

ALBERTA ALPINE SKI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2024

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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, 2024 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, 2024, 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.

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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 25, 2024

Baker Tilly Rockies LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

ALBERTA ALPINE SKI ASSOCIATION

(Incorporated under the Societies Act of Alberta)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

	Operating Fund	Capital Fund	Total 2024	Total 2023
Current assets				
Cash and cash equivalents	\$ 296,404	\$ -	\$ 296,404	\$ 211,407
Short-term investments (note 3)	508,466	-	508,466	500,000
Accounts receivable (note 4)	43,958	-	43,958	45,002
Due from Alberta Alpine Ski Foundation (note 5)	8,801	-	8,801	6,073
Prepaid expenses	37,626	-	37,626	53,747
	<u>895,255</u>	<u>-</u>	<u>895,255</u>	<u>816,229</u>
Property and equipment (note 6)	<u>-</u>	<u>5,311</u>	<u>5,311</u>	<u>6,659</u>
	<u>\$ 895,255</u>	<u>\$ 5,311</u>	<u>\$ 900,566</u>	<u>\$ 822,888</u>


LIABILITIES

Current liabilities				
Accounts payable and accrued liabilities	\$ 112,216	\$ -	\$ 112,216	\$ 95,481
Deferred contributions (note 7)	85,156	-	85,156	113,878
	<u>197,372</u>	<u>-</u>	<u>197,372</u>	<u>209,359</u>
Contingent liabilities (note 8)				

FUND BALANCES

Internally restricted invested in property and equipment	-	5,311	5,311	6,659
Unrestricted	697,883	-	697,883	606,870
	<u>697,883</u>	<u>5,311</u>	<u>703,194</u>	<u>613,529</u>
	<u>\$ 895,255</u>	<u>\$ 5,311</u>	<u>\$ 900,566</u>	<u>\$ 822,888</u>

Approved on behalf of the Board of Directors by:





ALBERTA ALPINE SKI ASSOCIATION
STATEMENT OF OPERATIONS AND FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Operating Fund	Capital Fund	Total 2024	Total 2023
Revenues				
Fees	\$ 1,262,077	\$ -	\$ 1,262,077	\$ 1,245,434
Grants (note 7)	280,789	-	280,789	332,026
Sponsorship	151,985	-	151,985	126,888
Fundraising (note 7)	186,190	-	186,190	142,436
Investment and other	27,899	-	27,899	20,149
	<u>1,908,940</u>	<u>-</u>	<u>1,908,940</u>	<u>1,866,933</u>
Expenses				
Amortization	-	1,348	1,348	1,691
Athlete bursaries and scholarships	59,619	-	59,619	85,900
Athletes	355,590	-	355,590	326,312
Coaches and volunteers	36,802	-	36,802	22,707
Fundraising	115,080	-	115,080	73,617
General and administrative	114,376	-	114,376	150,611
Member benefits	431,165	-	431,165	496,220
Salaries and benefits	625,249	-	625,249	560,402
Sponsorship	94,046	-	94,046	75,466
	<u>1,831,927</u>	<u>1,348</u>	<u>1,833,275</u>	<u>1,792,926</u>
Excess (deficiency) of revenues over expenses before the following	77,013	(1,348)	75,665	74,007
Gain on vehicle sale	14,000	-	14,000	-
	<u>91,013</u>	<u>(1,348)</u>	<u>89,665</u>	<u>74,007</u>
Excess (deficiency) of revenues over expenses	91,013	(1,348)	89,665	74,007
Fund balances, beginning of year	606,870	6,659	613,529	539,522
Fund balances, end of year	<u>\$ 697,883</u>	<u>\$ 5,311</u>	<u>\$ 703,194</u>	<u>\$ 613,529</u>

ALBERTA ALPINE SKI ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash provided by (used by)	2024	2023
Operating activities		
Fees received	\$ 1,245,945	\$ 1,295,270
Fundraising, grants, sponsorship and other receipts	547,394	516,976
Operating expenditures	(1,707,312)	(1,757,052)
Interest received	10,164	5,211
	<u>96,191</u>	<u>60,405</u>
Financing activities		
Repayment to Alberta Alpine Ski Foundation	(2,728)	(2,460)
	<u>(2,728)</u>	<u>(2,460)</u>
Investing activities		
Purchase of short-term investments	(508,466)	(500,000)
Proceeds on sale of short-term investments	500,00	500,000
	<u>(8,466)</u>	<u>-</u>
Cash inflow	84,997	57,945
Cash and cash equivalents, beginning of year	<u>211,407</u>	<u>153,462</u>
Cash and cash equivalents, end of year	<u>\$ 296,404</u>	<u>\$ 211,407</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 4,921 (2023 - 5,536) 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, 2024

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

Initial measurement

The Association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Association in the transaction.

Subsequent measurement

The Association subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred. Financial assets measured at amortized cost using the straight-line method include cash, receivables, and short-term investments.

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1. Significant accounting policies (cont'd)

f) Financial instruments (cont'd)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there are, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant currency, liquidity or market 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.

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, 2024 (2023 - \$ nil). Further, the Association has three credit cards available for use with a total credit limit of \$ 60,000.

