

Alpine Canada Alpin

Financial Statements
April 30, 2014

September 15, 2014

Independent Auditor's Report

To the Members of Alpine Canada Alpin

We have audited the accompanying financial statements of Alpine Canada Alpin, which comprise the balance sheet as at April 30, 2014 and the statements of operations and changes in fund balances and cash flows for the year then ended, and the related notes, which comprise 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 judgment, 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alpine Canada Alpin as at April 30, 2014 and the results of their operations and their cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants

Alpine Canada Alpin

Balance Sheet

As at April 30, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash	503,414	267,713
Accounts receivable, net of allowance for doubtful accounts of \$477,339 (2013 - \$207,339)	1,969,419	2,072,664
Prepaid expenses	95,635	76,888
	<u>2,568,468</u>	<u>2,417,265</u>
Assets held in trust	3,357,678	3,661,872
Property and equipment (note 3)	205,698	288,220
	<u>6,131,844</u>	<u>6,367,357</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,058,643	831,410
Deferred contribution (note 5)	1,466,625	1,311,334
	<u>2,525,268</u>	<u>2,142,744</u>
Liability for assets held in trust	3,357,678	3,661,872
Deferred capital contribution (note 6)	-	6,500
	<u>5,882,946</u>	<u>5,811,116</u>
Fund balances		
Internally restricted – invested in property and equipment	205,698	281,720
Unrestricted	43,200	274,521
	<u>248,898</u>	<u>556,241</u>
	<u>6,131,844</u>	<u>6,367,357</u>

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Alpine Canada Alpin
Statement of Operations and Changes in Fund Balances
For the year ended April 30, 2014

	2014	2013
	\$	\$
Revenue (note 8)		
Events	763,716	652,867
Sponsorships	2,642,794	2,478,330
Grants	300,000	300,000
Canadian Alpine Ski Team	3,393,961	3,247,526
Canadian Para-Alpine Ski Team	1,603,463	1,609,308
Canadian Ski – Cross Team	1,839,597	1,616,890
Athlete Services	101,848	126,459
Supplier Pool	1,163,381	924,315
Membership Programs	910,884	921,265
Fundraising	1,129,041	1,304,756
Administration	137,890	165,664
Amortization of deferred capital contribution	6,500	9,487
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	13,993,075	13,356,867
Expenses		
Sponsorship	663,332	661,716
Events	1,028,105	1,000,424
Canadian Alpine Ski Team	5,488,587	5,257,092
Canadian Para-Alpine Ski Team	1,633,653	1,568,830
Canadian Ski Cross Team	1,693,014	1,743,177
Supplier Pool	810,215	677,247
Membership Programs	997,426	1,309,191
Fundraising	50,861	46,776
Administration	1,571,772	1,587,778
Communications	246,239	333,049
Amortization of property and equipment	117,214	143,811
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	14,300,418	14,329,091
Deficiency of revenue over expenses	(307,343)	(972,224)
Fund balances – Beginning of year	<hr/>	<hr/>
	556,241	1,528,465
Fund balances – End of year	<hr/>	<hr/>
	248,898	556,241

The accompanying notes are an integral part of these financial statements.

Alpine Canada Alpin
Statement of Cash Flows
For the year ended April 30, 2014

	2014	2013
	\$	\$
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses	(307,343)	(972,224)
Items not affecting cash		
Amortization of property and equipment	117,214	143,811
Amortization of deferred capital contribution	(6,500)	(9,487)
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	(196,629)	(837,900)
Cash increases (reductions) through working capital changes		
Accounts receivable	103,245	(818,520)
Prepaid expenses	(18,747)	66,867
Accounts payable and accrued liabilities	227,233	(410,674)
Deferred contribution	155,291	200,502
	<hr/>	<hr/>
	270,393	(1,799,725)
Investing activities		
Purchase of property and equipment	(34,692)	(190,246)
Redemption of term deposits	-	1,000,000
	<hr/>	<hr/>
	(34,692)	809,754
Increase (decrease) in cash	<hr/>	<hr/>
	235,701	(989,971)
Cash – Beginning of year	<hr/>	<hr/>
	267,713	1,257,684
Cash – End of year	<hr/>	<hr/>
	503,414	267,713

The accompanying notes are an integral part of these financial statements.

Alpine Canada Alpin

Notes to Financial Statements

April 30, 2014

1 Nature of operations

Alpine Canada Alpin (“the Association”) is a non-profit organization incorporated under Part II of the Canada Corporations Act and is a Registered Canadian Amateur Athletic Association.

The Association is the national governing body responsible for the advancement of alpine ski racing in and for Canada, from domestic programs to operating the Canadian Alpine Ski Team, the Canadian Para Alpine Ski Team and the Canada Ski Cross Team which are comprised of Canada’s best ski racers.

The Association is a member of the Federation International du Ski (“FIS”) and the International Paralympics Committee (“IPC”) which are the governing bodies for international skiing competitions.

