snowsports 360

PSIA-AASI Enjoys Hearty Winter, Healthy Financials

BY ED YOUNGLOVE, PSIA-AASI TREASURER

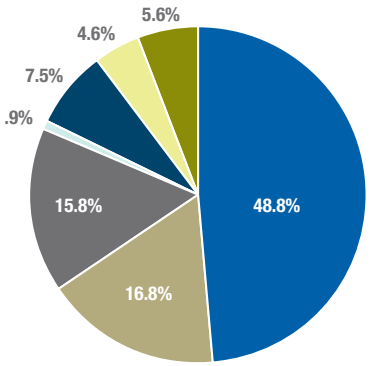
As skiers and snowboarders across the country enjoyed better snowfall in 2012-13 than the previous winter, PSIA-AASI enjoyed an increase in revenue. While I am pretty sure there is no direct correlation between accumulation of snowflakes and dollars, both were welcomed with equal enthusiasm. The 2012-13 fiscal year was filled with accomplishments, and the association continues to make big strides, with a positive outlook for the coming season and year ahead.

Here are a few highlights from the past year:

- Fundraising initiatives continued at the same pace as last year with the PSIA-AASI Education Foundation receiving another $200,000 grant for the second year in a row.
- The grant enabled the association to continue to offer the *Movement Matrix* free to members, maintaining a healthy active user base of 4,141.
- Membership numbers remained solid, but were down slightly from last year's record of 31,716, coming in at 31,545.
- On April 5, 2013, PSIA-AASI paid off its loan with Wells Fargo Bank. The loan enabled the purchase of the CRM4M database and related computer hardware. Not having the monthly loan payments will save $81,250 annually in cash outflows.
- TheSnowPros.org was revamped, complete with advertising, social media links, single-sign-on, and a brand new look and feel.
- The Professional Development department improved the training and morale of volunteer adaptive instructors by distributing 809 complimentary educational manuals and guides to 27 organizations in 14 states, reaching 5,716 instructors who teach adaptive skiing and snowboarding.
- This association continued its support of Learn to Ski and Snowboard Month, with organizers of the January event reporting $4.2 million in media value and 153,000 lessons given through the program.
- PSIA-AASI continued to finance meetings of divisional representatives for another year, to develop or update certification standards for nine disciplines.
- PSIA-AASI expanded its outreach to members through social media platforms, including Facebook, Twitter, and YouTube. Additionally, staff produces a bi-weekly e-newsletter and daily News & Announcements web content.

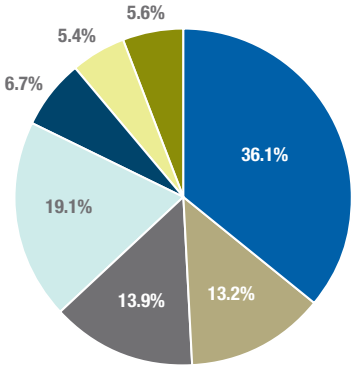
These examples are the tip of the iceberg when it comes to working on your behalf. All of these accomplishments are made possible by the hard work and dedication of volunteers, professional staff, and our remarkable members.

The primary goal of PSIA-AASI is to get people excited about skiing and snowboarding, while enabling you to develop professionally and personally so you can offer the best experience to your guests. We do this by providing you with information about snowsports, teaching, and the industry. We represent your connection and access to people, resources, and ideas that fuel your passion for teaching skiing or snowboarding.



INCOME

Dues	$1,840,663
Catalog sales	632,908
Sponsorships	598,169
Publications	32,409
Courses/seminars	285,217
Interest/Misc.	173,314
Grant funds released from restriction	212,197
Total	**$3,774,877**



EXPENSE

Personnel	$1,368,138
Cost of goods sold	501,989
Education seminars/Projects	524,883
General/Administrative	723,352
Marketing/Meetings	251,760
Magazine	205,943
Depreciation/Misc.	212,105
Total	**$3,788,170**

Financing Member Programs

PSIA-AASI exists to provide programs that support you – the member – and we need resources to do so. The following summarizes information available to me as the association's treasurer and I'd like to share it with you.

