

WATER SKI AND WAKEBOARD CANADA

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members,
Water Ski and Wakeboard Canada:

Qualified opinion

We have audited the financial statements of Water Ski and Wakeboard Canada ("the Entity"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1, 2023 and 2022 and as at March 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 qualified audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these 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 Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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:

- 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 Entity'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 Entity'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 Entity 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.

OHCI LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

September 10, 2024

WATER SKI AND WAKEBOARD CANADA

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT		
Cash	\$ 494,868	\$ 701,903
Restricted investment (note 4)	35,000	-
Accounts receivable	77,198	28,888
Prepaid expenses	<u>31,926</u>	<u>-</u>
	638,992	730,791
INVESTMENTS (note 5)	57,390	55,446
CAPITAL ASSETS (note 6)	<u>32,205</u>	<u>-</u>
	<u>\$ 728,587</u>	<u>\$ 786,237</u>
CURRENT LIABILITIES		
Accounts payable	\$ 202,171	\$ 156,295
Deferred revenue (note 7)	<u>600</u>	<u>17,000</u>
	<u>202,771</u>	<u>173,295</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (note 8)	<u>32,205</u>	<u>-</u>
NET ASSETS		
Manoo and Jean Gurjar Bursary Fund	50,000	50,000
Internally restricted reserve fund	31,609	31,189
Unrestricted	<u>412,002</u>	<u>531,753</u>
	<u>493,611</u>	<u>612,942</u>
	<u>\$ 728,587</u>	<u>\$ 786,237</u>

Approved on behalf of the Board:

Director

Director



WATER SKI AND WAKEBOARD CANADA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
MANOO AND JEAN GURJAR BURSARY FUND		
Balance - beginning and end of year	\$ <u>50,000</u>	\$ <u>50,000</u>
INTERNALLY RESTRICTED RESERVE FUND		
Balance - beginning of year	\$ 31,189	\$ 30,917
Transfer from unrestricted	<u>420</u>	<u>272</u>
Balance - end of year	\$ <u>31,609</u>	\$ <u>31,189</u>
UNRESTRICTED		
Balance - beginning of year	\$ 531,753	\$ 299,410
Net revenue (expenses) for the year	(119,331)	232,615
Transfer to internally restricted reserve fund	<u>(420)</u>	<u>(272)</u>
Balance - end of year	\$ <u>412,002</u>	\$ <u>531,753</u>
TOTAL	\$ <u>493,611</u>	\$ <u>612,942</u>

WATER SKI AND WAKEBOARD CANADA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Contributions		
Sport Canada	\$ 681,500	\$ 731,304
Canadian Olympic Committee	31,673	-
Membership fees	23,981	23,303
Events and sponsorships	51,516	73,316
Club and school programs	108,851	90,475
Donations and fundraising	110,347	29,262
Miscellaneous	24,857	26,509
	<u>1,032,725</u>	<u>974,169</u>
EXPENSES		
Administration	404,725	120,222
Salaries and professional fees	236,612	237,820
Programs		
Adaptive	79,954	39,606
Barefoot	5,000	4,890
Safe Sport	-	23,378
Show Ski	66,966	86,408
Wake	9,782	45,000
Water Ski	349,017	184,230
	<u>1,152,056</u>	<u>741,554</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ (119,331)</u>	<u>\$ 232,615</u>

WATER SKI AND WAKEBOARD CANADA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Net revenue (expenses) for the year	\$ (119,331)	\$ 232,615
Items not affecting cash		
Amortization	1,695	-
Amortization of deferred contributions (note 8)	(1,695)	-
Net change in non-cash working capital items		
Accounts receivable	(48,310)	2,586
Prepaid expenses	(31,926)	-
Accounts payable	45,876	(133,884)
Deferred revenue	(16,400)	1,000
	<u>(170,091)</u>	<u>102,317</u>
INVESTING ACTIVITIES		
Purchase of investments	(36,944)	-
Sale of investments	-	5,699
	<u>(36,944)</u>	<u>5,699</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(207,035)	108,016
Cash - beginning of year	<u>701,903</u>	<u>593,887</u>
CASH - END OF YEAR	<u>\$ 494,868</u>	<u>\$ 701,903</u>

