

ALBERTA ALPINE SKI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 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, 2022, 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 21, 2022

Baker Tilly Rockies LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA ALPINE SKI ASSOCIATION

(Incorporated under the Societies Act of Alberta)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

ASSETS

	Operating Fund	Capital Fund	Total 2022	Total 2021
Current assets				
Cash and cash equivalents	\$ 153,462	\$ -	\$ 153,462	\$ 571,986
Short-term investments (note 3)	500,000	-	500,000	-
Accounts receivable (note 4)	74,165	-	74,165	47,124
Due from Alberta Alpine Ski Foundation (note 8)	3,613	-	3,613	1,200
Prepaid expenses	14,062	-	14,062	9,859
	<u>745,302</u>	<u>-</u>	<u>745,302</u>	<u>630,169</u>
Property and equipment (note 5)	<u>-</u>	<u>8,350</u>	<u>8,350</u>	<u>10,477</u>
	<u>\$ 745,302</u>	<u>\$ 8,350</u>	<u>\$ 753,652</u>	<u>\$ 640,646</u>

LIABILITIES

Current liabilities				
Accounts payable and accrued liabilities	\$ 91,500	\$ -	\$ 91,500	\$ 80,449
Deferred contributions (note 6)	122,630	-	122,630	63,609
	<u>214,130</u>	<u>-</u>	<u>214,130</u>	<u>144,058</u>
Canada Emergency Business Account loan (note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>214,130</u>	<u>-</u>	<u>214,130</u>	<u>184,058</u>

FUND BALANCES

Internally restricted invested in capital assets	-	8,350	8,350	10,477
Unrestricted	531,172	-	531,172	446,111
	<u>531,172</u>	<u>8,350</u>	<u>539,522</u>	<u>456,588</u>
	<u>\$ 745,302</u>	<u>\$ 8,350</u>	<u>\$ 753,652</u>	<u>\$ 640,646</u>

Approved on behalf of the Board of Directors by:





ALBERTA ALPINE SKI ASSOCIATION
STATEMENT OF OPERATIONS AND FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Operating Fund	Capital Fund	Total 2022	Total 2021
Revenues				
Fees	\$ 1,880,401	\$ -	\$ 1,880,401	\$ 1,309,844
Grants (note 9)	210,148	-	210,148	193,468
Sponsorship	126,496	-	126,496	38,900
Fundraising	111,343	-	111,343	84,221
Investment and other	4,218	-	4,218	3,051
	<u>2,332,606</u>	<u>-</u>	<u>2,332,606</u>	<u>1,629,484</u>
Expenses				
Amortization	-	2,127	2,127	3,427
Athlete bursaries and scholarships	43,722	-	43,722	62,091
Athletes	753,116	-	753,116	510,484
Coaches and volunteers	23,903	-	23,903	11,184
Fundraising	93,017	-	93,017	41,455
General and administrative	112,943	-	112,943	103,212
Member benefits	499,131	-	499,131	307,961
Salaries and benefits	670,832	-	670,832	578,939
Sponsorship	74,517	-	74,517	87
	<u>2,271,181</u>	<u>2,127</u>	<u>2,273,308</u>	<u>1,618,840</u>
Excess (deficiency) of revenues over expenses before the following	61,425	(2,127)	59,298	10,644
Government COVID-19 assistance (note 10)	23,636	-	23,636	138,575
Excess (deficiency) of revenues over expenses	85,061	(2,127)	82,934	149,219
Fund balances, beginning of year	446,111	10,477	456,588	307,369
Fund balances, end of year	<u>\$ 531,172</u>	<u>\$ 8,350</u>	<u>\$ 539,522</u>	<u>\$ 456,588</u>

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

Cash provided by (used by)	2022	2021
Operating activities		
Fees	\$ 1,822,088	\$ 1,319,667
Fundraising, grants, sponsorship and other receipts	503,132	433,130
Operating expenditures	(2,202,896)	(1,584,666)
Interest received	1,565	1,755
	<u>123,889</u>	<u>169,886</u>
Financing activities		
Advances from Alberta Alpine Ski Foundation	-	1,368
Repayment to Alberta Alpine Ski Foundation	(2,413)	-
Advances from Canada Emergency Business Account loan	-	20,000
Repayment of Canada Emergency Business Account loan	(40,000)	-
	<u>(42,413)</u>	<u>21,368</u>
Investing activities		
Purchase of short-term investments	(500,000)	-
Proceeds on sale of short-term investments	-	100,000
	<u>(500,000)</u>	<u>100,000</u>
Cash inflow (outflow)	(418,524)	291,254
Cash and cash equivalents, beginning of year	571,986	280,732
Cash and cash equivalents, end of year	<u>\$ 153,462</u>	<u>\$ 571,986</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 4,973 (2021 - 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, 2022

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, 2022

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	2022	2021
Redeemable Guaranteed Investment Certificate bearing interest at 1.25 percent per annum due June 12, 2023	\$ 500,000	\$ -
	<u> </u>	<u> </u>

4. Accounts receivable	2022	2021
Trade receivables	\$ 40,393	\$ 22,286
Goods and Services Tax receivable	5,970	5,378
Government assistance	5,530	19,460
Grant receivable	22,272	-
	<u> </u>	<u> </u>
	\$ 74,165	\$ 47,124
	<u> </u>	<u> </u>