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

	2024	2023
3. Short-term investments		
Redeemable Guaranteed Investment Certificate bearing interest at 3 percent per annum due July 6, 2023	\$ -	\$ 500,000
Redeemable Guaranteed Investment Certificate bearing interest at 4.25 percent per annum due July 4, 2024	508,466	-
	<u>\$ 508,466</u>	<u>\$ 500,000</u>
4. Accounts receivable	2024	2023
Trade receivables	\$ 21,464	\$ 27,164
Goods and Services Tax recoverable	973	1,560
Grant receivable	-	8,100
Interest receivable	21,521	8,178
	<u>\$ 43,958</u>	<u>\$ 45,002</u>

5. Related party transactions

a) Alberta Alpine Ski Foundation

The Association is the sole beneficiary 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, 2024

5. Related party transactions (con't)

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

	June 30 2024	June 30 2023
Financial position		
Current assets		
Cash	\$ 15,861	\$ 11,169
Short-term investments (Fair Market Value 2024 - \$ 608,503 2023 - \$ 776,547)	598,077	789,837
	<u>\$ 613,938</u>	<u>\$ 801,006</u>
Current liabilities		
Account payable	\$ 1,450	\$ 201,405
Due to Alberta Alpine Ski Association	8,801	6,073
	<u>10,251</u>	<u>207,478</u>
Net assets	<u>603,687</u>	<u>593,528</u>
	<u>\$ 613,938</u>	<u>\$ 801,006</u>
Statement of operations		
Investment and grant revenue	\$ 20,768	\$ 110,685
Expenses		
Investment fees	7,837	7,541
Professional fees	2,772	2,316
	<u>10,609</u>	<u>9,857</u>
Excess of revenues over expenses	<u>\$ 10,159</u>	<u>\$ 100,828</u>

ALBERTA ALPINE SKI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

5. Related party transactions (con't)

Statement of cash flows

Cash provided by (used by)

	2024	2023
Operating activities		
Investment income	\$ 20,768	\$ 110,685
Operating expenditures	(10,564)	(9,767)
	10,204	100,918
Investing activities		
Payment from Alberta Alpine Ski Association	2,728	2,460
Purchase of short-term investments, net	191,760	(310,274)
	194,488	(307,814)
Financing activities		
Loan from Winterstart Events Ltd.	(200,000)	200,000
Cash inflow (outflow)	4,692	(6,896)
Cash, beginning of year	11,169	18,065
Cash, end of year	\$ 15,861	\$ 11,169

The balance due to the Association of \$ 8,801 (2023 - \$ 6,073) is non-interest bearing and has no terms of repayment.

During the year, the Association charged the Foundation \$ 1,200 (2023 - \$ 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.

During the year the Association made a grant contribution of \$ nil (2023 - \$ 100,000) to the Foundation. The contribution is included in revenue of the Foundation and is included in member benefits expense of the Association.

b) Other

During the year, sponsors whose principals are members of the board of directors made contributions to the Association totalling \$ 10,000 (2023 - \$ nil).

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, 2024

6. Property and equipment

2024	Cost	Accumulated Amortization	Net Book Value
Website development	\$ 19,818	\$ 16,825	2,993
Timing equipment	42,887	40,676	2,211
Machinery	6,194	6,160	34
Computer equipment	9,459	9,386	73
Trailer	7,501	7,501	-
	<u>\$ 85,859</u>	<u>\$ 80,548</u>	<u>\$ 5,311</u>
2023	Cost	Accumulated Amortization	Net Book Value
Website development	\$ 19,818	\$ 16,077	\$ 3,741
Timing equipment	42,887	40,124	2,763
Machinery	6,194	6,144	50
Computer equipment	9,459	9,354	105
Trailer	7,501	7,501	-
	<u>\$ 85,859</u>	<u>\$ 79,200</u>	<u>\$ 6,659</u>

7. Deferred contributions and revenue recognition

	Balance beginning of year	Additions	Recognized as fee revenue	Recognized as fundraising revenue	Recognized as grant revenue	Balance end of year
AGLC Casino funds	\$ 32,924	\$ 83,195	\$ -	\$ 51,363	\$ -	\$ 64,756
Government of Alberta SPAR funding	-	118,000	-	-	118,000	-
Government of Alberta CIP	40,000	-	-	-	24,500	15,500
Alberta Winter Games	-	7,829	-	-	7,829	-
Arctic Winter Games	-	6,025	-	-	6,025	-
Fundraisers	-	4,900	-	-	-	4,900
Member and team fees	17,138	-	17,138	-	-	-
Government of Alberta SPAR donations	23,816	100,619	-	-	124,435	-
	<u>\$ 113,878</u>	<u>\$ 320,568</u>	<u>\$ 17,138</u>	<u>\$ 51,363</u>	<u>\$ 280,789</u>	<u>\$ 85,156</u>

ALBERTA ALPINE SKI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

8. Contingent liability

The Association has received notice of an insurance claim against them relating to a ski incident between an AASA employee and an unrelated individual on August 12, 2022. A liability of \$ 50,000 has been included in accounts payable and accrued liabilities. At this time, a payout for this claim is likely and the accrued amount is the best estimate of the actual liability.

9. 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 \$ 91,760 (2023 - \$ 69,888) 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.

10. 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 the balance sheet date:

a) 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 risks relate to its cash and cash equivalents and accounts receivable balances.

The Association mitigates its exposure to credit loss for its cash balances by placing its cash and cash equivalents with major financial institutions. The Association mitigates its exposure to credit loss for its accounts receivable balances by routinely assessing the financial strength of its customers. As a result, management has assessed the credit risk exposure as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value and future value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate on the Guaranteed Investment Certificates (GIC) are fixed until maturity. As a result, management has assessed the interest rate risk as low.