

ALBERTA ALPINE SKI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2016

INDEPENDENT AUDITORS' REPORT

To the Directors of Alberta Alpine Ski Association:

We have audited the accompanying financial statements of Alberta Alpine Ski Association, which comprise the statement of financial position as at June 30, 2016 and the statements of operations and fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Alpine Ski Association as at June 30, 2016, 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.

Canmore, Alberta
September 15, 2016

Collins Barrow Bow Valley LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA ALPINE SKI ASSOCIATION

(Incorporated under the Societies Act of Alberta)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

ASSETS

	Operating Fund	Capital Fund	Scholarship Fund	Total 2016	Total 2015
Current assets					
Cash and cash equivalents	\$ 218,487	\$ -	\$ 4,114	\$ 222,601	\$ 204,608
Short-term investments (note 3)	5,000	-	-	5,000	50,000
Accounts receivable	108,227	-	-	108,227	94,570
Prepaid expenses	12,941	-	-	12,941	22,813
	<u>344,655</u>	<u>-</u>	<u>4,114</u>	<u>348,769</u>	<u>371,991</u>
Property and equipment (note 4)	<u>-</u>	<u>39,636</u>	<u>-</u>	<u>39,636</u>	<u>26,492</u>
	<u><u>\$ 344,655</u></u>	<u><u>\$ 39,636</u></u>	<u><u>\$ 4,114</u></u>	<u><u>\$ 388,405</u></u>	<u><u>\$ 398,483</u></u>

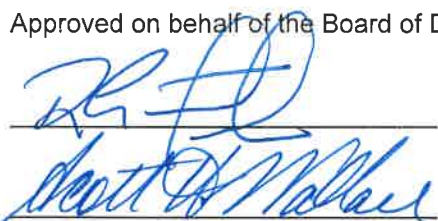
LIABILITIES

Current liabilities					
Accounts payable and accrued liabilities (note 5)	\$ 44,908	\$ -	\$ -	\$ 44,908	\$ 45,159
Deferred contributions (note 6)	128,090	-	-	128,090	176,623
Due to Alberta Alpine Ski Foundation (note 7)	6,915	-	-	6,915	9,233
	<u>179,913</u>	<u>-</u>	<u>-</u>	<u>179,913</u>	<u>231,015</u>

FUND BALANCES

Internally restricted invested in capital assets	-	39,636	-	39,636	26,492
Externally restricted (note 8)	-	-	4,114	4,114	7,063
Unrestricted	164,742	-	-	164,742	133,913
	<u>164,742</u>	<u>39,636</u>	<u>4,114</u>	<u>208,492</u>	<u>167,468</u>
	<u><u>\$ 344,655</u></u>	<u><u>\$ 39,636</u></u>	<u><u>\$ 4,114</u></u>	<u><u>\$ 388,405</u></u>	<u><u>\$ 398,483</u></u>

Approved on behalf of the Board of Directors by:



ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Operating Fund	Capital Fund	Scholarship Fund	Total 2016	Total 2015
Revenues					
Fees	\$ 974,571	\$ -	\$ -	\$ 974,571	\$ 911,519
Grants (note 9)	320,173	7,501	-	327,674	362,168
Sponsorship	377,430	-	-	377,430	438,785
Fundraising	151,970	-	-	151,970	109,916
Investment and other	16,266	-	51	16,317	3,094
	1,840,410	7,501	51	1,847,962	1,825,482
Expenses					
Amortization	-	8,817	-	8,817	5,321
Athlete bursaries and scholarships	41,561	-	3,000	44,561	53,158
Athletes	393,813	-	-	393,813	397,590
Coaches and volunteers	28,128	-	-	28,128	35,321
Fundraising	121,274	-	-	121,274	108,212
General and administrative	157,895	-	-	157,895	135,546
Member benefits	352,110	-	-	352,110	322,541
Salaries and benefits	624,041	-	-	624,041	620,038
Sponsorship	70,940	-	-	70,940	117,180
	1,789,762	8,817	3,000	1,801,579	1,794,907
Excess (deficiency) of revenues over expenses before the following:	50,648	(1,316)	(2,949)	46,383	30,575
Loss on disposal of property and equipment	-	(5,359)	-	(5,359)	-
	50,648	(6,675)	(2,949)	41,024	30,575
Excess (deficiency) of revenues over expenses					
Fund balances, beginning of year	133,913	26,492	7,063	167,468	136,893
	184,561	19,817	4,114	208,492	167,468
Interfund transfers (note 10)	(19,819)	19,819	-	-	-
	(19,819)	19,819	-	-	-
Fund balances, end of year	\$ 164,742	\$ 39,636	\$ 4,114	\$ 208,492	\$ 167,468