2 Summary of significant accounting policies

The financial statements of the Association have been prepared for in accordance with accounting standards for not-for-profit organizations as set out in Part III of the CPA Handbook Canada.

a) Use of estimates

The preparation of the 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, liabilities and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates, and differences could be material. Significant estimates include the recoverability of property and equipment and the collectability of accounts receivable.

b) Revenue recognition

i) Contributions and donations

The Association follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue in the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted for property and equipment are recorded as deferred capital contributions in the operating fund and recognized as revenue as the related asset is amortized. Restricted contributions related to furthering the sport of Alpine skiing in Canada are recorded as revenue in the restricted fund in the year received. All other restricted contributions are deferred and recognized into revenue in the operating fund in the year in which the related expenses are incurred.

ii) Corporate advertising and sponsorships

All advertising and sponsorship revenues are determined by multi-year contracts with annual periods generally coinciding with the Association’s fiscal period. Such revenues are recognized as earned in accordance with the terms of the contract.

iii) Memberships and fees

Memberships and fees are charged on an annual basis matching the fiscal period of the Association and are recorded as revenues as in the period the membership related to.

iv) Government grants

Government of Canada grants are subject to certain terms and conditions regarding the expenditures of these funds, with expenses charged against these contributions being subject to government audit. As a result, adjustments may be made to the original contributions received. The effect on net revenue or expenditures of any adjustment arising from this audit is reflected in the year in which the audit is completed. Contributions received in advance of the fiscal and program expenditures years are deferred to the applicable year.

c) Fund accounting

The Operating Fund reports all transactions and balances related to the operations of the Association. The Restricted Fund reports all transactions and balances related to restricted resources that are to be used to further the sport of alpine skiing in Canada. There is no balance in the restricted fund as at April 30, 2014.

d) Donated materials and services

Donated materials and services are recorded at fair value when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

e) Assets held in trust and liability for assets held in trust

Funds held in trust for certain athletes are included as assets and liabilities of the Association when accountability of these funds rests with the Association. Assets held in trust consists of cash and marketable securities and the marketable securities have been recorded at fair value.

f) Income tax status

The Association is a not-for-profit organization and as such, is exempt from income tax.

g) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives, with a half year of amortization taken during the year of acquisition, with the exception of vehicles. Property and equipment are amortized at the following rates:

<u>Asset</u>	<u>Rate</u>	<u>Basis</u>
Computer equipment and systems	30%	straight line
Racing equipment	30%	straight line
National Alpine Training Centre	15%	straight line
World cup equipment	15%	straight line
Fitness testing equipment	15%	straight line
Vehicles	30%	declining balance

h) Foreign currency translation

Foreign currency monetary assets and liabilities are translated to Canadian dollars at the year-end exchange rate and non-monetary assets and liabilities are translated at historic rates. Revenues and expenses are translated at average exchange rates, except for amortization, which is translated at the exchange rate prevailing when the related assets were acquired. Exchange gains and losses resulting from translation are included in the statement of operations

i) Financial instruments

The Association's financial instruments recognized in the balance sheet consist of cash, accounts receivable, assets held in trust, accounts payable, accrued liabilities, and liability for assets held in trust. The Association records these financial instruments initially at fair value and subsequently at amortized cost except assets held in trust which is recorded at fair value. Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

i) Credit risk

The Association does not have a concentration of credit exposure with any one customer or sponsor. The Association does not consider that it is exposed to undue credit risk.

The Association is not exposed to significant interest rate risk, currency risk or liquidity risk from these financial instruments.

ii) Foreign currency risk

The Association enters into transactions denominated in foreign currencies for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. There has been no change in risk exposure from the previous year.

Alpine Canada Alpin
Notes to Financial Statements
April 30, 2014

3 Property and equipment

			2014	2013
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Computer equipment and system	98,713	79,290	19,423	12,600
Racing equipment	641,301	595,445	45,857	79,183
National alpine training centre	152,673	143,039	9,634	28,616
World cup equipment	708,084	629,913	78,171	92,610
Office equipment	17,973	8,088	9,885	15,277
Fitness testing equipment	62,016	23,256	38,760	54,265
Vehicles	48,187	44,218	3,968	5,669
	1,728,947	1,523,249	205,698	288,220

4 Available credit facility

The Association has an available \$1,100,000 (2013 – \$1,100,000) demand credit facility with a Canadian chartered bank, bearing interest at prime plus 1% (2013 – prime plus 1.75%). As at April 30, 2014, \$nil was outstanding under this facility (2013 – \$nil).

All personal property of the business now owned, which includes among other things, equipment and receivables, and all personal property acquired in the future, is pledged as collateral for the credit facility.

5 Deferred contribution

Deferred contributions in the operating fund result from externally restricted contributions for purposes other than furthering the sport of Alpine skiing in Canada. These externally restricted contributions are then recognized into revenue in the operating fund in the year in which the related expenses are incurred.

Changes to the deferred contributions balance during the year are as follows:

	2014	2013
	\$	\$
Balance – Beginning of year	1,311,334	1,110,832
Contributions in the year	1,466,625	1,283,334
Amounts recognized as revenue	(1,311,334)	(1,082,832)
Balance – End of year	1,466,625	1,311,334

Alpine Canada Alpin
Notes to Financial Statements
April 30, 2014

6 Deferred capital contribution

Deferred capital contributions comprise the portion of certain grants restricted for the purchase of property and equipment.

Changes to the deferred capital contribution balance during the year are as follows:

	2014	2013
	\$	\$
Balance – Beginning of year	6,500	15,987
Amounts amortized to revenue	(6,500)	(9,487)
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Balance – End of year	-	6,500
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7 Fundraising expenses

As required under The Charitable Fundraising Act of Alberta, the Association reports that approximately \$164,505 (2013 – \$263,650) was paid as remuneration to employees primarily responsible for fundraising in fiscal 2014.

8 Revenue

The Association derives its revenues from the following sources:

	2014	2013
	\$	\$
Corporate and personal donations	1,129,042	1,304,756
Corporate advertising and sponsorships	3,892,475	3,656,934
Government of Canada	5,974,784	5,744,400
Province of Alberta	559,645	471,000
Memberships and fees	1,504,508	1,400,183
Other	932,621	779,594
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	13,993,075	13,356,867
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