

Silver Star Resort Association
Financial Statements
October 31, 2023

Silver Star Resort Association
Contents

For the year ended October 31, 2023

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Management's Responsibility

To the Members of Silver Star Resort Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

January 23, 2024

e-Signed by Cassandra Zerebeski
2024-01-23 16:48:04:04 PST

Executive Director

To the Members of Silver Star Resort Association:

Opinion

We have audited the financial statements of Silver Star Resort Association (the "Association"), which comprise the statement of financial position as at October 31, 2023, and the statements of operations, 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 Association as at October 31, 2023, 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 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.

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.

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.

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.

Kelowna, British Columbia

January 23, 2024

MNP LLP

Chartered Professional Accountants

Silver Star Resort Association

Statement of Financial Position

As at October 31, 2023

	2023	2022
Assets		
Current		
Cash	286,708	87,280
Restricted cash (Note 2)	586,001	-
Accounts receivable (Note 3)	75,104	8,234
Marketable securities (Note 4)	65,449	115,724
Prepaid expenses	59,143	21,378
	1,072,405	232,616
Capital assets (Note 5)	41,044	-
	1,113,449	232,616
Liabilities		
Current		
Accounts payable and accruals (Note 6)	61,972	33,429
Deferred revenue (Note 7)	818,272	129,044
Current portion of note payable (Note 8)	22,195	22,195
	902,439	184,668
Note payable (Note 8)	22,195	44,390
	924,634	229,058
Net Assets	188,815	3,558
	1,113,449	232,616

Approved on behalf of the Board

e-Signed by Tim Dekker e-Signed by Marc Brule
 2024-01-23 17:00:25:25 PST 2024-01-23 17:22:37:37 PST

Director

The accompanying notes are an integral part of these financial statements

Silver Star Resort Association

Statement of Operations

For the year ended October 31, 2023

	2023	2022
Revenue		
Assessment fees	593,975	583,047
Grants	352,534	103,303
Municipal and Regional District Tax (MRDT)	254,616	-
Events	85,531	43,184
Co-op programs	73,149	34,813
Interest	-	731
	1,359,805	765,078
Expenses		
Marketing (Note 11)	572,411	317,848
Staffing	236,480	199,741
Events	159,803	127,825
Grants	80,551	98,430
Office (Note 12)	68,164	67,560
Sales and promotion	51,275	40,432
Co-op programs	-	5,090
Amortization	5,864	-
	1,174,548	856,926
Excess (deficiency) of revenue over expenses	185,257	(91,848)

The accompanying notes are an integral part of these financial statements

Silver Star Resort Association
Statement of Changes in Net Assets

For the year ended October 31, 2023

	2023	2022
Net assets, beginning of year	3,558	95,406
Excess (deficiency) of revenue over expenses	185,257	(91,848)
Net assets, end of year	188,815	3,558

The accompanying notes are an integral part of these financial statements

Silver Star Resort Association

Statement of Cash Flows

For the year ended October 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	923,433	5,000
Cash receipts from members	830,555	676,121
Cash receipts from MRDT	228,175	-
Cash paid to suppliers	(937,085)	(553,507)
Cash paid for staffing	(240,821)	(200,463)
	804,257	(72,849)
Financing		
Repayment of note payable	(22,195)	(22,195)
Investing		
Purchase of capital assets	(46,908)	-
Purchase of marketable securities	-	(110,000)
Proceeds on disposal of marketable securities	50,275	-
	3,367	(110,000)
Increase (decrease) in cash resources	785,429	(205,044)
Cash resources, beginning of year	87,280	292,324
Cash resources, end of year	872,709	87,280
Cash resources are composed of:		
Cash	286,708	87,280
Restricted cash	586,001	-
	872,709	87,280

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Silver Star Resort Association (the "Association") was incorporated under the Societies Act of British Columbia on April 3, 2020; registered as a not-for-profit organization and thus is exempt from income taxes under Section 149(1)(l) of the Income Tax Act ("the Act").