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

Cash provided by (used by)	2016	2015
Operating activities		
Fees	\$ 804,222	\$ 827,235
Fundraising, grants, sponsorship and other receipts	924,771	877,446
Operating expenditures	(1,726,362)	(1,658,591)
	<u>2,631</u>	<u>46,090</u>
Financing activities		
Repayment to Alberta Alpine Ski Foundation	(2,318)	(3,274)
Investing activities		
Purchase of short-term investments	(200,000)	(200,000)
Proceeds on sale of short-term investments	245,000	150,000
Purchase of property and equipment	(27,320)	-
	<u>17,680</u>	<u>(50,000)</u>
Cash inflow (outflow)	17,993	(7,184)
Cash and cash equivalents, beginning of year	204,608	211,792
Cash and cash equivalents, end of year	<u>\$ 222,601</u>	<u>\$ 204,608</u>
Cash and cash equivalents consists of:		
Cash	\$ 218,487	\$ 197,545
Money Market funds	4,114	7,063
	<u>\$ 222,601</u>	<u>\$ 204,608</u>
Unrestricted cash and cash equivalents	\$ 218,487	\$ 197,545
Restricted cash and cash equivalents	4,114	7,063
	<u>\$ 222,601</u>	<u>\$ 204,608</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Purpose of the organization

Alberta Alpine Ski Association (the "Association") is a society registered under the Societies Act of the Province of Alberta. The Association is responsible for the general conduct and administration of alpine skiing competition within the Alberta Division of the Canadian Snow Sports Association. It is the provincial sport governing body for alpine ski racing, providing programs for 4,859 athletes, coaches, volunteers and officials of the sport throughout the province. Alberta Alpine manages programs from introductory levels to masters including the athletes of the Alpine Insurance Alberta Ski Team.

The Association is a non-profit organization under Section 149 of the Income Tax Act (Canada) and is exempt from income taxes.

1. Significant accounting policies

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

a) Fund accounting

The Operating Fund reports the assets, liabilities and expenditures relating to the Association's program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's property and equipment.

The Scholarship Fund reports the assets, liabilities, revenues and expenses related to funds managed by the Association for the purpose of scholarships (note 8).

b) Revenue recognition

The Association uses the restricted fund method of accounting for contributions. As such, contributions are recognized as follows:

Unrestricted contributions including grants, investment and other revenue are recognized as revenue in the Operating Fund in the year that the contribution is received or when the amount to be received can be reasonably estimated and the collection is reasonably assured.

Restricted contributions including grants, investment and other revenue are recognized as revenue in the appropriate restricted fund in the year that the contribution is received. If an appropriate restricted fund does not exist, the contribution is recognized in the Operating Fund using the deferral method until the related expenses are incurred.

Revenue from fundraising activities are recognized only when the contributions are received, due to the uncertainty surrounding the amounts and timing of receipt of these types of contributions.

Fees and sponsorship revenue are recognized over the period in which services are delivered. Fee revenue includes membership fees paid by affiliated clubs around the province. Of each fee collected, a portion is paid to Alpine Canada and recorded as member benefits expense.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Significant accounting policies (cont'd)

c) Cash and cash equivalents

Cash and cash equivalents include bank balances and investments in money market funds. The Association maintains cash and cash equivalents at financial institutions.

d) Property and equipment

The Association capitalizes assets with an estimated useful life in excess of one year and a cost in excess of \$ 2,500.

Amortization is provided over the estimated useful lives using the declining balance method at the following annual rates:

Website development	20%
Timing equipment	20%
Machinery	30%
Computer equipment	30%

Amortization is provided over the estimated useful lives using the straight-line method as follows:

Trailer	5 years
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e) Contributed goods and services

Contributed goods are recorded when the estimated fair market value can be reasonably determined and would otherwise be purchased by the Association.

