

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION
Financial Statements
March 31, 2022

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION
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Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Skate Canada - British Columbia/Yukon Section

Report on the Financial Statements

Opinion

We have audited the financial statements of Skate Canada - British Columbia/Yukon Section (the "Section"), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations 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 Section as at March 31, 2022, 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 (ASNPO).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Section 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 ASNPO, 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 Section'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 Section or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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.

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Independent Auditor's Report to the Members of Skate Canada - British Columbia/Yukon Section
(continued)

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia
April 27, 2022

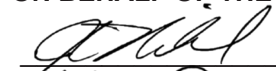
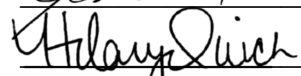

Chartered Professional Accountants

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,080,944	\$ 765,467
Accounts receivable	41,793	5,129
Government subsidies receivable	-	23,595
Accrued interest receivable	9,752	10,307
Prepaid expenses	27,741	45,721
	1,160,230	850,219
INVESTMENTS (Note 3)	866,741	826,136
CAPITAL ASSETS (Note 4)	65,077	46,667
INTANGIBLE ASSETS (Note 5)	17,590	26,384
	\$ 2,109,638	\$ 1,749,406
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,583	\$ -
Accrued vacation payable	27,278	22,524
Unearned revenue (Note 7)	85,809	41,836
Deferred contributions (Note 8)	173,401	90,000
	307,071	154,360
DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS (Note 9)	27,573	20,000
	334,644	174,360
NET ASSETS		
Unrestricted	1,015,044	814,359
Internally restricted (Note 10)	759,950	760,687
	1,774,994	1,575,046
	\$ 2,109,638	\$ 1,749,406

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD

 Director
 Director
Hilary Quick, Chairman

See notes to financial statements

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Unrestricted	Internally restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 814,359	\$ 760,687	\$ 1,575,046	\$ 1,304,910
Excess of revenue over expenses	199,948	-	199,948	270,136
Internal transfer - net deficiency of Athlete Support Fund activity (<i>Note 10</i>)	737	(737)	-	-
NET ASSETS - END OF YEAR	\$ 1,015,044	\$ 759,950	\$ 1,774,994	\$ 1,575,046

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION**Statement of Operations****Year Ended March 31, 2022**

	2022	2021
REVENUE		
Grants and subsidies <i>(Note 12)</i>	\$ 890,842	\$ 887,129
Programs and activities <i>(Schedule)</i>	499,012	180,929
Donations	18,702	10,936
Investment income <i>(Note 3)</i>	10,414	25,244
Fundraising	3,092	152
	1,422,062	1,104,390
EXPENSES		
Programs and activities <i>(Schedule)</i>	560,575	266,525
Salaries and wages	429,466	397,213
Office	67,250	32,480
Rental	37,749	26,691
Professional fees	35,687	36,165
Telephone	27,675	24,567
Local organizing committee payments	19,183	10,341
Amortization of capital assets	16,031	19,803
Interest and bank charges	15,667	7,916
Amortization of intangible assets	8,795	8,795
Insurance	3,961	3,758
Licenses and permits	75	-
	1,222,114	834,254
EXCESS OF REVENUE OVER EXPENSES	\$ 199,948	\$ 270,136

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION**Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 199,948	\$ 270,136
Items not affecting cash:		
Amortization of capital assets	16,031	19,803
Amortization of intangible assets	8,795	8,795
Recognition of deferred contributions for capital assets	(6,211)	(6,000)
Unrealized loss on investments	12,686	-
	<u>231,249</u>	<u>292,734</u>
Changes in non-cash working capital:		
Accounts receivable	(36,667)	9,876
Government subsidies receivable	23,595	(23,595)
Accrued interest receivable	555	379
Prepaid expenses	17,980	(24,413)
Accounts payable and accrued liabilities	20,583	(98,846)
Accrued vacation payable	4,754	2,070
Unearned revenue	43,973	33,586
Deferred contributions	83,401	90,000
Deferred contributions for capital assets	13,784	-
	<u>171,958</u>	<u>(10,943)</u>
Cash flow from operating activities	<u>403,207</u>	<u>281,791</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(34,440)	(6,034)
Redemption (purchase) of investments	(53,290)	246,714
Cash flow from (used by) investing activities	<u>(87,730)</u>	<u>240,680</u>
INCREASE IN CASH FLOW	315,477	522,471
Cash and cash equivalents - beginning of year	<u>765,467</u>	<u>242,996</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,080,944	\$ 765,467
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash - unrestricted	\$ 158,977	\$ 594,622
Cash - internally restricted	47,224	83,945
Cash - externally restricted	173,401	86,900
High interest savings units - unrestricted	701,342	-
	<u>\$ 1,080,944</u>	<u>\$ 765,467</u>

