

ALBERTA ALPINE SKI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2021

Baker Tilly Rockies LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Alpine Ski Association:

Opinion

We have audited the accompanying financial statements of Alberta Alpine Ski Association, (the Association), which comprise the statement of financial position as at June 30, 2021 and the statements of operations and fund balances, 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 June 30, 2021, and 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 judgement 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 representation.

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.

Canmore, Alberta
September 22, 2021

Baker Tilly Rockies LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA ALPINE SKI ASSOCIATION
(Incorporated under the Societies Act of Alberta)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

	Operating Fund	Capital Fund	Total 2021	Total 2020
Current assets				
Cash and cash equivalents	\$ 571,986	\$ -	\$ 571,986	\$ 280,732
Short-term investments (note 3)	-	-	-	100,000
Accounts receivable (note 4)	47,124	-	47,124	55,880
Due from Alberta Alpine Ski Foundation (note 8)	1,200	-	1,200	2,568
Prepaid expenses	9,859	-	9,859	10,649
	<u>630,169</u>	<u>-</u>	<u>630,169</u>	<u>449,829</u>
Property and equipment (note 5)	<u>-</u>	<u>10,477</u>	<u>10,477</u>	<u>13,904</u>
	<u>\$ 630,169</u>	<u>\$ 10,477</u>	<u>\$ 640,646</u>	<u>\$ 463,733</u>


LIABILITIES

Current liabilities				
Accounts payable and accrued liabilities	\$ 80,449	\$ -	\$ 80,449	\$ 50,492
Deferred contributions (note 6)	63,609	-	63,609	65,872
	<u>144,058</u>	<u>-</u>	<u>144,058</u>	<u>116,364</u>
Canada Emergency Business Account loan (note 7)	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>184,058</u>	<u>-</u>	<u>184,058</u>	<u>156,364</u>

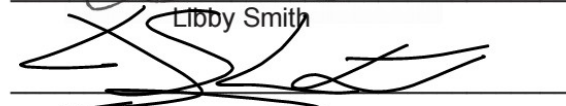
FUND BALANCES

Internally restricted invested in capital assets	-	10,477	10,477	13,904
Unrestricted	446,111	-	446,111	293,465
	<u>446,111</u>	<u>10,477</u>	<u>456,588</u>	<u>307,369</u>
	<u>\$ 630,169</u>	<u>\$ 10,477</u>	<u>\$ 640,646</u>	<u>\$ 463,733</u>

Approved on behalf of the Board of Directors by:



 Libby Smith



 Greg Sylvestre

ALBERTA ALPINE SKI ASSOCIATION
STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Operating Fund	Capital Fund	Total 2021	Total 2020
Revenues				
Fees	\$ 1,309,844	\$ -	\$ 1,309,844	\$ 1,348,084
Grants (note 9)	193,468	-	193,468	330,920
Sponsorship	38,900	-	38,900	91,941
Fundraising	84,221	-	84,221	155,923
Investment and other	3,051	-	3,051	1,728
	<u>1,629,484</u>	<u>-</u>	<u>1,629,484</u>	<u>1,928,596</u>
Expenses				
Amortization	-	3,427	3,427	4,867
Athlete bursaries and scholarships	62,091	-	62,091	88,672
Athletes	510,484	-	510,484	550,682
Coaches and volunteers	11,184	-	11,184	17,347
Fundraising	41,455	-	41,455	79,499
General and administrative	103,212	-	103,212	117,169
Member benefits	307,961	-	307,961	406,105
Salaries and benefits	578,939	-	578,939	489,235
Sponsorship	87	-	87	46,730
	<u>1,615,413</u>	<u>3,427</u>	<u>1,618,840</u>	<u>1,800,306</u>
Excess (deficiency) of revenues over expenses before the following	14,071	(3,427)	10,644	128,290
Government COVID-19 assistance (note 10)	<u>138,575</u>	<u>-</u>	<u>138,575</u>	<u>25,539</u>
Excess (deficiency) of revenues over expenses	152,646	(3,427)	149,219	153,829
Fund balances, beginning of year	<u>293,465</u>	<u>13,904</u>	<u>307,369</u>	<u>153,540</u>
Fund balances, end of year	<u>\$ 446,111</u>	<u>\$ 10,477</u>	<u>\$ 456,588</u>	<u>\$ 307,369</u>