Volunteers contribute a large number of hours every year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) Financial instruments

The Association's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities and amounts due to Alberta Alpine Ski Foundation. All financial instruments are measured at amortized cost, evaluated for impairment at each statement of financial position date with a write-down recorded in the statement of operations. Impairment reversals may occur and the asset can be written up to its original cost. Changes in fair value are recognized in the statement of operations.

Unless otherwise noted it is in management's opinion that the Association is not exposed to significant interest, currency, credit, market or liquidity risks arising from these financial instruments.

g) Measurement uncertainty

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 amounts of revenue and expenses for the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of accounts receivable, accounts payable and accrued liabilities and the useful lives of property and equipment.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

2. Operating line of credit

The Association has an available operating line of credit of \$ 20,000 with the Bank of Montreal, bearing interest at prime plus 2% per annum of which \$ nil was drawn at June 30, 2016 (2015 - \$ nil).

	2016	2015
Redeemable Guaranteed Investment Certificate bearing interest at tiered interest rates between 0.85 and 1.05 percent per annum due December 17, 2018	\$ 5,000	\$ -
Redeemable Guaranteed Investment Certificate bearing interest at tiered interest rates between 0.85 and 1.05 percent per annum due March 5, 2018	-	50,000
	<u>\$ 5,000</u>	<u>\$ 50,000</u>

4. Property and equipment

	2016	Accumulated	Net
	Cost	Amortization	Book Value
Website development	\$ 19,818	\$ 3,091	\$ 16,727
Timing equipment	42,887	28,605	14,282
Machinery	6,194	5,600	594
Computer equipment	9,459	8,177	1,282
Trailer	7,501	750	6,751
	<u>\$ 85,859</u>	<u>\$ 46,223</u>	<u>\$ 39,636</u>
	<u>\$ 85,859</u>	<u>\$ 46,223</u>	<u>\$ 39,636</u>
	2015	Accumulated	Net
	Cost	Amortization	Book Value
Website development	\$ 30,465	\$ 23,460	\$ 7,005
Timing equipment	43,886	27,869	16,017
Machinery	6,194	5,317	877
Computer equipment	9,459	6,866	2,593
	<u>\$ 90,004</u>	<u>\$ 63,512</u>	<u>\$ 26,492</u>
	<u>\$ 90,004</u>	<u>\$ 63,512</u>	<u>\$ 26,492</u>

5. Accounts payable and accrued liabilities

	2016	2015
Trade payables	\$ 44,162	\$ 44,814
Goods and Services Tax payable	746	345
	<u>\$ 44,908</u>	<u>\$ 45,159</u>
	<u>\$ 44,908</u>	<u>\$ 45,159</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

6. Deferred contributions

	AGLC Casino Funds	ASC Funding	Winter Games	Fund- raisers	Member and Team Fees	Sponsor- ships	Total
Balance, beginning of year	\$ -	\$ 32,302	\$ 5,000	\$ 8,575	\$ 110,746	\$ 20,000	\$ 176,623
Additions	73,110	109,605	-	57,091	58,954	3,224	301,984
Recognized as revenue	(36,555)	(119,407)	(5,000)	(58,809)	(110,746)	(20,000)	(350,517)
Balance, end of year	<u>\$ 36,555</u>	<u>\$ 22,500</u>	<u>\$ -</u>	<u>\$ 6,857</u>	<u>\$ 58,954</u>	<u>\$ 3,224</u>	<u>\$ 128,090</u>

7. Related party transactions

a) Alberta Alpine Ski Foundation

The Association is the sole beneficial shareholder of the Alberta Alpine Ski Foundation (the "Foundation") and controls it by virtue of its ability to modify the composition of the board and officers. The financial statements do not include the financial activities of the Foundation. The Foundation uses the deferral method of accounting for contributions. The Foundation is a not-for-profit organization registered under Part 9 of the Companies Act of the Province of Alberta.