See notes to financial statements

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION

Notes to Financial Statements

Year Ended March 31, 2022

1. PURPOSE OF THE SECTION

The purpose of the Skate Canada - British Columbia/Yukon Section (the "Section") is to encourage and foster the ideals of sportsmanship and good citizenship, to improve, promote, and regulate amateur figure skating throughout British Columbia and the Yukon, and to raise funds to support the activities of the Section.

The Section is incorporated under the Societies Act of British Columbia and is a not-for-profit organization under the Income Tax Act and as such is exempt from income taxes.

During the year, the Section's operations continued to be affected by the COVID-19 pandemic, including limitations to the programs and activities that it provided to its members and the general public, due to restrictions by order of the Public Health Office. Despite these challenges, revenue and cash levels increased over the prior year as during the year the lifting of B.C. Provincial health orders enabled increased in-person events. The continuation of in-person programs and activities will depend on the recommended health protocols of the B.C. Provincial Government as the pandemic continues, with uncertainty created by the emergence of new variants of concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Section follows the deferral method of accounting for contributions.

Externally restricted contributions, including grants and subsidies, are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital asset's amortization.

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

Programs and activities revenue, including registration fees and sponsorships, are recognized as revenue when the related events are held.

Investment revenue is recognized as revenue when earned on an accrual basis.

Financial instruments

All financial instruments are initially recorded at their fair market value. Publicly traded financial instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

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SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION

Notes to Financial Statements

Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

The Section classifies its investment instruments as cash equivalents if the investment is cashable, has a maturity term of three months or less, and the Section intends to use the amount for operations within the maturity period rather than reinvesting.

Investments

Investments consist of guaranteed investment certificates that are cashable and have a maturity term of more than three months, and publicly traded equities. These investments have been classified as a long term assets as it is management's intention that they will be held and reinvested upon maturity. The guaranteed investment certificates have varying interest rates from 2.20% to 3.27% per annum (2021 - 1.76% to 3.27% per annum) and various maturity dates up to January 14, 2025.

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net excess of revenue over expenses.

Capital assets and amortization

Capital assets purchased are stated at cost less accumulated amortization. Capital assets contributed are recorded at the fair value as of the date of receipt. Amortization is provided at various rates on a straight line basis designed to amortize the assets over the estimated useful lives. The amortization rates are as follows:

Computer and production equipment	5 years
Office furniture and equipment	10 years
Judging equipment	5 years

The Section regularly reviews its capital assets and removes fully amortized capital assets.

Intangible assets

Intangible assets are stated at cost less accumulated amortization, with any impairment in the long-term service potential to the Section recognized immediately in excess of revenue over expenses. The website is being amortized on a straight-line basis over its estimated useful life of five years.

Unearned revenue

Registration fees received in advance and sponsorship amounts for upcoming programs and activities are deferred until the related events are held, or recognized on a straight line basis over the term of sponsorship.

(continues)

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION

Notes to Financial Statements

Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services and materials

Volunteers assist the Section in carrying out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements, unless the services are used in the normal course of the Section's operations and would otherwise have been purchased. During the year the Section received \$NIL in contributed services (2021 - \$NIL).

Contributed materials or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. No gifts-in-kind were received for the current or previous years.

