

Financial Statements of

# **BC FREESTYLE SKI ASSOCIATION**

And Independent Auditors' Report thereon

Year ended April 30, 2022



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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, 2022
- 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, 2022 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'. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Vernon, Canada

September 27, 2022

# BC FREESTYLE SKI ASSOCIATION

## Statement of Financial Position

April 30, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 194,704	\$ 236,158
Accounts receivable	43,133	15,738
Goods and services tax recoverable	13,581	12,177
Prepaid expenses	933	513
	252,351	264,586
Capital assets (note 2)	59,750	74,771
	\$ 312,101	\$ 339,357

## Liabilities and Net Assets

Current liabilities:		
Accounts payable (note 3)	\$ 39,527	\$ 47,837
Deferred revenue (note 4)	26,000	2,000
	65,527	49,837
Net Assets:		
Unrestricted	186,824	214,749
Investment in capital assets	59,750	74,771
	246,574	289,520
	\$ 312,101	\$ 339,357

See accompanying notes to financial statements.

On behalf of the Board:

Ian McFadgen



# BC FREESTYLE SKI ASSOCIATION

## Statement of Operations

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Government Funding:		
viaSport BC	\$ 192,560	\$ 204,122
BC Gaming Grant	26,000	26,000
Canadian Heritage's Emergency Support Fund	-	36,750
Operations:		
BC team fees	116,338	128,650
Membership dues	87,915	51,850
Sport development	66,630	35,452
CWSAA competitor pass	28,641	27,167
Fundraising	1,996	3,040
Event registration	93,768	2,000
Sponsorship income	1,000	-
	614,848	515,031
Expenses:		
Advertising and promotion	8,764	2,883
Amortization	15,021	8,877
BC team program support	17,549	18,980
Bank and processing fees	1,931	3,067
CWSAA competitor pass	28,320	21,923
Contracted services	272,479	241,818
Event development	2,161	3,566
Event fees	91,270	10,110
Grants	-	25,000
Insurance	849	316
Membership and dues	1,629	545
Professional fees	11,699	16,676
Sport development	62,354	59,971
Supplies and equipment	1,542	6,758
Travel	142,226	104,876
	657,794	525,366
Deficiency of revenue over expenses before other income	(42,946)	(10,335)
Other income:		
Interest income	-	1,596
Deficiency of revenue over expenses	\$ (42,946)	\$ (8,739)

See accompanying notes to financial statements.

# BC FREESTYLE SKI ASSOCIATION

## Statement of Net Assets

Year ended April 30, 2022, with comparative information for 2021

	Unrestricted	Internally Restricted	Investments in Capital Assets	2022	2021
Net assets, beginning of year	\$ 214,749	\$ -	\$ 74,771	\$ 289,520	\$ 298,259
Deficiency of revenue over expenses	(27,925)	-	(15,021)	(42,946)	(8,739)
Transfers to internally restricted	-	-	-	-	-
Investment in capital assets	-	-	-	-	-
Net assets, end of year	\$ 186,824	\$ -	\$ 59,750	\$ 246,574	\$ 289,520

See accompanying notes to financial statements.

# BC FREESTYLE SKI ASSOCIATION

## Statement of Cash Flows

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (42,946)	\$ (8,739)
Item not involving cash:		
Amortization	15,021	8,877
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(27,395)	10,530
Increase in GST recoverable	(1,404)	(3,115)
Increase in prepaid expenses	(420)	(343)
(Decrease) increase in accounts payable	(8,310)	16,855
Increase (decrease) in deferred revenue	24,000	(110,342)
	(41,454)	(86,277)
Investing:		
Purchase of capital assets	-	(80,000)
Decrease in cash	(41,454)	(166,277)
Cash, beginning of year	236,158	402,435
Cash, end of year	\$ 194,704	\$ 236,158

See accompanying notes to financial statements.



# BC FREESTYLE SKI ASSOCIATION

## Notes to Financial Statements

Year ended April 30, 2022

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### 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, 2022

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## 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.

# BC FREESTYLE SKI ASSOCIATION

Notes to Financial Statements (continued)

Year ended April 30, 2022

## 2. Capital assets:

				2022	2021
	Cost	Accumulated amortization		Net book value	Net book value
Equipment	\$ 90,129	\$ 30,463	\$	59,665	\$ 74,582
Computer equipment	4,236	4,151		85	189
Computer software	601	601		-	-
	\$ 94,966	\$ 35,215	\$	59,750	\$ 74,771

## 3. Accounts payable:

Included in accounts payable are government remittances payable of \$567 (2021 - \$403) relating to workers' safety insurance premiums and PST.

## 4. Deferred revenue:

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

	2022	2021
Deferred revenue, beginning	\$ 2,000	\$ 112,342
viaSport BC	218,560	137,530
BC Gaming Grant	26,000	26,000
	246,560	275,872
Recognized as revenue during the year	(220,560)	(273,872)
Deferred revenue, ending	\$ 26,000	\$ 2,000

## 5. 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, 2022

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## **6. 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.

## **7. Financial risks:**

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

### **(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.