Alpine Canada Alpin

Financial Statements
April 30, 2022

Independent auditor's report

To the Members of Alpine Canada Alpin

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alpine Canada Alpin (the Organization) as at April 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited
The Organization's financial statements comprise:

- the balance sheet as at April 30, 2022;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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

Independence
We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 judgment 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 Organization'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 Organization'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 Organization 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 presentation.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
August 25, 2022

Alpine Canada Alpin

Balance Sheet

As at April 30, 2022

	2022	2021
	$	$
Assets		
Current assets		
Cash & Term Deposits	700,642	1,208,957
Accounts receivable, net of allowance for doubtful accounts of $40,369 (2021 - $37,960)	1,346,214	1,039,712
Prepaid expenses	105,080	117,185
Inventory	25,850	12,727
	2,177,786	2,378,581
Assets held in trust	714,623	673,456
Property and equipment (note 5)	658,183	463,518
	3,550,592	3,515,555
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	1,516,877	794,932
Deferred contributions (note 7)	623,118	1,688,137
	2,139,995	2,483,069
Liability for assets held in trust	714,623	673,456
	2,854,618	3,156,525
Net Assets		
Unrestricted	695,974	359,030
	695,974	359,030
	3,550,592	3,515,555

Commitments (note 11)

Alpine Canada Alpin

Statement of Operations and Changes in Net Assets
For the year ended April 30, 2022

	2022	2021
	$	$
Revenue		
Government of Canada (note 3)	9,750,430	7,741,981
Sponsorship and Supplier Pool (notes (2(d),10)	2,923,877	2,108,787
Fundraising (note 10)	2,081,309	1,993,989
Membership fees	807,523	576,389
Team fees	757,730	741,577
Domestic initiatives	651,956	592,163
Provincial grants	455,000	-
Coach education	426,735	430,290
Events (excluding federal and provincial grants)	376,493	-
Other	126,624	143,624
	18,357,677	14,328,800
Expenses		
Canadian Alpine Ski Team	5,524,258	4,112,649
Canadian Ski-Cross Team	3,063,481	2,124,539
Events	2,239,037	111,609
Canadian Para-Alpine Ski Team	1,870,633	1,445,730
Administration (note 9)	1,445,555	1,795,616
Supplier Pool (note 2(d))	1,171,625	1,114,427
Membership Programs	1,016,728	682,241
Sponsorship	591,602	562,681
Coach education	513,412	230,994
Communications and marketing	273,503	190,755
Fundraising (note 8)	164,616	118,340
Amortization of property and equipment	146,283	126,412
	18,020,733	12,615,993
Excess of revenue over expenses	336,944	1,712,807
Net Assets – Beginning of year	359,030	(1,353,777)
Net Assets – End of year	695,974	359,030

Alpine Canada Alpin

Statement of Cash Flows
For the year ended April 30, 2022

	2022 $	2021 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	336,944	1,712,807
Items not affecting cash		
Amortization of property and equipment	146,283	126,412
	483,227	1,839,219
Change in non-cash working capital		
Accounts receivable	(306,502)	1,391,727
Prepaid expenses	12,105	(106,610)
Inventory	(13,123)	69,030
Accounts payable and accrued liabilities	659,945	(1,507,869)
Deferred contribution	(1,003,019)	432,668
	(167,367)	2,118,165
Investing activities		
Purchase of property and equipment	(340,948)	(103,122)
Sale of short-term investments	-	13,882
	(340,948)	(89,240)
Change in cash and term deposits	(508,315)	2,028,925
Cash and term deposits (bank indebtedness) – Beginning of year	1,208,957	(819,968)
Cash and term deposits balance – End of year	700,642	1,208,957

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 also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under Section 7(2) of the Act in preparing these financial statements.

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 also responsible for the development and accreditation of Canadian ski coaches.

2. Summary of significant accounting policies

The financial statements of the Association have been prepared in accordance with accounting standards for not-for-profit organizations as set out in Part III of the CPA Handbook Canada. Outlined below are those accounting policies considered particularly significant.

a) Changes in Accounting

In 2021, the Association adopted the deferral method of accounting for contributions and no longer follows the restricted fund method. No material adjustment to prior periods occurred as a result of this transition, therefore no prior period restatement was required.

b) 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.

c) Revenue recognition

i) Contributions and fundraising

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other externally restricted contributions are deferred and recognized into revenue in the year in which the related expenses are incurred. Donations are recognized upon receipt.

ii) Corporate advertising and sponsorships

All advertising and sponsorship revenues are recognized as earned in accordance with the terms of the contract, when such amounts are determinable and collection is reasonably assured.

