

ALBERTA ALPINE SKI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014 and the statements of operations and fund balances and cash flow 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, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The financial statements of Alberta Alpine Ski Association for the year ended June 30, 2013 were audited by another auditor who expressed an unmodified opinion on those statements.

Canmore, Alberta
September 23, 2014

Collins Barrow Bow Valley LLP
PROFESSIONAL ACCOUNTANTS

ALBERTA ALPINE SKI ASSOCIATION
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

ASSETS

	Operating Fund	Capital Fund	Scholarship Fund	Total 2014	Total 2013
Current assets					
Cash and cash equivalents	\$ 201,839	\$ -	\$ 9,953	\$ 211,792	\$ 131,394
Accounts receivable (note 3)	139,013	-	-	139,013	88,069
Prepaid expenses	39,800	-	-	39,800	64,792
	<u>380,652</u>	<u>-</u>	<u>9,953</u>	<u>390,605</u>	<u>284,255</u>
Property and equipment (note 4)	-	31,813	-	31,813	39,569
	<u>\$ 380,652</u>	<u>\$ 31,813</u>	<u>\$ 9,953</u>	<u>\$ 422,418</u>	<u>\$ 323,824</u>

LIABILITIES

Current liabilities					
Accounts payable and accrued liabilities	\$ 31,819	\$ -	\$ -	\$ 31,819	\$ 20,724
Deferred contributions (note 5)	241,199	-	-	241,199	149,433
	<u>273,018</u>	<u>-</u>	<u>-</u>	<u>273,018</u>	<u>170,157</u>
Due to Alberta Alpine Ski Foundation (note 6)	12,507	-	-	12,507	13,707
	<u>285,525</u>	<u>-</u>	<u>-</u>	<u>285,525</u>	<u>183,864</u>

FUND BALANCES

Internally restricted invested in capital assets	-	31,813	-	31,813	39,569
Externally restricted (note 7)	-	-	9,953	9,953	13,790
Unrestricted	95,127	-	-	95,127	86,601
	<u>95,127</u>	<u>31,813</u>	<u>9,953</u>	<u>136,893</u>	<u>139,960</u>
	<u>\$ 380,652</u>	<u>\$ 31,813</u>	<u>\$ 9,953</u>	<u>\$ 422,418</u>	<u>\$ 323,824</u>

Approved on behalf of the Board of Directors by:

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF OPERATIONS AND FUND BALANCES

YEAR ENDED JUNE 30, 2014

	Operating Fund	Capital Fund	Scholarship Fund	Total 2014	Total 2013
Revenues					
Fees	\$ 786,970	\$ -	\$ -	\$ 786,970	\$ 750,150
Grants (note 8)	337,672	-	-	337,672	472,095
Sponsorship	451,437	-	-	451,437	351,958
Fundraising	158,237	-	-	158,237	170,236
Investment and other	8,427	-	163	8,590	12,801
	<u>1,742,743</u>	<u>-</u>	<u>163</u>	<u>1,742,906</u>	<u>1,757,240</u>
Expenses					
Amortization	-	7,756	-	7,756	10,029
Athlete bursaries and scholarships	6,403	-	4,000	10,403	7,851
Athletes	389,714	-	-	389,714	430,744
Coaches and volunteers	42,591	-	-	42,591	41,880
Fundraising	89,314	-	-	89,314	68,023
General and administrative	147,522	-	-	147,522	228,785
Member benefits	272,586	-	-	272,586	232,167
Salaries and benefits	661,659	-	-	661,659	665,074
Sponsorship	124,428	-	-	124,428	75,101
	<u>1,734,217</u>	<u>7,756</u>	<u>4,000</u>	<u>1,745,973</u>	<u>1,759,654</u>
Excess (deficiency) of revenues over expenses	8,526	(7,756)	(3,837)	(3,067)	(2,414)
Fund balances, beginning of year	86,601	39,569	13,790	139,960	142,374
Interfund transfers	-	-	-	-	-
	<u>95,127</u>	<u>31,813</u>	<u>9,953</u>	<u>136,893</u>	<u>139,960</u>
Fund balances, end of year	<u>\$ 95,127</u>	<u>\$ 31,813</u>	<u>\$ 9,953</u>	<u>\$ 136,893</u>	<u>\$ 139,960</u>

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF CASH FLOW

YEAR ENDED JUNE 30, 2014

Cash provided by (used by)	2014	2013
Operating activities		
Grants, sponsorship and other receipts	\$ 1,686,403	\$ 1,726,326
Operating expenditures	<u>(1,604,805)</u>	<u>(1,746,834)</u>
	81,598	(20,508)
Financing activities		
Repayment to Alberta Alpine Ski Foundation	(1,200)	(1,109)
Investing activities		
Purchase of property and equipment	<u>-</u>	<u>(3,007)</u>
Cash inflow (outflow)	80,398	(24,624)
Cash and cash equivalents, beginning of year	<u>131,394</u>	<u>156,018</u>
Cash and cash equivalents, end of year	<u>\$ 211,792</u>	<u>\$ 131,394</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 4,300 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 Raymond James 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 7).

b) Revenue recognition

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

Unrestricted contributions 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 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, 2014

1. Significant accounting policies (cont'd)

c) 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 their estimated useful lives using the declining balance method at the following annual rates:

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

d) Cash and cash equivalents

Cash and cash equivalents include bank balances and investments in money market funds which are highly liquid. The Association maintains cash and cash equivalents with financial institutions.