The following is a summary of financial information of the Foundation:

	June 30, 2016	June 30, 2015
Financial position		
Current assets		
Cash	\$ 39,446	\$ 20,145
Due from Alberta Alpine Ski Association	6,915	9,033
Short-term investments	320,650	305,780
	<u>\$ 367,011</u>	<u>\$ 334,958</u>
Current liabilities		
Accounts payable	\$ 1,400	\$ 799
Net assets	<u>365,611</u>	<u>334,159</u>
	<u>\$ 367,011</u>	<u>\$ 334,958</u>
	2016	2015
Statement of operations		
Revenue ⁽¹⁾	<u>\$ 44,685</u>	<u>\$ 25,954</u>
Expenses		
Investment fees	10,515	10,447
Professional fees	2,718	2,173
	<u>13,233</u>	<u>12,620</u>
Excess of revenues over expenses	<u>\$ 31,452</u>	<u>\$ 13,334</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

7. Related party transactions (cont'd)

Statement of cash flows

Cash provided by (used by)	2016	2015
Operating activities		
Investment income	\$ 46,528	\$ 25,954
Operating expenditures	(13,031)	(13,720)
	<u>33,497</u>	<u>12,234</u>
Investing activities		
Payment from Alberta Alpine Ski Association	2,518	3,273
Purchase of short-term investments	(16,714)	(14,674)
	<u>(14,196)</u>	<u>(11,401)</u>
Cash inflow	19,301	833
Cash, beginning of year	<u>20,145</u>	<u>19,312</u>
Cash, end of year	<u><u>\$ 39,446</u></u>	<u><u>\$ 20,145</u></u>

(1) Revenue consists of investment income and realized gains and losses on cash and investments.

The balance due to the Foundation of \$ 6,915 (2015 - \$ 9,233) is non-interest bearing and has no terms of repayment.

During the year, the Association charged the Foundation \$ 1,200 (2015 - \$ 1,200) for accounting services rendered by the Vice-President of the organization which are included as a reduction of the salaries and benefits expenses on the statement of operations.

b) Other

Relatives of management and the board participate in the programs offered by Alberta Ski Association. As per Alberta Alpine Ski Association policy these athletes were charged fees totalling \$ 83,900 (2015 - \$ 50,000), of which \$ 31,500 (2015 - \$ nil) is recorded as accounts receivable.

These transactions were completed in the normal course of operations on normal market terms and are measured at the exchange amount.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

8. Externally restricted funds

The Association has received externally restricted funds from Ken Read and Dee Read to assist athletes in their educational pursuits while remaining involved in ski racing through the Association's alpine programs that will be expended in future years.

	2016	2015
9. Grant revenue		
Alberta Sport Connection		
Donations	\$ 138,378	\$ 186,903
Annual Association funding	119,407	129,209
High performance coach	30,000	30,000
Canada Winter Games	-	10,556
Event support	-	5,500
Alberta Winter Games	4,400	-
	<u>292,185</u>	<u>362,168</u>
Other		
Parks Foundation Calgary grant	35,489	-
	<u>35,489</u>	<u>-</u>
Total grant revenue	<u>\$ 327,674</u>	<u>\$ 362,168</u>

As certain grants and donations relate to program expenditures which occur in different fiscal years the following is a summary of items recognized in the current fiscal year:

	Donations	Annual Association Funding
Received during the year	\$ 141,602	\$ 109,605
Deferred to fiscal 2017 program	(3,224)	(22,500)
Recognized from 2015 contribution	-	32,302
	<u>\$ 138,378</u>	<u>\$ 119,407</u>

10. Interfund transfers

Funds of \$ 19,819 (2015 - \$ nil) were transferred from the Operating Fund to the Capital Fund at the Board's discretion for the purchase of property and equipment.

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

11. Non-monetary transactions

During the year the Association entered into several contra agreements whereby it exchanged promotional consideration for goods and services from sponsors. The sponsorship revenue and expense line items contain \$ 58,780 (2015 - \$ 100,668) of consideration recognized in regards to these contracts. These transactions have been recorded at the fair value of the goods and services exchanged. No gains or losses have occurred as a result of these transactions.

12. Financial instrument risk disclosure

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentration at June 30, 2016.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its cash and cash equivalents.

The Association mitigates its exposure to credit risk by placing its cash and cash equivalents with major financial institutions and therefore believes its credit risk exposure is limited. There has been no change in management's assessment of credit risk from the prior fiscal year.

13. Comparative figures

Certain comparative figures have been reclassified to confirm with the presentation adopted in the current year.