These numbers are drawn from an independent auditor's consolidated report of PSIA-AASI and the PSIA-AASI Education Foundation for the 2012-13 fiscal year that began July 1, 2012, and ended June 30, 2013. All figures show combined gross income and expenses for PSIA-AASI

and the Foundation. The accompanying financial charts help clarify how revenue is generated and distributed.

Revenue

Revenue for the 2012–13 fiscal year was up 7.8% from the previous year: $3,774,877 in 2012-13, compared to $3,502,960 in 2011-12. These figures reflect gross revenue.

Non-dues revenue accounted for 51 percent of PSIA-AASI's total income. This means the membership contributed only 49 cents for every dollar of the associations' income. The remaining 51 cents was generated through sales of catalog items (16.8 cents), sponsorship revenue (15.8 cents), advertising (.9 cents), and education seminars (7.5 cents). Interest and miscellaneous revenue represented 4.6 cents. Grant funds released from restriction remained unchanged at 5.6 cents.

The board of directors feels it is important that the organization's income generation reflects our values and that non-dues income remains tied to the activities of the membership. Some examples of the sources of that income include specially priced merchandise available through partnership programs and the *Accessories Catalog*, educational materials, and activities such as PSIA National Academy, and the promotion of the value of membership to area management, suppliers, and the public. Because of the value we offer, instructors continue to vote with their checkbooks in record numbers to be members. This is the greatest measure of both our success and our value.

Expenses

Out-of-pocket expenses in 2012-13 included general operating costs as well as the costs of publications, marketing, the cost of catalog goods sold, insurance, committees and education programs, training programs, teams, research and development, legal and accounting activities, and member services. Expenses increased by $219,845 from $3,397,551 in 2011-12 to $3,617,396 in 2012-13, as PSIA-AASI addressed its aging IT infrastructure and began a campaign to boost membership, and increase renewal and retention rates

All of PSIA-AASI's expenditures support the association's overall educational and promotional goals – and our fundamental commitment to serve members – by carefully directing those expenditures to address membership needs at the divisional, national, and ski area levels. Key to this is the association staff, which enables development and delivery of educational products, events, and programs. Staff also supports the work of our committees and teams, and increase non-dues revenue, including sponsorship and the aforementioned grant.

Expenditures broken down as a percentage of each dollar spent were as follows:

- Personnel (36.1 cents)
- Cost of catalog goods sold (13.2 cents)
- Education seminars and programs (13.9 cents)
- Marketing and meetings (6.7 cents)
- General and administrative expenses (19.1 cents)
- Association magazine and editorial (5.4 cents)
- Miscellaneous (1.1 cents).

Depreciation is a *non-cash* item that is added back in to overall expenses. Adding $170,774 in depreciation – accounting for 4.5 cents on the dollar – raises overall expenses to $3,788,170.

The Bottom Line

PSIA-AASI operations generated positive cash flow of $142,031 as of June 30, 2013, and ended the fiscal year with cash gains of $25,409. The association finished the year with a net loss of $20,490, all of which is due to depreciation (again, a non-cash item that impacts *assets* as opposed to cash out of pocket). Total assets – otherwise known as member equity – decreased from $3,416,604 in 2011-12 to $3,328,489 in 2012-13.

The board of directors would like to acknowledge that the association's continued stable financial health is due largely to the efforts of dedicated volunteers and the hard work of your incredible national staff, keeping PSIA-AASI moving in the right direction. As the cost of doing business continues to increase, we must remain vigilant to maintain our balance and structure in support of you, the member, and our mission as professionals to all stakeholders in the snowsports industry. 32°

If you have questions or would like a copy of the 2012–13 independent audit, please email me at treasurer@thesnowpros.org.

AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

Combined Financial Statements
and
Independent Auditors' Report
June 30, 2013 and 2012

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AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Snowsports Education Association and American
Snowsports Education Association-Education Foundation
Lakewood, Colorado

We have audited the accompanying combined financial statements of American Snowsports Education Association and American Snowsports Education Association-Education Foundation, which are comprised of the combined statements of financial position as of June 30, 2013 and 2012, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE COMBINED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of American Snowsports Education Association and American Snowsports Education Association-Education Foundation as of June 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EKS+H LLLP

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October 14, 2013
Denver, Colorado

AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

Combined Statements of Financial Position

	June 30, 2013	June 30, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 1,418,912	$ 1,393,503
Accounts receivable	38,170	36,094
Due from related parties	480,394	388,173
Inventory, net	313,591	285,590
Prepaid expenses	44,965	168,484
Total current assets	2,296,032	2,271,844
Non-current assets		
Property and equipment, net	1,032,457	1,144,760
Total assets	$ 3,328,489	$ 3,416,604
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 142,720	$ 76,116
Accrued liabilities	108,307	103,100
Due to related parties	410,708	455,624
Deferred revenue	1,232,132	1,258,501
Current portion of capital lease obligations	1,569	4,445
Current portion of note payable	-	67,708
Total current liabilities	1,895,436	1,965,494
Non-current liabilities		
Capital lease obligations, net of current portion	2,795	362
Total liabilities	1,898,231	1,965,856
Commitments		
Net assets		
Unrestricted	1,422,765	1,436,058
Temporarily restricted	7,493	14,690
Total net assets	1,430,258	1,450,748
Total liabilities and net assets	$ 3,328,489	$ 3,416,604

See notes to combined financial statements.

AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

Combined Statements of Activities

	For the Years Ended June 30,	
	2013	2012
Changes in unrestricted net assets		
Support and revenue		
Membership dues	$ 1,840,663	$ 1,544,006
Merchandise sales	632,908	667,046
Sponsorships	598,169	614,425
Publications	32,409	69,322
Courses and seminars	285,217	234,805
Miscellaneous	171,689	174,954
Interest	1,625	1,931
Net assets released from restrictions	212,197	196,471
Total unrestricted support and revenue	3,774,877	3,502,960
Expenses		
Salaries and related benefits	1,368,138	1,396,672
Merchandise	501,989	528,313
Education seminars and projects	524,883	530,627
General and administrative	723,352	552,915
Marketing and meetings	251,760	133,300
Membership publications	205,943	195,346
Depreciation expense	170,774	168,671
Miscellaneous	41,331	60,378
Total expenses	3,788,170	3,566,222
Total changes in unrestricted net assets	(13,293)	(63,262)
Changes in temporarily restricted net assets		
Contributions	205,000	205,000
Net assets released from restriction	(212,197)	(196,471)
Total changes in temporarily restricted net assets	(7,197)	8,529
Change in net assets	(20,490)	(54,733)
Net assets, beginning of year	1,450,748	1,505,481
Net assets, end of year	$ 1,430,258	$ 1,450,748

See notes to combined financial statements.

AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

Combined Statements of Cash Flows

	For the Years Ended June 30, 2013	2012
Cash flows from operating activities		
Change in net assets	$ (20,490)	$ (54,733)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	170,774	168,671
Loss on sale of equipment	-	15,312
Changes in assets and liabilities		
Accounts receivable	(2,076)	(10,572)
Due from related parties	(92,221)	(51,191)
Inventory, net	(28,001)	18,919
Prepaid expenses	123,519	(127,301)
Accounts payable	56,604	(13,530)
Accrued liabilities	5,207	(22,343)
Due to related parties	(44,916)	11,175
Deferred revenue	(26,369)	227,138
Deferred compensation	-	(23,417)
	162,521	192,861
Net cash provided by operating activities	142,031	138,128
Cash flows from investing activities		
Purchases of property and equipment	(44,656)	(6,614)
Proceeds from sale of equipment	-	2,000
Net cash used in investing activities	(44,656)	(4,614)
Cash flows from financing activities		
Repayments of principal on note payable	(67,708)	(81,250)
Repayments of principal on capital lease agreements	(4,258)	(4,119)
Net cash used in financing activities	(71,966)	(85,369)
Net increase in cash and cash equivalents	25,409	48,145
Cash and cash equivalents - beginning of year	1,393,503	1,345,358
Cash and cash equivalents - end of year	$ 1,418,912	$ 1,393,503

Supplemental disclosure of cash flow information:

Cash paid for interest for the years ended June 30, 2013 and 2012 was $1,349 and $4,226, respectively.

