

CANADIAN LUGE ASSOCIATION
Financial Statements
Year Ended March 31, 2022

CANADIAN LUGE ASSOCIATION

Index to Financial Statements

Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Luge Association

Opinion

We have audited the financial statements of Canadian Luge Association (the "Association"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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 Association 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 Association 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.

Emphasis of Matter

We draw attention to Note 10 to the financial statements, which indicates that the Association is economically dependent upon revenue received from government funding without which the Association would not be able to discharge its liabilities. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Canadian Luge Association for the year ended March 31, 2021 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on June 26, 2021.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Canadian Luge Association *(continued)*

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.

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 Association'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 Association'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 Association 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.

Ascend LLP
Chartered Professional Accountants
Independent Member Firm of
PORTER HÉTU INTERNATIONAL
Airdrie, Alberta
June 29, 2022

CANADIAN LUGE ASSOCIATION**Statement of Revenues and Expenditures****Year Ended March 31, 2022**

| | 2022 | 2021 |
|--|---------------------|--------------|
| REVENUES | | |
| Sport Canada | \$ 1,068,309 | \$ 1,218,375 |
| Olympic luge programming | 702,899 | 501,663 |
| Rental, interest and miscellaneous | 15,595 | 15,220 |
| | 1,786,803 | 1,735,258 |
| EXPENSES | | |
| Olympic luge | 1,716,852 | 1,322,146 |
| Operations | 236,075 | 184,243 |
| Amortization | 13,759 | 19,455 |
| | 1,966,686 | 1,525,844 |
| (DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES | \$ (179,883) | \$ 209,414 |

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2022

| | Unrestricted | Invested in tangible capital assets | Internally restricted | 2022 | 2021 |
|---|-------------------|---|--------------------------|-------------------|-------------------|
| Net assets - beginning of year | \$ 432,592 | \$ 29,878 | \$ 209,000 | \$ 671,470 | \$ 462,056 |
| Deficiency of revenues over expenses | (166,124) | (13,759) | - | (179,883) | 209,414 |
| Transfers | 197,893 | 11,107 | (209,000) | - | - |
| Net assets - end of year | \$ 464,361 | \$ 27,226 | \$ - | \$ 491,587 | \$ 671,470 |

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION**Statement of Financial Position****March 31, 2022**

| | 2022 | 2021 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 189,377 | \$ 207,266 |
| Term deposit (Note 4) | 300,000 | 300,000 |
| Internally restricted cash | - | 209,000 |
| Grants and other receivables (Note 5) | 142,434 | 25,201 |
| Interest receivable | 2,178 | 2,523 |
| Goods and services tax recoverable | 25,805 | 19,514 |
| Prepaid expenses | 6,596 | 25,110 |
| | 666,390 | 788,614 |
| TANGIBLE CAPITAL ASSETS (Note 6) | 27,226 | 29,879 |
| | \$ 693,616 | \$ 818,493 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (Note 7) | \$ 59,610 | \$ 56,589 |
| Wages payable | 5,750 | 5,075 |
| Current portion of deferred revenue and contributions (Note 8) | 60,000 | 35,690 |
| | 125,360 | 97,354 |
| LONG TERM PORTION OF DEFERRED REVENUE AND CONTRIBUTIONS (Note 8) | 76,669 | 49,669 |
| | 202,029 | 147,023 |
| NET ASSETS | | |
| Unrestricted | 464,361 | 432,592 |
| Invested in tangible capital assets | 27,226 | 29,878 |
| Internally Restricted | - | 209,000 |
| | 491,587 | 671,470 |
| | \$ 693,616 | \$ 818,493 |

CONTINGENT LIABILITY (Note 9)

ON BEHALF OF THE BOARD

 Director
DocuSigned by:
 Director
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The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION**Statement of Cash Flows****Year Ended March 31, 2022**

