Association of Ontario Snowboarders
Financial Statements
For the Year Ended March 31, 2023

Association of Ontario Snowboarders
Financial Statements
For the Year Ended March 31, 2023

Contents

Independent Auditor's Report	1-3
Financial Statements	
Statement of Financial Position	4
Statement of Change in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
Schedules	13

Tel: 519 824 5410
Fax: 519 824 5497
Toll-free: 877 236 4835
www.bdo.ca

BDO Canada LLP
245 Hanlon Creek Blvd
Guelph ON N1C 0A1 Canada

Independent Auditor's Report

To the Board of Directors of Association of Ontario Snowboarders

Opinion
We have audited the financial statements of Association of Ontario Snowboarders (the Association), which comprise the statement of financial position as at March 31, 2023, the statements of operations, change 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, 2023, and its results of operations and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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.

Comparative Information
The financial statements of the Association for the year ended March 31, 2022 were subject to a review engagement. As such, the comparative information is unaudited and we do not express an opinion on these figures.

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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
February 21, 2024

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Association of Ontario Snowboarders
Statement of Financial Position

March 31	2023	(Unaudited) 2022
Assets		
Current		
Cash (Note 2)	**$ 188,169**	$ 385,738
Accounts receivable (Note 3)	**209,200**	128,104
Inventories	**-**	4,000
Prepaid expenses	**-**	535
	397,369	518,377
Property, plant and equipment (Note 4 and 9)	**177,268**	5,733
	$ 574,637	$ 524,110
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	**$ 195,615**	$ 83,165
Deferred revenue (Note 9)	**242,704**	266,709
Current portion of long-term debt (Note 5)	**40,000**	-
	478,319	349,874
Long-term debt (Note 5)	**-**	40,000
	478,319	389,874
Net Assets		
Externally restricted - Simon Duncan bursary (Note 6)	**7,167**	7,167
Unrestricted	**89,151**	127,069
	96,318	134,236
	$ 574,637	$ 524,110

On behalf of the Board:

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Association of Ontario Snowboarders
Statement of Change in Net Assets

For the year ended March 31	Unrestricted	Externally Restricted - Simon Duncan Bursary (Note 6)	2023	(Unaudited) 2022
Balance, beginning of the year	$ 127,069	$ 7,167	$ 134,236	$ 139,268
Excess (deficiency) of revenues over expenditures	(37,918)	-	(37,918)	(5,032)
Balance, end of the year	$ 89,151	$ 7,167	$ 96,318	$ 134,236

The accompanying notes are an integral part of these financial statements.

Association of Ontario Snowboarders
Statement of Operations

For the year ended March 31	2023	(Unaudited) 2022
Revenue		
CEWS (Note 7)	$ -	$ 14,677
Events	176,661	128,672
Government grants - Ministry (Note 8)		
Base funding	103,011	103,011
COVID-19 funding	-	63,633
Community sport club funding (Note 9)	24,005	-
Quest for Gold funding	62,392	-
Sport hosting funding	391,826	163,697
Jumpstart funding	-	14,560
Membership fees	30,686	42,529
Sponsorships	31,991	28,536
Sport development	7,080	7,019
	827,652	566,334
Expenses		
Administrative (Schedule 1)	130,370	104,861
Bad debts	-	2,880
High performance program	33,430	66,550
Jumpstart	-	14,666
Membership costs	4,738	2,437
Non-recoverable HST	78,344	24,245
Sport development	4,071	61,166
Sport hosting and event (Schedule 2)	611,159	289,294
	862,112	566,099
Excess (deficiency) of revenues over expenses before amortization	(34,460)	235
Amortization of property, plant and equipment	(3,458)	(5,267)
Deficiency of revenues over expenses for the year	$ (37,918)	$ (5,032)

The accompanying notes are an integral part of these financial statements.

Association of Ontario Snowboarders
Statement of Cash Flows

For the year ended March 31	2023	(Unaudited) 2022
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	**$ (37,918)**	$ (5,032)
Items not affecting cash:		
Amortization of property, plant and equipment	**3,458**	5,267
	(34,460)	235
Changes in non-cash working capital:		
Accounts receivable	**(81,096)**	(77,334)
Inventories	**4,000**	-
Prepaid expenses	**535**	-
Accounts payable and accrued liabilities	**112,450**	69,873
Deferred revenue	**(24,005)**	217,656
	(22,576)	210,430
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(174,993)**	-
Net (decrease) increase in cash	**(197,569)**	210,430
Cash, beginning of the year	**385,738**	175,308
Cash, end of the year	**$ 188,169**	$ 385,738

The accompanying notes are an integral part of these financial statements.

1. Significant Accounting Policies

Nature of Operations

Association of Ontario Snowboarders (the "Association") was incorporated in Ontario on April 2, 1998 as a not-for-profit organization. Their mission is to govern the sport of competitive snowboarding in Ontario through development of snowboard athletes, coaches, officials and volunteers from the grassroots level to the elite level of competition. The Association is incorporated without share capital and is not subject to income taxes under the Income Tax Act.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated amortization. Amortization is not recorded on property, plant and equipment which are under construction at year end, including capital projects in process. Amortization is provided using the following methods and annual rates:

	Method	Rate
Equipment	Straight line	5 years
Computers	Declining balance	55%

In the year of acquisition, one-half the normal rate is used.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. 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. Restricted contributions relating to property, plant and equipment are deferred on the statement of financial position and recognized as revenue on the same basis on which the related property, plant and equipment is amortized.

