

Financial Statements of

BC FREESTYLE SKI ASSOCIATION

And Independent Auditors' Report thereon

Year ended April 30, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of BC Freestyle Ski Association

Opinion

We have audited the financial statements of BC Freestyle Ski Association (the Association), which comprise:

- the statement of financial position as at April 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2021 and its results of operations and its 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 auditors' report.

We are independent of the Association in accordance with the 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 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.

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 the 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 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 Association to cease to continue as a going concern.



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- 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.
- 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 (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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vernon, Canada

September 13, 2021

BC FREESTYLE SKI ASSOCIATION

Statement of Financial Position

April 30, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash (note 2)	\$ 236,158	\$ 402,435
Accounts receivable	15,738	26,268
Goods and services tax recoverable	12,177	9,062
Prepaid expenses	513	171
	<u>264,586</u>	<u>437,936</u>
Capital assets (note 3)	74,771	3,647
	<u>\$ 339,357</u>	<u>\$ 441,583</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable (note 4)	\$ 47,837	\$ 30,982
Deferred revenue (note 5)	2,000	112,342
	<u>49,837</u>	<u>143,324</u>
Net Assets:		
Unrestricted	214,749	192,831
Investment in capital assets	74,771	3,647
Internally restricted	-	101,781
	<u>289,520</u>	<u>298,259</u>
	<u>\$ 339,357</u>	<u>\$ 441,583</u>

See accompanying notes to financial statements.

On behalf of the Board:





BC FREESTYLE SKI ASSOCIATION

Statement of Operations

Year ended April 30, 2020

	2021	2020
Revenue:		
Government Funding:		
viaSport BC	\$ 204,122	\$ 216,498
BC Gaming Grant	26,000	26,000
Canadian Heritage's Emergency Support Fund	36,750	-
Operations:		
BC team fees	128,650	126,549
Membership dues	51,850	59,322
Sport development	35,452	32,604
CWSAA competitor pass	27,167	21,889
Fundraising	3,040	376
Event registration	2,000	15,261
Donations	-	7,500
Sponsorship income	-	3,865
	515,031	509,864
Expenses:		
Advertising and promotion	2,883	1,200
Amortization	8,877	1,188
BC team program support	18,980	16,108
Bad debts	-	2,408
Bank and processing fees	3,067	5,251
CWSAA competitor pass	21,923	17,955
Contracted services	241,818	237,871
Event development	3,566	2,910
Event fees	10,110	13,412
Grants	25,000	-
Insurance	316	310
Membership and dues	545	-
Professional fees	16,676	8,605
Sport development	59,971	77,866
Supplies and equipment	6,758	3,365
Travel	104,876	111,914
	525,366	500,363
(Deficiency) excess of revenue over expenses before other income	(10,335)	9,501
Other income:		
Interest income	1,596	-
(Deficiency) excess of revenue over expenses	\$ (8,739)	\$ 9,501

See accompanying notes to financial statements.

BC FREESTYLE SKI ASSOCIATION

Statement of Net Assets

Year ended April 30, 2020

	Unrestricted	Internally Restricted	Investments in Capital Assets	2021	2020
Net assets, beginning of year	\$ 192,831	\$ 101,781	\$ 3,647	\$ 298,259	\$ 288,758
Excess (deficiency) of revenue over expenses	25,137	(25,000)	(8,876)	(8,739)	9,501
Transfers to internally restricted	(1,588)	1,588	-	-	-
Investment in capital assets	(1,631)	(78,369)	80,000	-	-
Net assets, end of year	\$ 214,749	\$ -	\$ 74,771	\$ 289,520	\$ 298,259

See accompanying notes to financial statements.

BC FREESTYLE SKI ASSOCIATION

Statement of Cash Flows

Year ended April 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ (8,739)	\$ 9,501
Item not involving cash:		
Amortization	8,877	1,188
Changes in non-cash operating working capital:		
Decrease in accounts receivable	10,530	76,108
Increase in GST recoverable	(3,115)	(5,700)
(Increase) decrease in prepaid expenses	(343)	9,134
Increase (decrease) in accounts payable	16,855	(18,187)
(Decrease) increase in deferred revenue	(110,342)	93,668
	(86,277)	165,712
Investing:		
Purchase of capital assets	(80,000)	(1,065)
(Decrease) increase in cash	(166,277)	164,647
Cash, beginning of year	402,435	237,788
Cash, end of year	\$ 236,158	\$ 402,435
Cash consists of:		
Cash	\$ 236,158	\$ 300,654
Restricted cash	-	101,781
	\$ 236,158	\$ 402,435

See accompanying notes to financial statements.