Supplemental disclosure of non-cash activity:

During the year ended June 30, 2013, the Organization purchased equipment through a capital lease totaling $3,815.

During the year ended June 30, 2013, the Organization made purchases of property and equipment of $10,000, which is included in accounts payable.

See notes to combined financial statements.

AMERICAN SNOWSPORTS EDUCATION ASSOCIATION AND AMERICAN SNOWSPORTS EDUCATION ASSOCIATION-EDUCATION FOUNDATION

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The American Snowsports Education Association ("ASEA"), a non-profit corporation, was incorporated in 1961 for the purposes of promotion, education, and setting of standards for ski instruction by professional ski instructors. ASEA is a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code ("IRC"). ASEA sells supplies, equipment, and manuals to its members throughout the United States and in foreign countries.

The American Snowsports Education Association-Education Foundation (the "Foundation") was incorporated in 1972 for the purposes of cooperating with ASEA in educating its members and potential members in all aspects of ski instruction and coaching, to carry on research, and to produce publications regarding skiing and ski instruction. The Foundation is a tax-exempt organization under Section 501(c)(3) of the IRC.

Principles of Combination

ASEA and the Foundation are governed by a common Board of Directors. Therefore, the accompanying combined financial statements include the accounts of ASEA and the Foundation (collectively, the "Organization"). All intercompany accounts and transactions have been eliminated in combination.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

> Unrestricted amounts are currently available at the discretion of the Board of Directors for use in the Organization's operations and other sources invested in property and equipment.
>
> Temporarily restricted amounts are restricted by donors specifically for certain time periods, purposes, or programs.
>
> Permanently restricted amounts must be maintained by the Organization as required by the donor, but the Organization is permitted to use or expend the income derived from those assets. At June 30, 2013 and 2012, the Organization had no permanently restricted assets.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization continually monitors its positions with, and the credit quality of, the financial institutions with which it invests.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable relate to amounts due from members for sales of products and services. At the time the accounts receivable are originated, the Organization considers a reserve for doubtful accounts based on the creditworthiness of the customers. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. As of June 30, 2013 and 2012, no allowance for uncollectible amounts was deemed necessary.

Inventory

Inventory consists of education materials, clothing, and other general snowsport merchandise and is stated at the lower of cost or market, determined on a weighted average.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes purchases of $1,000 or more. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, ranging from 3 to 39 years.

Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Organization looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired. As of June 30, 2013 and 2012, no impairment was deemed necessary.

Deferred Revenue

Deferred revenue consists of annual membership dues collected that relate to the following fiscal year.

Revenue Recognition

The Organization recognizes revenue as services are provided and goods are shipped.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2013 and 2012 was $181,648 and $78,910, respectively.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(6) (ASEA) and 501(c)(3) (the Foundation) of the IRC, and qualifies for the charitable contribution deduction. Income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2013 and 2012, the Organization did not incur taxes for unrelated trade or business income.

The Organization applies a more-likely-than-not measurement methodology to reflect the combined financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken by the Organization, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2013 or 2012.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of June 30, 2013 or 2012. Tax years that remain subject to examination by tax authorities include 2009 and 2010 through the current period for state and federal tax reporting purposes, respectively.

Reclassifications

Certain amounts in the 2012 combined financial statements have been reclassified to conform to the 2013 presentation.

Subsequent Events

The Organization has evaluated all subsequent events through the auditors' report date, which is the date the combined financial statements were available to be issued, and has determined there are no events requiring disclosure.