Membership and event fees and sponsorships are recognized in the period in which they are earned if collection is reasonably assured.

Contributed Services

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

1. Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining the allowance for doubtful accounts, input tax credits and HST rebates receivable, amortization of property, plant and equipment, and accrued liabilities are reviewed annually and are based on management's best estimates. These estimates are subject to measurement uncertainty, and the effect on the financial statements in future periods could be significant.

2. Cash

The Association's bank account is held at one chartered bank.

3. Accounts Receivable

During the year, the Association reassessed their estimate of the amount of HST refunds owed to the Association. This change in estimate has been applied prospectively and has resulted in an allowance of $51,000 being netted with accounts receivable.

4. Property, Plant and Equipment

	2023		(Unaudited) 2022	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Equipment	**$ 69,881**	**$ 67,606**	$ 69,881	$ 64,148
Computers	**3,825**	**3,825**	3,825	3,825
Capital projects in process	**174,993**	**-**	-	-
	248,699	**71,431**	73,706	67,973
		$ 177,268		$ 5,733

5. Long-term Debt

In a previous year, the Association received $60,000 in financial assistance from the Canada Emergency Business Account (CEBA) loan program. Of the $60,000 loan received, $20,000 of this amount is forgivable if the remaining $40,000 is repaid prior to January 18, 2024. The forgivable portion of the loan was included in revenue in a previous year. If the Association does not repay the $40,000 by January 18, 2024, the $20,000 forgivable portion will be repayable and accounted for as a financial liability.

If any part of the balance is not paid by January 18, 2024, the remaining balance will be converted to a term loan at 5% annual interest, paid monthly, effective January 19, 2024. The full balance must be repaid by no later than December 31, 2026.

6. Externally Restricted Net Assets - Simon Duncan Bursary

The Simon Duncan Bursary fund has been segregated to assist underprivileged athletes. The funds are held in the Association's bank account.

7. Government Assistance

During the year, the Association received approximately $NIL (2022 - $14,677) in financial assistance from various COVID-19 related government incentive programs. Total assistance received has been recorded in revenue.

8. Economic Dependence

The Association depends on the Ministry of Tourism, Culture and Sport (the "Ministry") to provide funding in order for the association to continue to operate.

9. Commitments - Airbag Training Facility

The Association is working in conjunction with Freestyle Skiing Ontario Inc. ("FO") to open an airbag training facility at Horseshoe Resort in Barrie, Ontario to accommodate training for both snowboard and freestyle ski athletes. A draft lease agreement exists between the two parties and Horseshoe Resort, but the terms have not yet been finalized.

The facility is currently under construction and is expected to open in June 2024. As such, any capital costs incurred by the Association thus far have been recorded as capital projects in process (Note 3).

A draft service agreement exists between the two parties outlining their responsibilities and the allocation of revenues, expenses, and capital costs. The intent is to split these evenly between the two parties, but the agreement has yet to be finalized. As such, no receivable from FO has been recorded for capital costs incurred by the Association, and no payable to FO has been recorded for capital costs incurred by FO.

In March 2022, the Ministry issued a grant of $266,709 to the Association to support member community sports clubs. The Ministry agreed that the disbursement of the grant to these clubs could be via the distribution of day passes for the airbag training facility. $242,704 of this funding was recorded as deferred revenue in 2022 and will be recognized in revenue when the passes are used. The remaining $24,005 was recognized in revenue in the current year to support the Association's administrative costs of distributing these passes.

10. Financial Instruments

Credit risk

The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Association works to mitigate credit risk by evaluating the credit of members before accepting them into the Association. There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and long-term debt. There have not been any changes in the risk from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its long-term debt. There have not been any changes in the risk from the prior year.

11. Comparative Amounts

Certain comparative figures in the statement of operations and the schedules have been reclassified to conform to the current year presentation.

Association of Ontario Snowboarders
Schedules

For the year ended March 31	2023	(Unaudited) 2022
Schedule 1 - Administrative Expenses		
Bank charges	$ 4,828	$ 755
Equipment manager	-	801
Insurance	1,543	221
Office	6,284	7,257
Professional fees	13,720	8,607
Rent	11,872	2,935
Telephone	10,871	6,903
Travel	2,376	1,881
Wages and benefits	73,501	71,995
Website	5,375	3,506
	$ 130,370	$ 104,861
Schedule 2 - Sport Hosting and Event Expenses		
Air Nation	$ 80	$ -
Alpine Nationals	85,067	24,964
Canada Winter Games	6,245	-
Event execution	13,039	27,811
NorAm Cup	240,803	235,211
Ontario Winter Games	1,593	1,308
Provincials	708	-
World Cup	263,624	-
	$ 611,159	$ 289,294