BC FREESTYLE SKI ASSOCIATION

Notes to Financial Statements

Year ended April 30, 2021

Nature of operations:

BC Freestyle Ski Association (the Association) was incorporated under the Society Act of British Columbia on October 27, 1993. Its objective is the furtherance of freestyle skiing in the Province of British Columbia. The Association is a non-profit organization under the Income Tax Act and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Handbook ("ASNPO"). The following is a summary of the significant accounting policies.

(a) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on declining balance over the assets' estimated useful lives at the following rates:

Asset	Rate
Equipment	20%
Computer equipment	55%
Computer software	100%

Capital assets are not amortized until placed into use. The estimated useful lives of assets are reviewed by management and adjusted if necessary. Capital assets are assessed annually for partial impairment which is recorded when applicable as a non-reversible impairment expense.

(b) Revenue recognition:

The Association follows the deferral method of accounting for contributions which includes government funding, donations and fundraising. 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.

Operational revenues are recognized when there is pervasive evidence that an arrangement exists, the service has been provided, the amount can be estimated, and collection is reasonably assured.

BC FREESTYLE SKI ASSOCIATION

Notes to Financial Statements (continued)

Year ended April 30, 2021

1. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of the financial statements in conformity with ASNPO 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 date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known.

(d) Contributed materials and services:

Volunteers contribute many hours annually to assist the Association in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recorded as expenses or assets at their fair market value and as revenue or deferred contributions in the same amount.

(e) Financial Instruments:

The Association's financial instruments consist of cash, accounts receivable, and accounts payable. The Association initially measures its financial instruments at fair value, except for certain related party transactions that are measured at the exchange amount. Subsequently, all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in operations over the life of the instrument.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. Any write-downs are recognized in the statement of operations. Any previously recognized impairment losses may be reversed to the original carrying amount. The amount of the reversal is recognized in the statement of operations.

2. Cash:

The Association holds funds in the amount of \$nil (2020 - \$101,781) that have been internally restricted for investment in capital projects.

BC FREESTYLE SKI ASSOCIATION

Notes to Financial Statements (continued)

Year ended April 30, 2021

3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 90,129	\$ 15,547	\$ 74,582	\$ 3,227
Computer equipment	4,236	4,047	189	420
Computer software	601	601	-	-
	\$ 94,966	\$ 20,195	\$ 74,771	\$ 3,647

4. Accounts payable:

Included in accounts payable are government remittances payable of \$403 (2020 - \$1,889) relating to workers' safety insurance premiums.

5. Deferred revenue:

Deferred revenue represents unspent resources externally restricted for various purposes. Changes in the deferred revenue balance are as follows:

	2021	2020
Deferred revenue, beginning	\$ 112,342	\$ 18,674
Team fees and deposits	-	7,000
viaSport BC	137,530	305,793
BC Gaming Grant	26,000	26,000
	275,872	357,467
Recognized as revenue during the year	(273,872)	(245,125)
Deferred revenue, ending	\$ 2,000	\$ 112,342

6. Economic dependence:

The Association receives a significant amount of its revenue from viaSport BC and may be considered to be economically dependent on viaSport BC. The level of funding received from this party is normal for the Association given the industry in which it operates.

BC FREESTYLE SKI ASSOCIATION

Notes to Financial Statements (continued)

Year ended April 30, 2021

7. Director, employee and contractor remuneration:

The Association discloses that no employees or subcontractors were paid in excess of \$75,000 during the year and that no remuneration was paid to any member of the Board of Directors for being a director or for acting in any other capacity. This disclosure is provided in accordance with the British Columbia Societies Act.

8. Financial risks:

The Association is exposed to various risks through its financial instruments.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Association is not known at this time. These impacts could include impairment of assets and decreases in revenue. While the Association has not yet realized any significant impact from the pandemic, future conditions are uncertain and as of the financial statement reporting date, there is increased exposure to the risks below.

(a) Credit risk:

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from athletes and user groups. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of athletes and user groups which minimizes concentration of credit risk.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its athletes, user groups and other related sources, and accounts payable.

9. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.