Note 2 - Balance Sheet Disclosures

Inventory is summarized as follows:

	June 30,	
	2013	2012
Educational materials	$ 136,423	$ 129,307
Garments	141,761	119,327
General snowsport merchandise	89,131	90,353
Clearance	748	1,075
Other	528	528
Less reserve for obsolete inventory	(55,000)	(55,000)
	$ 313,591	$ 285,590

Property and equipment consist of the following:

	June 30,	
	2013	2012
Building and improvements	$ 897,714	$ 897,713
Software	784,344	740,719
Furniture, fixtures, and equipment	335,772	320,927
Land	199,840	199,840
	2,217,670	2,159,199
Less accumulated depreciation	(1,185,213)	(1,014,439)
	$ 1,032,457	$ 1,144,760

Note 3 - Note Payable

The Organization had a note payable, which matured and was paid in full in April 2013. The balance was $67,708 at June 30, 2012.

Note 4 - Capital Leases

The Organization has acquired office equipment under the provisions of long-term leases. For financial reporting purposes, minimum lease payments relating to the assets have been capitalized. The leases expire at various periods through February 2016. Amortization of the leased property is included in depreciation expense.

Note 4 - Capital Leases (continued)

The assets under capital leases have cost and accumulated amortization as follows at June 30, 2013:

Equipment	$	13,031
Less accumulated amortization		(8,952)
	$	4,079

Maturities of the capital lease obligations are as follows:

Year Ending June 30,		
2014	$	1,751
2015		1,751
2016		1,168
Total minimum lease payments		4,670
Amount representing interest		(306)
Present value of net minimum lease payments		4,364
Less current portion		(1,569)
Long-term capital lease obligations	$	2,795

Note 5 - Restrictions on Net Assets

Temporarily restricted net assets at June 30, 2013 and 2012 consist primarily of monies donated to the Organization for the development of new educational materials.

Note 6 - Income Taxes

For the years ended June 30, 2013 and 2012, there were no income taxes due from trade or business activities. As of June 30, 2013, net operating loss carryforwards of approximately $257,000 are available to reduce future unrelated business income. The net operating loss carryforwards began to expire during the year ended June 30, 2013 and will continue to expire during various years until June 30, 2030. As of June 30, 2013 and 2012, deferred tax assets of approximately $51,400 and $52,400, respectively, have not been recorded for the tax benefits of the net operating loss carryforwards due to the uncertainty of the realization of the deferred tax benefits. The net decrease in the unrecorded deferred tax assets for the years ended June 30, 2013 and 2012 was $1,000 and $11,000, respectively.

Note 7 - Functional Allocation of Expenses

The following is a summary of expenses by functional classification. All expenses reported in the combined statements of activities have been allocated to programs or supporting services based on the percentage of the time spent by personnel on the activity or the amount of building space used by the activity, as applicable.

	June 30,	
	2013	2012
Program expenses		
Educational programs	$ 1,327,076	$ 1,330,549
Program publications	789,352	739,963
Total program expenses	2,116,428	2,070,512
Supporting services		
Management and general	1,012,001	864,643
Merchandise	462,055	447,129
Membership development	197,686	183,938
Total supporting services	1,671,742	1,495,710
	$ 3,788,170	$ 3,566,222

Note 8 - Related Party Transactions

Divisions

As of June 30, 2013 and 2012, the Organization owed ASEA's divisions $410,708 and $455,624, respectively, for annual dues collected on the divisions' behalf. As of June 30, 2013 and 2012, ASEA's divisions owed the Organization $480,394 and $388,173, respectively, for annual dues collected on the Organization's behalf.

Note 9 - Employee Benefit Plan

The Organization participates in a safe harbor 401(k) plan (the "Plan"). Employees are eligible to participate in the Plan upon the completion of the earlier of 500 hours of service within a three-month period or 1,000 hours of service and may contribute up to the amount stipulated in the federal annual guidelines. The Organization is required to make an annual safe harbor matching contribution equal to 100% of each employee's salary deferral, not to exceed 4% of compensation. For the years ended June 30, 2013 and 2012, the Organization contributed $26,458 and $33,564 to the Plan, respectively.