| | 2022 | 2021 |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| (Deficiency) excess of revenues over expenses | \$ (179,883) | \$ 209,414 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 13,759 | 19,455 |
| Revenues contributed towards medical expenses | 185,000 | 164,100 |
| Medical expenses | (185,000) | (164,100) |
| | <u>(166,124)</u> | <u>228,869</u> |
| Changes in non-cash working capital: | | |
| Grants and other receivables | (117,233) | 47,149 |
| Interest receivable | 345 | (2,523) |
| Goods and services tax | (6,291) | (9,017) |
| Prepaid expenses | 18,514 | 4,470 |
| Accounts payable and accrued liabilities | 3,021 | 15,212 |
| Wages payable | 675 | (13,477) |
| Deferred revenue and contributions | 51,310 | 35,690 |
| | <u>(49,659)</u> | <u>77,504</u> |
| Cash flow (used by) from operating activities | <u>(215,783)</u> | <u>306,373</u> |
| INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | (11,106) | (22,692) |
| Maturity of term deposits | 300,000 | 400,000 |
| Investment in term deposits | (300,000) | (700,000) |
| | <u>(11,106)</u> | <u>(322,692)</u> |
| Cash flow used by investing activities | <u>(11,106)</u> | <u>(322,692)</u> |
| DECREASE IN CASH FLOW | (226,889) | (16,319) |
| Cash - beginning of year | <u>416,266</u> | <u>432,585</u> |
| CASH - END OF YEAR | \$ 189,377 | \$ 416,266 |
| CASH CONSISTS OF: | | |
| Cash | \$ 189,377 | \$ 207,266 |
| Internally restricted cash | <u>-</u> | <u>209,000</u> |
| | \$ 189,377 | \$ 416,266 |

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION**Notes to Financial Statements****Year Ended March 31, 2022**

1. NATURE OF ASSOCIATION

The Canadian Luge Association or Association Canadienne de Luge (the "Association") was incorporated March 22, 1990 under the Canada Corporations Act as a not for profit organization and commenced operations effective April 1, 1990. The Association is a registered charity under the Income Tax Act.

The Association was formed as a non-profit organization to develop and administer the sport of luge in Canada, in order to ensure opportunities for participation at all domestic levels and to foster international excellence in the sport of luge.

The Association receives funding from Sport Canada, the Canadian Olympic Committee, the Canadian Olympic Foundation, and various other sources.

The Association has significant funding agreements with the Government of Canada to develop and administer the sport of luge in Canada. Readers of these financial statements should be cognizant of the significance of these contracts on the operations of the Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of presentation

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

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits with a term less than 90 days and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than 90 days.

Tangible capital assets

Tangible capital assets are recorded at cost and contributed tangible capital assets are recorded at fair market value at the date of the contribution. These assets are amortized at rates calculated to amortize the cost of the property and equipment over their estimated useful lives at the following rates and methods:

| | | |
|------------------------|---------|--------------------------|
| Computer equipment | 30% | declining balance method |
| Motor vehicles | 30% | declining balance method |
| Equipment | 20% | declining balance method |
| Furniture and fixtures | 20% | declining balance method |
| Sport equipment | 3 years | straight-line method |

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recorded at one-half of the above noted rates in the year of acquisition. No amortization is recorded in the year of disposal.

(continues)

CANADIAN LUGE ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2022

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

Goods and Services Tax

Input tax credits paid on materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Income taxes

The Association is a non-profit organization as defined in section 149(1)(1) of the Income Tax Act; accordingly, no income taxes are payable.

Net assets

- a) Net assets invested in tangible capital assets represents the Association's net investment in tangible capital assets which is comprised of the unamortized amount of tangible capital assets purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the Association's Board of Directors. To acknowledge the fact that the Association had a significant surplus in 2021 due to unexpected additional government funding, a portion of the prior year surplus was internally restricted to recognize that this allocated surplus would be used towards the Association's objectives and results in 2022.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Association each year, net of transfers, and are available for general purposes.

Revenue recognition

The Association follows the deferral method of accounting for contributions. All revenues and contributions are recognized as follows:

- a) Fees and rental income - recognized when invoiced and collection is reasonably assured;
- b) Unrestricted contributions - recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured;
- c) Restricted contributions - recognized as revenue in the year in which the related expenditures are incurred;
- d) Contributions in-kind - recognized as revenue at the fair value of the goods or services received if the Association would have otherwise purchased similar goods or services had the in-kind contribution not been made;
- e) Interest - is recognized as earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the Association has complied with, and will continue to comply with, all the necessary conditions to obtain the grants.

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CANADIAN LUGE ASSOCIATION**Notes to Financial Statements****Year Ended March 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

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 amount of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates include useful life of tangible capital assets, accrued liabilities and allocations of common costs between Olympic luge and operation expenses. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Financial assets measured at amortized cost include cash, term deposits, and grants and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and wages payable.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be 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 income.

