as of June 30, 2021 (2020 - \$Nil). The facility also includes credit cards with a combined limit of \$125,000, of which \$20,274 (2020 - \$5,115) had been utilized as at June 30, 2021 and is included in accounts payable and accrued liabilities.

In addition to the above, the Federation has an American Express credit card with a limit of \$100,000, of which \$14,627 (2020 - \$288) had been utilized as at June 30, 2021 and is included in accounts payable and accrued liabilities.

CANADIAN SNOWBOARD FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. DEFERRED REVENUE

Deferred revenue represents unspent funding received for future events as follows:

	2021	2020
Balance beginning of year	\$ 1,085,756	\$ -
Funding received during the year	924,538	1,855,000
Funding recognized during the year	(1,980,982)	(769,244)
	\$ 29,312	\$ 1,085,756

8. CANADA EMERGENCY BUSINESS ACCOUNT

During the year, the Federation received a \$60,000 loan under the Canada Emergency Business Account ("CEBA") program. This is an interest-free loan to cover payroll and/or operating costs. Repaying the balance of the loan on or before December 31, 2022, will result in a loan forgiveness of 25%, \$20,000, which has been recorded as other revenue in the statement of revenues and expenses, as the Federation intends to fulfill all facets of the loan arrangement and qualify for the forgiveness. The loan is guaranteed by the Government of Canada.

9. COMMITMENTS

The Federation leases a townhouse in Whistler which expires in May 2022. Lease payments during the next fiscal year are anticipated to be \$15,539.