

**Cross Country Alberta Society
o/a Nordiq Alberta
Financial Statements
April 30, 2024**

**Cross Country Alberta Society
o/a Nordiq Alberta**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Cross Country Alberta Society:

We have reviewed the accompanying financial statements of Cross Country Alberta Society (the "Organization") that comprise the statement of financial position as at April 30, 2024, and the statements of change in net assets, operations, and cash flows for the year 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

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

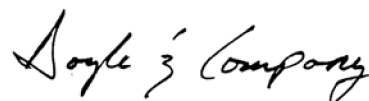
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Cross Country Alberta Society as at April 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

May 20, 2024
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

**Cross Country Alberta Society
o/a Nordiq Alberta**

Statement of Financial Position

As at April 30, 2024

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| ASSETS | | |
| Current | | |
| Cash | 100,541 | 141,571 |
| Restricted cash (Note 3) | 17,423 | 9,673 |
| Short-term investments (Note 4) | - | 61,760 |
| Short-term restricted investments (Note 4) | - | 54,374 |
| Accounts receivable | 23,850 | 23,535 |
| Goods and services tax receivable | 2,950 | 3,090 |
| Prepaid expenses | 14,630 | 2,231 |
| Inventory | 21,360 | 9,179 |
| | 180,754 | 305,413 |
| Tangible Capital assets (Note 5) | 25,589 | 18,644 |
| | 206,343 | 324,057 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | 28,755 | 24,207 |
| Deferred contributions (Schedule 1) | 56,483 | 153,661 |
| | 85,238 | 177,868 |
| Long-Term Debt (Note 6) | - | 60,000 |
| | 85,238 | 237,868 |
| NET ASSETS | | |
| Invested in Tangible Capital Assets | 25,589 | 18,644 |
| Unrestricted | 95,516 | 67,545 |
| | 121,105 | 86,189 |
| | 206,343 | 324,057 |

Approved by the Board

Angelika Goncalves Da Silva, Director

, Director

The accompanying notes form part of these financial statements.

**Cross Country Alberta Society
o/a Nordiq Alberta**

Statement of Change in Net Assets

For the year ended April 30, 2024

| | 2024 | 2023 |
|--|----------------|-------------|
| | \$ | \$ |
| <u>Unrestricted</u> | | |
| Balance, beginning of year | 67,545 | 90,101 |
| Excess (Deficiency) of revenue over expenditures | 34,916 | (17,585) |
| Transfer (to) from invested in tangible capital assets | (6,945) | (4,971) |
| Balance, end of year | 95,516 | 67,545 |
| <u>Invested in Tangible Capital Assets</u> | | |
| Balance, beginning of year | 18,644 | 13,673 |
| Capital asset addition | 11,929 | 8,636 |
| Current amortization | (4,984) | (3,665) |
| Balance, end of year | 25,589 | 18,644 |

The accompanying notes form part of these financial statements.

**Cross Country Alberta Society
o/a Nordiq Alberta**

Statement of Operations

For the year ended April 30, 2024

| | 2024 | 2023 |
|---|----------------|-----------------|
| | \$ | \$ |
| Revenue | | |
| Events and races | 20,044 | 9,829 |
| Frozen Thunder | 625 | 3,000 |
| Merchandise Sales | 34,751 | 36,035 |
| Other | 115,739 | 54,706 |
| Registration fees and memberships | 99,490 | 81,615 |
| Source funding (Note 7) | 211,384 | 213,333 |
| | 482,033 | 398,518 |
| Expenditures | | |
| Amortization | 4,984 | 3,665 |
| Donations | 1,700 | 8,000 |
| Event expenses | 37,500 | 25,965 |
| Frozen Thunder | 7,500 | - |
| Grants | 15,620 | 4,483 |
| Insurance | 2,336 | 1,992 |
| Interest and bank charges | 777 | 1,658 |
| Kananaskis Parking Pass Program | 849 | 1,211 |
| Merchandise | 18,473 | 30,526 |
| Office | 12,133 | 12,125 |
| Professional fees | 6,889 | 19,956 |
| Promotion | 5,584 | 8,686 |
| Repairs and maintenance | 1,007 | 481 |
| Subcontractors | 14,098 | 19,928 |
| Supplies | 20,382 | 19,937 |
| Travel | 60,201 | 60,005 |
| Utilities | 4,434 | 3,064 |
| Wages and benefits | 232,650 | 194,421 |
| | 447,117 | 416,103 |
| Excess (Deficiency) of Revenue over Expenditures | 34,916 | (17,585) |

The accompanying notes form part of these financial statements.

