

CHEERLEADING CANADA INC
Financial Statements
Year Ended June 30, 2025

CHEERLEADING CANADA INC
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Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Cheer Canada Inc.

Opinion

We have audited the financial statements of Cheerleading Canada Inc (the organization), which comprise the statement of financial position as at June 30, 2025, 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 organization as at June 30, 2025, 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 organization 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

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:

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Independent Auditor's Report to the To the Members of Cheer Canada Inc. *(continued)*

- 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

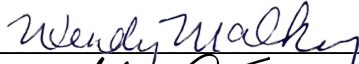
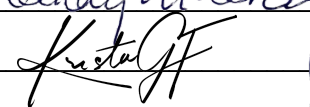
Calgary, Alberta
October 14, 2026


C&E LLP Chartered Professional Accountants

CHEERLEADING CANADA INC
Statement of Financial Position
June 30, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 403,948	\$ 244,993
Term deposits (Note 3)	60,857	-
Accounts receivable (Note 4)	88,853	32,939
Prepaid expenses	7,733	58,481
	<u>\$ 561,391</u>	<u>\$ 336,413</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 82,713	\$ 45,193
UNRESTRICTED NET ASSETS	<u>478,678</u>	<u>291,220</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 561,391</u>	<u>\$ 336,413</u>

ON BEHALF OF THE BOARD

 Director
 Director

CHEERLEADING CANADA INC
Statement of Revenues and Expenses
Year Ended June 30, 2025

	2025	2024
REVENUES		
Membership fees	\$ 477,910	\$ 412,392
Team Canada revenues	221,130	169,944
Pan Am revenue	214,953	-
Expense recoveries	22,392	-
Sponsorships	11,500	9,036
Provincial organization fees	6,750	2,659
Product sales	6,408	2,678
Interest income	857	-
Donations	375	2,625
Other revenue	29	3,854
International events revenue (recovery)	(67)	7,110
	<u>962,237</u>	<u>610,298</u>
EXPENSES		
Pan Am expenses	324,879	3,978
Team Canada expense	209,091	211,948
Sub-contracts	66,053	28,045
Professional fees	57,946	59,502
Travel expenses	45,173	4,473
Data processing	26,089	40,855
Office expenses	21,114	8,343
Bank charges	8,192	2,590
Insurance	4,173	9,688
Memberships	4,128	16,605
Wages and benefits	4,057	63,509
Collegiate nationals	2,605	12,947
Product purchases	1,279	1,909
Training expense	-	2,972
Bad debt	-	6,013
	<u>774,779</u>	<u>473,377</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 187,458</u>	<u>\$ 136,921</u>

CHEERLEADING CANADA INC
Statement of Changes in Net Assets
Year Ended June 30, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 291,220	\$ 154,299
Excess of revenues over expenses	<u>187,458</u>	<u>136,921</u>
NET ASSETS - END OF YEAR	<u>\$ 478,678</u>	<u>\$ 291,220</u>

CHEERLEADING CANADA INC**Statement of Cash Flows****Year Ended June 30, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 187,458	\$ 136,921
Item not affecting cash:		
Accrued interest income	(857)	-
	<u>186,601</u>	<u>136,921</u>
Changes in non-cash working capital:		
Accounts receivable	(55,914)	79,113
Accounts payable and accrued liabilities	37,520	(24,951)
Prepaid expenses	50,748	(47,219)
	<u>32,354</u>	<u>6,943</u>
Cash flow from operating activities	<u>218,955</u>	<u>143,864</u>
INVESTING ACTIVITY		
Purchase of term deposits	(60,000)	-
INCREASE IN CASH	158,955	143,864
Cash - beginning of year	<u>244,993</u>	<u>101,129</u>
CASH - END OF YEAR	\$ 403,948	\$ 244,993

CHEERLEADING CANADA INC
Notes to Financial Statements
Year Ended June 30, 2025

1. DESCRIPTION OF ORGANIZATION

Cheer Canada Inc ("Organization") is the National Sports Organization for cheerleading in Canada to manage, direct, promote, regulate and assist the activities of cheerleading in Canada.

The Organization is a not-for-profit corporation incorporated under the Canada Corporation Act and was granted continuance under the Canada Not-for-profit Corporation Act in May 2024.

The Organization is a Federal Not-For-Profit Corporation and is exempt from income taxes pursuant to section 149(1)(l) of the Income Tax Act; accordingly, no provision for income taxes has been provided for in these financial statements.

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 (ASNPO).

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues 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.

- Revenue from product sales is recognized when title passes to customers, which is generally at the time goods are delivered.
- Revenue from competitions and events is recognized in the year in which the competitions and events take place.
- Membership fees from provincial organizations and athletes are recognized when received or receivable.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are recognized in the statement of revenues and expenses in the period in which they become known.

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.

CHEERLEADING CANADA INC
Notes to Financial Statements
Year Ended June 30, 2025

3. TERM DEPOSIT

The Organization holds a non-redeemable guaranteed investment certificate with a principal amount of \$60,000, bearing interest at 3.30% per annum. The investment was acquired on January 23, 2025 and matured on July 22, 2025. The carrying amount of \$60,857 at June 30, 2025 includes accrued interest of \$857.

4. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
GST/HST	\$ 38,743	\$ 25,864
Membership fees	38,422	3,491
Athletes and registrants	11,688	1,968
Other accounts receivable	-	1,616
	<u>\$ 88,853</u>	<u>\$ 32,939</u>

5. RELATED PARTY TRANSACTIONS

The Organization is related to the provincial sports organizations that are members of the organization. The following is a summary of the Organization's related party transactions:

	<u>2025</u>	<u>2024</u>
Provincial Organization Fees		
Revenue	\$ 6,750	\$ 2,659

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of June 30, 2025.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

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CHEERLEADING CANADA INC
Notes to Financial Statements
Year Ended June 30, 2025

6. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The organization's exposure to liquidity risk relates to accounts payable and accrued liabilities and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through actively monitoring cash flows and documenting when payments are due to ensure sufficient funds are available.

There have not been any changes to the organization's exposure to liquidity risk from the prior year.

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

7. COMPARATIVE FIGURES

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