Defined contributions plan

The Section participates in a defined contributions plan related to future employee pension benefits and is only responsible for payments as specified under the plan agreement. The contribution amounts are determined based on employee services rendered during the year. During the year, the Section paid \$8,703 for employer contributions to the plan.

3. INVESTMENTS

	<u>2022</u>	<u>2021</u>
Guaranteed investment certificates	\$ 729,884	\$ 826,136
Equities	149,543	-
	<u>879,427</u>	<u>826,136</u>
Cumulative unrealized loss in market value	(12,686)	-
	<u>\$ 866,741</u>	<u>\$ 826,136</u>
<u>Investment income is comprised of the following:</u>		
Interest	\$ 22,307	\$ 25,244
Dividends	799	-
Realized loss on investments	(6)	-
Unrealized loss on investments	(12,686)	-
	<u>\$ 10,414</u>	<u>\$ 25,244</u>

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION**Notes to Financial Statements****Year Ended March 31, 2022****4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer and production equipment	\$ 81,464	\$ 46,304	\$ 35,160	\$ 15,693
Office furniture and equipment	14,603	3,646	10,957	3,889
Judging equipment	40,628	21,668	18,960	27,085
	<u>\$ 136,695</u>	<u>\$ 71,618</u>	<u>\$ 65,077</u>	<u>\$ 46,667</u>

5. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Website	\$ 43,974	\$ 26,384	\$ 17,590	\$ 26,384

6. CREDIT FACILITIES

The Section has credit facilities available related to its credit cards. The Section's American Express credit card has no limit and bears interest at 30.00% per annum on overdue balances. The Section's BMO Financial Group Mastercard credit cards have a limit of \$20,000 (\$10,000 per card) and bear interest at 18.40% per annum on overdue balances.

The outstanding balance of the credit cards as at March 31, 2022 was \$20,583 (2021 - \$NIL) and is included in accounts payable and accrued liabilities on the Statement of Financial Position.

7. UNEARNED REVENUE

	2022	2021
Registrations - received in advance	\$ 80,184	\$ 33,586
Sponsorships - events not yet held	5,625	8,250
	<u>\$ 85,809</u>	<u>\$ 41,836</u>

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION**Notes to Financial Statements****Year Ended March 31, 2022****8. DEFERRED CONTRIBUTIONS**

	Opening balance	Contributions	Expenses and transfers	Ending Balance
viaSport grant				
- Amateur Sport League Fund (i)	\$ -	\$ 125,088	\$ -	\$ 125,088
BC Gaming capital project grant				
- COVID-19 pandemic project (ii)	90,000	-	41,687	48,313
	<u>\$ 90,000</u>	<u>\$ 125,088</u>	<u>\$ 41,687</u>	<u>\$ 173,401</u>

(i) The Amateur Sport League Fund grant proceeds must be fully spent within 24 months of the grant receipt date, which was August 2021, to avoid possible repayment of the funding.

(ii) The COVID-19 pandemic project grant proceeds must be fully spent within 36 months of the grant receipt date, which was December 2020, to avoid possible repayment of the funding. Proceeds used for the purchases of capital equipment and other supplies sent to the regional societies are expensed while capital purchases for the Section's use result in a transfer to the balance of deferred contributions for capital assets as detailed in *Note 9*.

9. DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS

Externally restricted contributions designated for the purchase of capital assets are recognized at the same rate as the assets are amortized.

	Opening balance	Contributions and transfers	Recognized as revenue	Ending balance
BC Gaming capital project grant				
- judging equipment	\$ 20,000	\$ -	\$ 6,000	\$ 14,000
BC Gaming capital project grant				
- COVID-19 pandemic project (i)	-	13,784	211	13,573
	<u>\$ 20,000</u>	<u>\$ 13,784</u>	<u>\$ 6,211</u>	<u>\$ 27,573</u>

(i) During the year, \$13,784 of capital assets were purchased for the Section's operations using proceeds from the COVID-19 pandemic project grant in *Note 8* and as such amount expended has been reflected as a transfer.