5. Property and equipment

2022	Cost	Accumulated Amortization	Net Book Value
Website development	\$ 19,818	\$ 15,142	\$ 4,676
Timing equipment	42,887	39,434	3,453
Machinery	6,194	6,124	70
Computer equipment	9,459	9,308	151
Trailer	7,501	7,501	-
	<u> </u>	<u> </u>	<u> </u>
	\$ 85,859	\$ 77,509	\$ 8,350
	<u> </u>	<u> </u>	<u> </u>

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>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

6. Deferred contributions

	AGLC Casino Funds	Government of Alberta SPAR Funding	Arctic/ Canada Winter Games	Fund- raisers	Member and Team Fees	Government of Alberta SPAR Donations	Total
Balance, beginning of year	\$ -	\$ -	\$ 29,400	\$ 4,004	\$ 30,205	\$ -	\$ 63,609
Additions	64,527	117,976	27,400	8,354	-	87,472	305,729
Recognized as revenue	<u>(2,351)</u>	<u>(117,976)</u>	<u>(4,700)</u>	<u>(4,004)</u>	<u>(30,205)</u>	<u>(87,472)</u>	<u>(246,708)</u>
Balance, end of year	<u>\$ 62,176</u>	<u>\$ -</u>	<u>\$ 52,100</u>	<u>\$ 8,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,630</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. The terms of the loan provided for \$ 20,000 of the balance to be forgiven if the remainder of the loan was repaid before December 31, 2023. The loan was repaid during the year and the forgivable portion was recognized in the statement of operations as detailed in note 10.

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, 2022

8. Related party transactions (cont'd)

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

	June 30 2022	June 30 2021
Financial position		
Current assets		
Cash	\$ 18,065	\$ 19,895
Short-term investments (Fair Market Value 2022 - \$ 424,128 2021 - \$ 412,566)	479,563	412,998
	<u>\$ 497,628</u>	<u>\$ 432,893</u>
Current liabilities		
Account payable	\$ 1,415	\$ 1,300
Due to Alberta Alpine Ski Association	3,613	1,200
	<u>5,028</u>	<u>2,500</u>
Net assets	<u>492,600</u>	<u>430,393</u>
	<u>\$ 497,628</u>	<u>\$ 432,893</u>
Statement of operations		
Revenue ⁽¹⁾	<u>\$ 73,228</u>	<u>\$ 24,553</u>
Expenses		
Investment fees	8,606	7,867
Professional fees	2,415	2,413
	<u>11,021</u>	<u>10,280</u>
Excess of revenues over expenses	<u>\$ 62,207</u>	<u>\$ 14,273</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

8. Related party transactions (cont'd)

Statement of cash flows

Cash provided by (used by)

	2022	2021
Operating activities		
Investment income	\$ 73,228	\$ 24,553
Operating expenditures	(10,906)	(40,280)
	<u>62,322</u>	<u>(15,727)</u>
Investing activities		
Payment from (to) Alberta Alpine Ski Association	2,413	(1,368)
Sale (purchase) of short-term investments (net)	(66,565)	14,743
	<u>(64,152)</u>	<u>13,375</u>
Cash inflow (outflow)	(1,830)	(2,352)
Cash, beginning of year	<u>19,895</u>	<u>22,247</u>
Cash, end of year	<u><u>\$ 18,065</u></u>	<u><u>\$ 19,895</u></u>

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

The balance due from the Foundation of \$ 3,613 (2021 - \$ 1,200) is non-interest bearing and has no terms of repayment.

During the year, the Association charged the Foundation \$ 1,200 (2021 - \$ 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 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 \$ 966 (2021 - \$ 30,701), of which \$ nil (2021 - \$ 5,596) is recorded as accounts receivable.

During the year, the Association paid fees totalling \$ 142 (2021 - \$ 32,820) 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, 2022

9. Grant revenue

	Balance beginning of year	Contributions received during year	Revenue recognized	Balance end of year
Alberta Government				
Government of Alberta SPAR funding	\$ -	\$ 117,976	\$ 117,976	\$ -
Arctic/Canada Winter Games	29,400	27,400	4,700	52,100
Donations	-	87,472	87,472	-
	\$ 29,400	\$ 232,848	\$ 210,148	\$ 52,100
	\$ 29,400	\$ 232,848	\$ 210,148	\$ 52,100

10. Government COVID-19 assistance

	2022	2021
Canada Emergency Wage Subsidy	\$ 23,636	\$ 91,859
Canada Emergency Rent Subsidy	-	1,716
Canada Emergency Business Account	-	20,000
Province of Alberta Relaunch Grant	-	25,000
	\$ 23,636	\$ 138,575
	\$ 23,636	\$ 138,575

At year end, accounts receivable contains \$ 5,530 (2021 - \$ 19,078) of wage subsidy receivable and \$ nil (2021 - \$ 382) 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 \$ 61,436 (2021 - \$ nil) 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, 2022

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. Contingent liability

The Association has received notice of a legal claim brought forward by a previous employee for wrongful dismissal. At this time, both the likelihood of success and amount associated with this claim is unknown.

14. Comparative figures

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