WATER SKI AND WAKEBOARD CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. PURPOSE OF THE ORGANIZATION

The objectives of the organization include assisting in the development and promotion of the sport by providing leadership resource materials and programs which require national coordination. In addition, the organization is responsible for the planning and organization of technical programs and services and for providing coordination and resources in the development of administrative systems. The organization is incorporated under the Canada Not-for-profit Corporations Act and is a Registered Canadian Amateur Athletic Association under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

b) Manoo and Jean Gurjar Bursary Fund

The Manoo and Jean Gurjar Bursary Fund was established as a result of donations from Dr. Manoo and Jean Gurjar. The purpose of the Bursary Fund is to provide annual financial support to the skiing and educational pursuits of up to two Canadian water skiers.

c) Reserve fund

The reserve fund is internally restricted and cannot be used without approval of the Executive Board.

d) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

e) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis as follows:

Boat	10 years
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f) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable. Membership fees are recognized as revenue over the period to which they relate. Other revenues are recognized in the year in which the event is held or the revenue is earned.



WATER SKI AND WAKEBOARD CANADA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Sport Canada Contributions

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by Sport Canada to identify instances, if any, in which 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 requests the adjustment.

3. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, investments and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the risks have not changed from last year.

4. RESTRICTED INVESTMENT

The Corporation has an investment certificate that earns interest at annual rate of 1.98% and matures July 2025 and is restricted to secure the organization's credit card.

5. INVESTMENTS

The capital of the Manoo and Jean Gurjar Bursary Fund was invested with the Ottawa Community Foundation on August 28, 2018, with no maturity date. The Foundation will manage the fund and will make \$2,000 available on an annual basis to the organization to cover the cost of the bursaries it awards.

6. CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated amortization	Net	Net
Boat	\$ 33,900	\$ 1,695	\$ 32,205	\$ -

NOTES TO FINANCIAL STATEMENTS

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MARCH 31, 2023

7. DEFERRED REVENUE

Deferred revenue represents restricted operating funding received in the current year which is related to a subsequent year:

	<u>2024</u>	<u>2023</u>
Club and school programs	\$ 600	\$ -
Canadian Olympic Committee	-	15,000
Sue Munn Legacy Officials Fund	-	2,000
	<u>\$ 600</u>	<u>\$ 17,000</u>

Deferred revenue changed as follows:

	<u>2024</u>	<u>2023</u>
Balance - beginning of year	\$ 17,000	\$ 16,000
Less - amount recognized as revenue in the year	(17,000)	-
Plus - amount received related to following year	<u>600</u>	<u>1,000</u>
Balance - end of year	<u>\$ 600</u>	<u>\$ 17,000</u>

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The deferred contributions related to capital assets that are amortized over the same period as the related capital assets.

	<u>2024</u>	<u>2023</u>
Balance - beginning of year	\$ -	\$ -
Plus - Additional contributions	33,900	-
Less - Amortized to revenue	<u>(1,695)</u>	<u>-</u>
Balance - end of year	<u>\$ 32,205</u>	<u>\$ -</u>

9. ECONOMIC DEPENDENCE

The organization is economically dependent on Sport Canada as during the year 66% (2023 - 75%) of revenue was received from this single source.

The assumption underlying the preparation of these financial statements is that the organization will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future. Continued financial support of the contributors will be required for the organization to maintain operations. If continuing funding is not attained, amounts realized for the assets may be materially less than the amounts recorded in the financial statements.

WATER SKI AND WAKEBOARD CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

10. ALLOCATION OF EXPENSES

The organization has allocated payroll expenses as follows:

	<u>2024</u>	<u>2023</u>
Salaries and professional fees	\$ 211,660	\$ 151,287
Adaptive	8,000	-
Waterski	6,400	-
Safe Sport	-	20,100
	<u>\$ 226,060</u>	<u>\$ 171,387</u>