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION

Notes to Financial Statements

Year Ended March 31, 2022

10. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of:

	<u>2022</u>	<u>2021</u>
Athlete Support Fund	<u>\$ 759,950</u>	<u>\$ 760,687</u>

The internally restricted Athlete Support Fund was established in an agreement, whereas committee members have agreed to administer the internally restricted net assets for the Section. The purposes of the internal restriction include, but are not limited to, the assistance of skaters and the development of competitive skaters at the Pre-Novice level and above.

The financial position of the Athlete Support Fund is comprised as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 47,224	\$ 83,945
Investments	706,857	670,000
Accrued interest receivable	<u>5,869</u>	<u>6,742</u>
Total assets	<u>\$ 759,950</u>	<u>\$ 760,687</u>

The activities of the internally restricted Athlete Support Fund are reported as unrestricted operations with an annual, director approved internal transfer of the net excess (deficiency) of the related revenue over expenses to (from) the internally restricted net assets of the Athlete Support Fund.

The activities of the Athlete Support Fund for the year are as follows:

	<u>2022</u>	<u>2021</u>
Revenue		
Donations and fundraising	\$ 13,775	\$ 5,365
Investment income	5,007	18,487
Auction	<u>3,092</u>	<u>-</u>
	<u>21,874</u>	<u>23,852</u>
Expenses		
Athlete assistance	(14,400)	(14,600)
Athlete bursaries	(5,775)	(4,480)
Fundraising	<u>(2,436)</u>	<u>(441)</u>
	<u>(22,611)</u>	<u>(19,521)</u>
Excess (deficiency) of revenue over expenses - internal transfer amount	<u>\$ (737)</u>	<u>\$ 4,331</u>

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION

Notes to Financial Statements

Year Ended March 31, 2022

11. LEASE COMMITMENTS

The Section has various operating leases with respect to its premises and office equipment. The premises lease expires August 31, 2026 and has aggregate future minimum lease payments of \$143,785. The office printer equipment lease expires March 31, 2025 and has aggregate future minimum lease payments of \$31,764. The office mailing machine equipment lease expires August 31, 2023 and has aggregate future minimum lease payments of \$4,900. The office equipment leases are secured by the leased equipment per the lease agreements.

Future minimum lease payments for all these leases are as follows:

2023	\$ 45,005
2024	43,916
2025	43,431
2026	33,829
2027	14,268
	<u>\$ 180,449</u>

12. GRANTS AND SUBSIDIES REVENUE

	2022	2021
Skate Canada	\$ 427,184	\$ 314,452
Province of British Columbia - viaSport	261,117	320,642
Federal government wage and rent subsidies	90,677	202,339
Province of British Columbia - Community Gaming	76,864	48,750
Province of British Columbia - SCI event support	35,000	-
Federal grants for athlete assistance	-	946
	<u>\$ 890,842</u>	<u>\$ 887,129</u>

13. ECONOMIC DEPENDENCE

The Section is dependent on Skate Canada and viaSport to fund a significant portion of its operations. During the year the Section received grants from both of these entities equal to 48% (2021 – 58%) of its revenue.

14. REMUNERATION DISCLOSURE

In accordance with the Societies Act of British Columbia, the Section is required to disclose that two individuals under a contract for services exceeded \$75,000 of annual remuneration, having been paid a total of \$210,822.

SKATE CANADA - BRITISH COLUMBIA/YUKON SECTION**Schedule of Programs and Activities Operations****(Schedule)****Year Ended March 31, 2022**

	2022	2021
REVENUE		
Registration	\$ 445,715	\$ 155,967
Sponsorships	19,322	17,538
Practice ice	15,381	600
Product sales	8,440	3,830
Other programs	5,000	2,224
Coaching and assistance	3,564	-
Accreditation	1,590	770
	499,012	180,929
EXPENSES		
Equipment and facility rental	163,969	82,712
Travel and accommodation	159,588	19,833
Coaching and athlete assistance	121,557	109,082
Honorariums and gifts	36,833	17,871
Registration and entry fees	22,336	6,012
Website	20,759	13,515
Membership	19,826	12,744
Athlete expenses	15,409	4,756
Accreditation costs	298	-
	560,575	266,525
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (61,563)	\$ (85,596)