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

Cash provided by (used by)	2021	2020
Operating activities		
Fees	\$ 1,319,667	\$ 1,325,705
Fundraising, grants, sponsorship and other receipts	433,130	572,639
Operating expenditures	(1,584,666)	(1,722,613)
Interest received	1,755	1,008
	<u>169,886</u>	<u>176,739</u>
Financing activities		
Advances from Alberta Alpine Ski Foundation	1,368	-
Repayment to Alberta Alpine Ski Foundation	-	(2,413)
Canada Emergency Business Account loan	20,000	40,000
	<u>21,368</u>	<u>37,587</u>
Investing activities		
Purchase of short-term investments	-	(150,000)
Proceeds on sale of short-term investments	100,000	100,000
	<u>100,000</u>	<u>(50,000)</u>
Cash inflow	291,254	164,326
Cash and cash equivalents, beginning of year	<u>280,732</u>	<u>116,406</u>
Cash and cash equivalents, end of year	<u>\$ 571,986</u>	<u>\$ 280,732</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 4,028 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 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, revenues and expenses 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.

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.

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.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Significant accounting policies (cont'd)

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, Canada Emergency Business Account loan and amounts due to and from Alberta Alpine Ski Foundation. All financial instruments are initially recorded at fair market value and subsequently at amortized cost. They are 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, 2021

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, 2021 (2020 - \$ nil). Further, the Association has three credit cards available for use with a total credit limit of \$ 60,000.

3. Short-term investments	2021	2020
Redeemable Guaranteed Investment Certificate bearing interest at 1.45 percent per annum due February 5, 2022	\$ -	\$ 100,000
	<u> </u>	<u> </u>

4. Accounts receivable	2021	2020
Trade receivables	\$ 22,286	\$ 16,228
Goods and Services Tax receivable	5,378	198
Government assistance	19,460	9,454
Grant receivable	-	30,000
	<u> </u>	<u> </u>
	\$ 47,124	\$ 55,880
	<u> </u>	<u> </u>

5. Property and equipment

2021	Cost	Accumulated Amortization	Net Book Value
Website development	\$ 19,818	\$ 13,973	\$ 5,845
Timing equipment	42,887	38,571	4,316
Machinery	6,194	6,094	100
Computer equipment	9,459	9,243	216
Trailer	7,501	7,501	-
	<u> </u>	<u> </u>	<u> </u>
	\$ 85,859	\$ 75,382	\$ 10,477
	<u> </u>	<u> </u>	<u> </u>

2020	Cost	Accumulated Amortization	Net Book Value
Website development	\$ 19,818	\$ 12,512	\$ 7,306
Timing equipment	42,887	37,490	5,397
Machinery	6,194	6,051	143
Computer equipment	9,459	9,152	307
Trailer	7,501	6,750	751
	<u> </u>	<u> </u>	<u> </u>
	\$ 85,859	\$ 71,955	\$ 13,904
	<u> </u>	<u> </u>	<u> </u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

6. Deferred contributions

	AGLC Casino Funds	Government of Alberta CMSW Funding	Winter Games	Fund- raisers	Member and Team Fees	Government of Alberta CMSW Donations	Sponsor- ships	Total
Balance, beginning of year	\$ 35,110	\$ -	\$ -	\$ -	\$ 19,762	\$ 10,000	\$ 1,000	\$ 65,872
Additions	-	117,976	29,400	4,004	30,205	65,492	-	247,077
Recognized as revenue	(35,110)	(117,976)	-	-	(19,762)	(75,492)	(1,000)	(249,340)
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,400</u>	<u>\$ 4,004</u>	<u>\$ 30,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,609</u>

7. Canada Emergency Business Account loan

The Association received a \$ 40,000 Canada Emergency Business Account Loan provided by the Federal Government in April 2020 and an additional \$ 20,000 in February 2021. If \$ 40,000 is repaid on or before December 31, 2022, the remaining \$ 20,000 will be forgiven. The loan is non-interest bearing to December 31, 2022 and is unsecured.

It is expected that the Association will have the financial capacity to repay the \$ 40,000 by December 31, 2022, and accordingly, the \$ 20,000 forgivable portion of the loan has been recognized as revenue and included in government assistance in the statement of operations.

If the loan is not repaid by December 31, 2022, the loan converts to a three-year term loan with a fixed interest rate of 5.00 percent per year. Principal repayments would be as follows:

2022	\$ -
2023	9,590
2024	19,413
2025	20,406
2026	10,591
	<u>\$ 60,000</u>

8. 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 is a not-for-profit organization registered under Part 9 of the Companies Act of the Province of Alberta which supports alpine ski racing in the Province of Alberta. Under the Income Tax Act of Canada, the Foundation is exempt from income tax pursuant to section 149. The Foundation uses the deferral method of accounting for contributions.