The Association's core purpose is to elevate the strength of Silver Star's reputation as a year-round, family destination that delivers choice, quality and safety centered within an integrated and supportive community.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Cash subject to such restrictions are as follows:

Restricted cash

Externally restricted funds are established based on the restrictions set out in funding agreements. The restricted funds were received from the Province of British Columbia Ministry of Tourism, Arts, Culture and Sport. The use of the funding is restricted for the development of a campground and a village enhancement project.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Playground structure	8 years

Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Association determines that a long-lived asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

2. Significant accounting policies *(Continued from previous page)*

Assessment fee revenue, event revenue and co-op program revenue is recognized when the service is rendered and collection is reasonably assured.

Grant revenue is recognized when the performance obligations under the terms of the grant agreement are achieved.

Interest and MRDT revenue is recognized as it is earned.

Contributed materials

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Silver Star Resort Association
Notes to the Financial Statements
For the year ended October 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is calculated on a straight line basis over the estimated useful lives of capital assets. The amortization method and estimates of the useful lives of capital assets is reviewed on a regular basis, and amortization revised where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Accounts receivable

	2023	2022
Trade receivable	22,978	8,234
GST receivable	25,685	-
MRDT receivable	26,441	-
	75,104	8,234

4. Marketable securities

	2023	2022
Guaranteed Investment Certificate, redeemed during the year	-	50,275
Guaranteed Investment Certificate bearing interest at 1.40% (2022 - 1.40%) and maturing March 11, 2024	50,449	50,449
Redeemable Short Term Investment Certificate bearing interest at 0.90% (2022 - 0.90%) and maturing May 2, 2024	15,000	15,000
	65,449	115,724

Silver Star Resort Association
Notes to the Financial Statements
For the year ended October 31, 2023

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Playground structure	46,908	5,864	41,044	-

6. Accounts payable and accruals

	2023	2022
Accounts payable and accruals	54,748	30,118
Government remittances payable	7,224	3,311
	61,972	33,429

7. Deferred revenue

	2023	2022
Balance, beginning of year	129,044	125,061
Assessment fees received during the year	669,672	576,805
Grants received during the year	966,065	103,303
Less: Assessment fees recognized as revenue during the year	(593,975)	(583,047)
Less: Grants recognized as revenue during the year	(352,534)	(93,078)
Balance, end of year	818,272	129,044

8. Note payable

Note payable to Silver Star Ski Resort is interest free, unsecured and repayable over five years in equal instalments of \$22,195 until 2025.

9. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

10. Association Remuneration

In accordance with British Columbia Societies Act, the Association is required to disclose remunerations in excess of \$75,000. For the fiscal year ending October 31, 2023, this includes salaries and benefits for the following individual:

Executive Director	\$123,225 (2022 - \$125,207)
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Silver Star Resort Association
Notes to the Financial Statements
For the year ended October 31, 2023

11. Marketing

	2023	2022
Advertising	194,955	128,678
Community support	25,266	20,052
Content development	152,071	71,522
Familiarization tours - media	48,276	35,614
Familiarization tours - trade	5,393	6,288
Meals and entertainment	5,585	6,878
Research	80,768	191
Sponsorships	29,139	16,522
Trade shows and conferences	4,558	9,532
Website hosting, design and maintenance	26,400	22,571
	572,411	317,848

12. Office

	2023	2022
Accounting	11,637	11,113
Bad debts	-	816
Bank charges	1,354	2,179
Bookkeeping	6,761	6,930
Credit card fees	4,821	5,298
Dues and subscriptions	4,355	1,727
Furniture and fixtures	2,414	8,293
Insurance	893	1,887
Legal fees	8,784	3,795
Member assessment charges	256	420
Office supplies	2,925	1,531
Rent	14,751	15,285
Software	9,213	8,286
	68,164	67,560