CANADIAN LUGE ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2022

3. FINANCIAL INSTRUMENT RISKS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association's accounts receivable are typically with organizations that share the same activities and from athletes who are supported by the Association. Therefore, credit risk is considered to be low. The maximum exposure to credit risk is from the carrying value of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking harm to the Association's reputation.

The Association has accumulated net assets and consistently generates funds in excess of its expenditures and it anticipates that it will have adequate liquidity to fund its financial liabilities through its existing working capital.

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 rate risk, interest rate risk and other price risk. The Association is mainly exposed to currency rate risk.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash held in USD and Euros. The Association does not use derivative instruments to reduce its exposure to foreign currency risk.

As at March 31, 2022, the Association has cash balances denominated in Euros of €16,887 (2021 - €13,726) and USD of \$4,993 (2021 - \$2,769).

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest or other price risks arising from these financial instruments.

CANADIAN LUGE ASSOCIATION**Notes to Financial Statements****Year Ended March 31, 2022**

4. TERM DEPOSIT

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Royal Bank - 1-year non-redeemable GIC, bearing interest at 1.00% per annum, maturing May 28, 2021 | \$ - | \$ 300,000 |
| Royal Bank - 1-year non-redeemable GIC, bearing interest at 0.15% per annum, maturing May 28, 2022 | <u>300,000</u> | <u>-</u> |
| | <u>\$ 300,000</u> | <u>\$ 300,000</u> |

5. GRANTS AND OTHER RECEIVABLES

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-------------------|------------------|
| Grants | \$ 62,120 | \$ - |
| Athletes | 71,939 | 22,886 |
| Other | <u>12,940</u> | <u>6,880</u> |
| Subtotal | 146,999 | 29,766 |
| Less: Allowance for doubtful accounts | <u>(4,565)</u> | <u>(4,565)</u> |
| | <u>\$ 142,434</u> | <u>\$ 25,201</u> |

6. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2022 Net book value |
|------------------------|-------------------|-----------------------------|------------------------------------|
| Computer equipment | \$ 42,499 | \$ 39,117 | \$ 3,382 |
| Motor vehicles | 21,722 | 20,977 | 745 |
| Equipment | 45,804 | 31,250 | 14,554 |
| Furniture and fixtures | 7,943 | 7,839 | 104 |
| Sport equipment | <u>130,838</u> | <u>122,397</u> | <u>8,441</u> |
| | <u>\$ 248,806</u> | <u>\$ 221,580</u> | <u>\$ 27,226</u> |

| | Cost | Accumulated amortization | 2021 Net book value |
|------------------------|-------------------|-----------------------------|---------------------------|
| Computer equipment | \$ 39,216 | \$ 38,094 | \$ 1,122 |
| Motor vehicles | 21,722 | 20,658 | 1,064 |
| Equipment | 36,018 | 29,448 | 6,570 |
| Furniture and fixtures | 7,943 | 7,813 | 130 |
| Sport equipment | <u>132,801</u> | <u>111,808</u> | <u>20,993</u> |
| | <u>\$ 237,700</u> | <u>\$ 207,821</u> | <u>\$ 29,879</u> |

CANADIAN LUGE ASSOCIATION**Notes to Financial Statements****Year Ended March 31, 2022****7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

| | <u>2022</u> | <u>2021</u> |
|---------------------|------------------|------------------|
| Trade payables | \$ 24,764 | \$ 28,712 |
| Accrued liabilities | 18,490 | 13,500 |
| Visa payable | 16,356 | 14,377 |
| | <u>\$ 59,610</u> | <u>\$ 56,589</u> |

The Association has VISA business credit facilities with the Royal Bank of Canada with a maximum of \$305,000 (2021-\$120,000) and is unsecured. As at year end, \$288,643 (2021- \$105,624) was available for use.

8. DEFERRED REVENUE AND CONTRIBUTIONS

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|-------------|-------------|
| <u>OTP - Start House</u> | | |
| Opening and closing balance | \$ 49,669 | \$ 49,669 |

A deferred grant in the amount of \$49,669 was received from OTP (Own the Podium) and is for the construction of a mini start house. Construction is not expected to be completed in the next fiscal year. The mini start house grant has been classified as long term as the amount is not expected to be realized in the next 12 months.