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

8. Related party transactions (cont'd)

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

	June 30 2021	June 30 2020
Financial position		
Current assets		
Cash	\$ 19,895	\$ 22,247
Short-term investments (Fair Market Value 2021 - \$ 412,566 2020 - \$ 423,259)	412,998	427,741
	<u>\$ 432,693</u>	<u>\$ 449,988</u>
Current liabilities		
Account payable	\$ 1,300	\$ 1,300
Due to Alberta Alpine Ski Association	1,200	2,568
Grant payable	-	30,000
	<u>2,500</u>	<u>33,868</u>
Net assets	430,393	416,120
	<u>\$ 432,893</u>	<u>\$ 449,988</u>
Statement of operations		
Revenue ⁽¹⁾	\$ 24,553	\$ 10,777
Expenses		
Investment fees	7,867	8,372
Professional fees	2,413	2,413
Grants awarded	-	30,000
	<u>10,280</u>	<u>40,785</u>
Excess (deficiency) of revenues over expenses	<u>\$ 14,273</u>	<u>\$ (30,008)</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

8. Related party transactions (cont'd)

Statement of cash flows

Cash provided by (used by)

	2021	2020
Operating activities		
Investment income	\$ 24,533	\$ 10,777
Operating expenditures	(40,280)	(10,785)
	<u>(15,727)</u>	<u>(8)</u>
Investing activities		
Payment from (to) Alberta Alpine Ski Association	(1,368)	2,413
Sale (purchase) of short-term investments (net)	14,743	(2,274)
	<u>13,375</u>	<u>139</u>
Cash inflow (outflow)	(2,352)	131
Cash, beginning of year	<u>22,247</u>	<u>22,116</u>
Cash, end of year	<u><u>\$ 19,895</u></u>	<u><u>\$ 22,247</u></u>

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

The balance due from the Foundation of \$ 1,200 (2020 - \$ 2,568) is non-interest bearing and has no terms of repayment.

During the year, the Association charged the Foundation \$ 1,200 (2020 - \$ 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.

The Association did not receive an operating grant for 2021 (2020 - \$ 30,000) to support the Alberta Ski Team from the Foundation.

b) Other

Relatives of the board of directors participate in the programs offered by Alberta Alpine Ski Association. As per Alberta Alpine Ski Association policy these athletes were charged fees totalling \$ 30,701 (2020 - \$ 47,000), of which \$ 5,596 (2020 - \$ nil) is recorded as accounts receivable.

During the year, the Association paid fees totalling \$ 32,820 (2020 - \$ nil) to relatives of the board of directors, a relative of management and directly to a board member for contract work performed.

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, 2021

9. Grant revenue

	Balance beginning of year	Contributions received during year	Revenue recognized	Balance end of year
Alberta Government				
Government of Alberta CMSW funding	\$ -	\$ 117,976	\$ 117,976	\$ -
Arctic Winter Games	-	29,400	-	29,400
Donations	10,000	65,492	75,492	-
	<u>\$ 10,000</u>	<u>\$ 212,868</u>	<u>\$ 193,468</u>	<u>\$ 29,400</u>

10. Government COVID-19 assistance

	2021	2020
Canada Emergency Wage Subsidy	\$ 91,859	\$ 25,539
Canada Emergency Rent Subsidy	1,716	-
Canada Emergency Business Account	20,000	-
Province of Alberta Relaunch Grant	25,000	-
	<u>\$ 138,575</u>	<u>\$ 25,539</u>

At year end, accounts receivable contains \$ 19,078 (2020 - \$ 9,454) of wage subsidy receivable and \$ 382 (2020 - nil) of rent subsidy receivable.

The Relaunch grant, wage subsidy and rent subsidy were payable to organizations having significant revenue decline in relevant time periods as a consequence of cessation or reduction in normal activities of the organization due to COVID-19 restrictions.

11. Non-monetary transactions

The Association regularly enters into contra agreements whereby it exchanges promotional consideration for goods and services from sponsors. The sponsorship revenue and expense line items contain \$ nil (2020 - \$ 40,601) 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, 2021.

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 and accounts receivable.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

12. Financial instrument risk disclosure (cont'd)

The Association has placed its cash and cash equivalents with major financial institutions and routinely assesses the financial strength of its customers. Therefore, management 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. COVID-19

On March 11, 2020 the World Health Organization categorized Covid-19 as a pandemic which has resulted in a series of public health and emergency measures to curtail the spread of the virus. The government measures that were introduced impacted the organization by limiting travel, reducing the number of races being organized and impacted membership registration. Management continues to actively monitor the situation and will adjust operations to comply with all government and health recommendations, guidelines and best practices. The full effect of possible impacts to the 2021 - 2022 ski season cannot be quantified as a result of the ever changing pandemic situation.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current fiscal period.