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, 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 and accounts payable and accrued liabilities and the useful lives of property and equipment.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014 (2013 - \$ nil).

3. Accounts receivable

	2014	2013
Accounts receivable consists of the following:		
Trade and member receivables	\$ 135,989	\$ 85,147
Goods and Services Tax recoverable	3,024	2,922
	<u>\$ 139,013</u>	<u>\$ 88,069</u>

4. Property and equipment

	Cost	Accumulated Amortization	Net Book Value
2014			
Website development	\$ 30,465	\$ 21,738	\$ 8,727
Timing equipment	43,886	24,666	19,220
Machinery	6,194	4,965	1,229
Computer equipment	10,183	7,546	2,637
	<u>\$ 90,728</u>	<u>\$ 58,915</u>	<u>\$ 31,813</u>
2013			
Website development	\$ 30,465	\$ 19,585	\$ 10,880
Timing equipment	43,886	20,664	23,222
Machinery	6,194	4,462	1,732
Computer equipment	10,183	6,448	3,735
	<u>\$ 90,728</u>	<u>\$ 51,159</u>	<u>\$ 39,569</u>

5. Deferred contributions

	ASC Funding	AGLC Casino Funds	Alberta Ski Team Fees	Golf Fundraiser	Canada Winter Games	Member Fees	Total
Balance, beginning of year	\$ 43,069	\$ -	\$ 82,808	\$ 18,000	\$ 5,556	\$ -	\$ 149,433
Additions	129,209	72,366	75,125	17,075	15,200	89,665	398,640
Recognized as revenue	129,209	52,090	82,808	18,000	14,000	-	296,107
Other adjustment	10,767	-	-	-	-	-	10,767
	<u>\$ 32,302</u>	<u>\$ 20,276</u>	<u>\$ 75,125</u>	<u>\$ 17,075</u>	<u>\$ 6,756</u>	<u>\$ 89,665</u>	<u>\$ 241,199</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

6. 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 holds an investment portfolio consisting of an endowment fund from Alberta Sport Recreation and other fundraising endeavours. The Foundation is a not-for-profit organization registered under Part 9 of the Companies Act of the Province of Alberta.

The balance due to the Foundation of \$ 12,507 (2013 - \$ 13,707) is non-interest bearing and has no terms of repayment.

During the year, the Association charged the Foundation \$ 1,200 (2013 - \$ 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 \$ 3,750 (2013 - \$ 17,735). Certain athletes applied for and received \$ nil (2013 - \$ 851) in scholarships.

During the year, sponsors whose principals are members of the board of directors made contributions to the Association totalling \$ 70,000 (2013 - \$ 70,000).

These transactions were completed in the normal course of operations on normal market terms and are measured at the exchange amount. No amounts are due to or from related parties as at June 30, 2014 or 2013.

7. 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.

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

8. Grant revenue		2014	2013
Alberta Sport Connection			
Donations		\$ 145,531	\$ 159,513
Annual Association funding		129,209	129,209
High performance coach		30,000	30,000
Canada Winter Games		14,000	16,611
Arctic Winter Games		(3,300)	4,400
Event support		2,000	2,000
Alberta Winter Games		4,400	-
		<u>321,840</u>	<u>341,733</u>
Other			
Calgary Parks grant		15,832	109,890
Alberta Lotteries, Community Spirit		-	15,472
Alberta Lotteries, DIP		-	5,000
		<u>15,832</u>	<u>130,362</u>
Total grant revenue		<u>\$ 337,672</u>	<u>\$ 472,095</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	Arctic Games	Canada Winter Games
Received during the year	\$ 156,434	\$ 1,100	\$ 15,200
Add: Donations accrued, not yet received	5,000	-	-
Less: Donations accrued in previous year	(15,000)	-	-
Paid to other clubs	-	(4,400)	-
Scholarships	(903)	-	-
Deferred to fiscal 2015 program	-	-	(6,756)
Recognized from 2014 donation	-	-	5,556
	<u>\$ 145,531</u>	<u>\$ (3,300)</u>	<u>\$ 14,000</u>

9. Commitments

The Association has entered into a lease agreement for its office space, telephone and internet services which expires on March 31, 2015. The commitment for the 2015 fiscal year is \$ 10,133.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. 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 \$ 97,325 (2013 - \$ 59,811) 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.

11. 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, 2014.

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.

The Association mitigates its exposure to credit risk by placing its cash with major financial institutions and therefore believes its credit risk exposure is limited.