Sport Canada - Junior Luge World Cup 3 & 4 - Whistler 2020

| | | |
|------------------------|----------|----------|
| Opening balance | 20,690 | - |
| Grant received | - | 23,750 |
| Recognized into income | (20,690) | (3,060) |
| Subtotal | - | 20,690 |
| LESS: Current portion | - | (20,690) |
| | <u>-</u> | <u>-</u> |

In 2021, the Association received supplemental funding from Sport Canada for the Junior Luge World Cups 3 & 4 - Whistler 2020. Under the terms of the Contribution Agreement, the Association was to receive \$25,000. Due to the COVID-19 pandemic, the event, scheduled to be held in December 2020, was cancelled. The Association had received \$23,750 of the agreed funding and had spent \$3,060 in costs. The difference of \$20,690 was deferred as the Association reached an agreement with Sport Canada that its 2021-22 funding would be reduced by the same \$20,690.

Athlete security deposits

| | | |
|-----------------------|----------|----------|
| Opening balance | 15,000 | - |
| Deposits received | - | 15,000 |
| Deposits repaid | (15,000) | - |
| Subtotal | - | 15,000 |
| LESS: Current portion | - | (15,000) |
| | <u>-</u> | <u>-</u> |

(continues)

CANADIAN LUGE ASSOCIATION**Notes to Financial Statements****Year Ended March 31, 2022****8. DEFERRED REVENUE AND CONTRIBUTIONS (continued)**

In 2021, the Association entered into a Lease Agreement to rent a doubles sled for the 2020-21 and 2021-22 luge seasons and prepaid the lease. As part of the agreement, the sledders (also parties to the agreement) agreed to each post a \$7,500 deposit (\$15,000 in total) as security for ensuring their continued participation until after the 2022 Olympics and for any damage that may occur to the sled. During the contract term, the Association is also contingently liable for any damages to the sled in the amount of €30,000.

COC - Return to Sport

| | | |
|-----------------------|-----------------|---|
| Opening balance | - | - |
| Grant received | 60,000 | - |
| Subtotal | 60,000 | - |
| LESS: Current portion | (60,000) | - |
| | - | - |

During the year, the Association was granted supplemental funding from the COC (Canada Olympic Committee) through its NSO Enhancement Initiative for a third cycle ("NSO Return to Sport") with the primary focus of supporting the Sport System in recovering from the impact of COVID pandemic and returning to sport. Under the terms of the Contribution Agreement (the "Agreement"), the Association was granted \$60,000 and received \$45,000, with the balance of \$15,000 due following receipt by the COC of the final and complete report. The Agreement will remain in force until the earlier of March 1, 2024 or the completion of all obligations of the parties under the Agreement. It is expected that the funds will be used in the ensuing year.

Alberta Culture - Community Initiative Program (CIP) Project Based

| | | |
|-----------------|---------------|---|
| Opening balance | - | - |
| Grant received | 27,000 | - |
| | 27,000 | - |

During the year, the Association was granted funding from Alberta Culture through its CIP program . Under the terms of the grant, the Association was granted \$27,000 towards the purchase of a new van provided that the Association, at a minimum, matches the amount of the grant. Since the funding was received March 31, 2022, the Association has yet to purchase the van. As a result, the amount has been deferred and shown as long-term since it is a capital grant.

TOTALS

| | | |
|------------------------|-------------------|-----------|
| Opening balance | 85,359 | 49,669 |
| Grants received | 87,000 | 23,750 |
| Recognized into income | (20,690) | (3,060) |
| Deposits received | - | 15,000 |
| Deposits repaid | (15,000) | - |
| Subtotal | 136,669 | 85,359 |
| Less: Current portion | (60,000) | (35,690) |
| | 76,669 | 49,669 |
| Grand total | \$ 153,338 | \$ 99,338 |

CANADIAN LUGE ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2022

9. CONTINGENT LIABILITY

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records are subject to review by Sport Canada to identify instances, if any, where amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada authorizes the adjustment. The Association believes a review will not produce any material adverse financial effects on its financial position.

10. ECONOMIC DEPENDENCE

The Association's purpose is to develop and administer the sport of luge in Canada. The Association generated its revenue from renewable contracts with the Government of Canada. It is management's opinion that if the Government of ceases its funding, the Association would have to consider restructuring.

11. SIGNIFICANT EVENT

In March 2020, a world-wide pandemic was announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified, and no additional allowance or accruals have been recognized in these financial statements.

12. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management through June 29, 2022, which is the date these financial statements were available to be issued.

There were no subsequent events that would have a material impact on these financial statements.

13. CORRESPONDING FIGURES

Some of the corresponding figures have been reclassified to conform to the current year's presentation.