**Cross Country Alberta Society
o/a Nordiq Alberta**

Statement of Cash Flow

For the year ended April 30, 2024

| | 2024 | 2023 |
|--|------------------|-------------|
| | \$ | \$ |
| Operating Activities | | |
| Cash received from funding agencies and other income | 372,499 | 424,913 |
| Cash paid to suppliers and employees | (449,984) | (425,745) |
| | (77,485) | (832) |
| Financing Activities | | |
| Decrease in long-term debt | (60,000) | - |
| Investing Activities | | |
| Decrease (increase) in short-term investments | 116,134 | (116,134) |
| Purchase of capital assets | (11,929) | (8,636) |
| Increase in Cash During the Year | (33,280) | (125,602) |
| CASH, beginning of year | 151,244 | 276,846 |
| CASH, end of year | 117,964 | 151,244 |
| Cash is comprised of: | | |
| Cash | 100,541 | 141,571 |
| Restricted cash (Note 3) | 17,423 | 9,673 |
| | 117,964 | 151,244 |

The accompanying notes form part of these financial statements.

Cross Country Alberta Society o/a Nordiq Alberta

Notes to the Financial Statements

April 30, 2024

Incorporation and Nature of Operations

The Cross Country Alberta Society (the "Organization") was incorporated under the Societies Act in the Province of Alberta as a non-profit organization on March 26, 1991. Under the provisions of the Income Tax Act (Canada), Cross Country Alberta Society is not subject to income taxes.

Cross Country Alberta Society was established to promote recreational and competitive cross country skiing through the development of a support structure for all cross country ski programs in the Province of Alberta.

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook, Canadian Accounting Standards for Not-for-Profit Organizations ("Part III"). The significant accounting policies are described below:

(a) Cash

Cash consist of cash deposited in a Canadian financial institution.

(b) Short Term Investments

Short term investments are comprised of guaranteed investment certificates with maturity dates of one year from date of purchase.

(c) Inventories

Inventories are valued at the lower of cost and net realizable value. Costs are determined on an average cost basis and is determined on a first-in, first-out basis.

(d) Tangible Capital Assets

Tangible capital assets are initially recorded at cost. Amortization is calculated using the methods below over their estimated useful life at the following rates except in the year of acquisition when one-half the normal rate is applied. No amortization is recorded in the year of disposal. The annual amortization reduces the corresponding balance of the invested in tangible capital assets balance.

| | |
|---------------------|-----------------------|
| Computer Equipment | 30% declining balance |
| Marketing Equipment | 20% declining balance |
| Office Equipment | 20% declining balance |
| Ski Equipment | 20% declining balance |

The Organization has updated their policy as it relates to the impairment of capital assets as follows:

When conditions indicate a capital asset is impaired, the carrying value of the capital asset is written down to the asset's fair value or replacement cost. The write down of the capital assets is recorded as an expense in the statement of operations. A write down shall not be reversed.

(e) Revenue Recognition

The Organization follows the deferral method of accounting for revenue.

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

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, fundraising, registration fees, events and races, merchandise sales, interest and other revenue is recognized when earned.

Cross Country Alberta Society o/a Nordiq Alberta

Notes to the Financial Statements

April 30, 2024

1. Significant Accounting Policies - continued

(f) Financial Instruments

(i) Measurement of financial instruments

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

The Organization subsequently measures all of its financial assets and liabilities at amortized cost, except equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, short term investments, short term restricted investments, accounts receivables, and goods and services taxes receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, source deductions payable, and long-term debt.

(ii) Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in income.

(g) Contributed Materials and Services

Contributed materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by the Organization if not contributed. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements. There were no contributed materials during the years ended April 30, 2024 and April 30, 2023.

2. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. Restricted Cash

Restricted cash consist of proceeds from a casino that can only be spent in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

Cross Country Alberta Society o/a Nordiq Alberta

Notes to the Financial Statements

April 30, 2024

4. Short Term Investments

Short term investments consist of Royal Bank of Canada Guaranteed Investment Certificate bearing interest at 4.25% per annum, matured on April 26, 2024.

Restricted Short term investments consist of Royal Bank of Canada Guaranteed Investment Certificate bearing interest at 4.75% per annum, matured October 30, 2023. The amount could only be spent in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

5. Tangible Capital Assets

| | 2024 | | 2023 |
|---------------------|--------|--------------------------|----------------|
| | Cost | Accumulated Amortization | Net Book Value |
| | \$ | \$ | \$ |
| Computer equipment | 12,038 | 11,605 | 433 |
| Ski equipment | 67,418 | 46,441 | 20,977 |
| Office equipment | 7,138 | 5,215 | 1,923 |
| Marketing equipment | 10,679 | 8,423 | 2,256 |
| | 97,273 | 71,684 | 25,589 |

Amortization amounted to \$4,984 for the year ended April 30, 2024 (2023 - \$3,665), and is included in the statement of operations.

| | 2023 | | 2022 |
|---------------------|--------|--------------------------|----------------|
| | Cost | Accumulated Amortization | Net Book Value |
| | \$ | \$ | \$ |
| Computer equipment | 12,038 | 11,419 | 619 |
| Ski equipment | 57,019 | 42,495 | 14,524 |
| Office equipment | 7,138 | 4,735 | 2,403 |
| Marketing equipment | 9,149 | 8,051 | 1,098 |
| | 85,344 | 66,700 | 18,644 |

Amortization amounted to \$3,665 for the year ended April 30, 2023 (2022 - \$3,506), and is included in the statement of operations.

6. Long-Term Debt

The Organization applied for a Canada Emergency Business Account (CEBA) loan with Royal Bank of Canada and received \$60,000 in 2021. The term loan has an initial term and an extended term.

Initial term - the initial term is from the date the money was advanced to December 31, 2023. No repayment of any portion of the loan principal is required and interest does not accrue during this initial term. The interest rate during this initial term is 0% per annum. If the loan is paid back in full on or before January 18, 2024 then \$20,000 of the loan will be forgiven.

Cross Country Alberta Society o/a Nordiq Alberta

Notes to the Financial Statements

April 30, 2024

6. Long-Term Debt - Continued

Extended term - the extended term is from January 19, 2024 to December 31, 2026 and interest on the loan is payable on a monthly basis commencing on the first interest payment date January 31, 2024 (or such other date as agreed by the Bank). On the Extended Term Date December 31, 2025, the balance, if any, of the loan is payable in full. The interest rate during the extended term is 5% per annum.

The required repayable portion of the CEBA loan was fully repaid before the January 18, 2024 deadline, qualifying the organization to receive the forgivable portion of the loan.

7. Source Funding

| | 2024 | 2023 |
|---|---------|---------|
| | \$ | \$ |
| Sport, Physical Activity and Recreation (SPAR) Funding | | |
| Association Development Program | 100,099 | 92,328 |
| Arctic Winter Games | 7,395 | 9,100 |
| Canada Winter Games | - | 31,650 |
| Donation Fund Program | 1,700 | 8,000 |
| Total Sport, Physical Activity and Recreation (SPAR) Funding | 109,194 | 141,078 |
| Alberta Gaming and Liquor Commission (AGLC) | 57,457 | 47,596 |
| Sponsorship | 44,733 | 24,659 |
| Total Source Funding | 211,384 | 213,333 |

8. Financial Instruments

Market Risk

Market risk is the risk that the fair value or future cash flows of the Organization's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk, and other price risk. The Organization is mainly exposed to interest rate risk.

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 interest rate. The Organization is exposed to interest rate risk on bank account balances and any of its fixed and/or floating interest rate financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss to the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable.

The Organization's management reviews the receivables and any amounts that may not be collectable they record an amount in the allowance for doubtful accounts. The balance of the allowance for doubtful accounts as of April 30, 2024 is \$0 (2023 - \$0).

Cross Country Alberta Society o/a Nordiq Alberta

Notes to the Financial Statements

April 30, 2024

8. Financial Instruments - Continued

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly through its accounts payable and accrued liabilities. The Organization manages its liquidity risk by monitoring its operating cash flow requirements to ensure it has sufficient funds to meet its financial obligations.

9. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentations adopted during the current year.

**Cross Country Alberta Society
o/a Nordiq Alberta**

Schedule 1 - Deferred Contributions

For the year ended April 30, 2024

| | Balance Beginning of Year \$ | Funds Received or Receivable \$ | Recognized as Revenue \$ | Balance End of Year \$ |
|---|---|--|---|---|
| Deferred Contributions | | | | |
| Sport, Physical Activity and Recreation (SPAR) Funding | | | | |
| Club Development | 3,200 | - | - | 3,200 |
| Donation Fund Program | 1,500 | - | - | 1,500 |
| Total SPAR Funding | 4,700 | - | - | 4,700 |
| Other Funding | | | | |
| Capital Asset Funding | 7,698 | - | 7,698 | - |
| Casino | 61,130 | 1,637 | 59,094 | 3,673 |
| Club Development | 6,931 | 6,478 | - | 13,409 |
| Frozen Thunder | 11 | - | - | 11 |
| Kananaskis Parking Pass | 21,232 | 453 | 10,849 | 10,836 |
| Membership Fee | - | 329 | - | 329 |
| Other Grants | 30,192 | 62,441 | 69,108 | 23,525 |
| Paranordic Grant | 1,224 | - | 1,224 | - |
| Raffle Funds | 4,350 | 2,280 | 6,630 | - |
| Sponsorships | 16,193 | 33,000 | 49,193 | - |
| Total Other Funding | 148,961 | 106,618 | 203,796 | 51,783 |
| Total Funding | 153,661 | 106,618 | 203,796 | 56,483 |

The accompanying notes form part of these financial statements.