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 and provincial 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.

v) Domestic initiatives and coach education

Revenue generated from domestic initiatives and coach education are recorded on an annual basis matching the fiscal period of the Association and are recorded in the period the activities relate to. These initiatives include targeted athletic programming, insurance and activities related to coach education including annual membership dues, courses, and other initiatives.

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. During fiscal 2022, $1,016,336 of contributed services and materials were recorded in the financial statements as sponsorship and supplier pool revenue (2021 – $957,253). Contributed volunteer services are not recognized in the financial statements because of the difficulty in determining their value.

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 consist 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) Cash and term deposits

Cash and term deposits consist of cash on hand, deposits held with banks, cash held within investment account for operating, and other short-term highly liquid investments which are readily convertible to known amounts of cash.

h) Property and equipment

Property and equipment are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed property and equipment is considered to be fair value at the date of contribution. The cost of property and equipment made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components.

Property and equipment are tested for impairment when conditions indicate that an asset no longer contributes to Alpine Canada Alpin’s ability to provide goods and services, or that the value of future economic benefits or service potential associated with the property and equipment is less than its net carrying amount. When conditions indicate that an asset is impaired, the net carrying amount of the asset is written down to the asset’s fair value or replacement cost. The write-downs of property and equipment are recognized as expenses in the statement of operations.

Write-downs are not subsequently reversed.

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:

Asset	**Rate**	**Basis**
Computer equipment and systems	30%	straight-line
Racing equipment	30%	straight-line
Ski equipment	20%	straight-line
Marketing website	20%	straight-line
National Alpine Training Centre	15%	straight-line
World cup equipment	15%	straight-line
Fitness testing equipment	15%	straight-line
Netting	10%	straight-line
Towers and structures	5%	straight-line

Property and equipment in progress items are not subject to amortization until they are put into use.

i) 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.

j) Financial instruments

The Association's financial instruments recognized in the balance sheet consist of cash and term deposits accounts receivable, assets held in trust, accounts payable and 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 funds held in trust and 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.

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

vi) 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, and the Association takes steps to ensure it minimizes its credit risk by dealing with creditworthy counterparties and regularly monitoring collection of accounts receivable. There has been no significant change in risk exposure from the previous year.

vii) 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.

viii) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet all of its financial obligations as they become due. The Association manages its liquidity risk through adherence to its annual budget in addition to stringent management of receivables and has a $1,120,000 demand credit facility available (note 6). There has been no significant change in risk exposure from the previous year.

3. Government emergency relief COVID-19

COVID has continued into 2022 and management has assessed the financial impact of COVID-19 at April 30, 2022, including collectability of receivables, valuation of assets, assessment of provisions and impact on borrowing agreements. The current economic challenges have resulted in reduced revenues in some provinces from memberships and events due to public health restrictions. Management has mitigated operational constraints with cashflow by emergency relief funding from the Department of Canadian Heritage and the Canadian Emergency Wage Subsidy.

The Association will continue to monitor the impacts of the pandemic on the community that it serves and its employees and continue to adjust to the situation.

In 2020, the Government of Canada introduced COVID-19 emergency relief measures. The Association was eligible for the Canadian Emergency Wage Subsidy as well as emergency support for Cultural, Heritage and Sport Organizations through the Department of Canadian Heritage. In 2022, the Association received $1,250,000 (2021-$1,727,480) COVID-19 emergency support and recognized $1,250,000 (2021-$1,665,480) in Revenue–Government of Canada. As of April 30, 2022, $62,000 of the received COVID-19 emergency support funding is in accounts payable and accrued liabilities (2021 $62,000 was recognized in deferred contributions).

Government emergency relief	**2022** **$**	**2021** **$**
Canadian emergency wage subsidy	-	414,230
Pandemic travel measures support	-	112,000
COVID-19 emergency support department of heritage	1,250,000	1,201,250
	1,250,000	1,727,480

4. Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts are due. Government remittances relate to GST receivable of $61,291 (2021 - $49,343).

5. Property and equipment

			2022	2021
	Cost $	Accumulated amortization $	Net $	Net $
Computer equipment	371,558	218,509	153,049	149,873
Racing equipment	243,955	132,998	110,957	21,584
National alpine training centre	126,552	126,552	-	-
World cup equipment	343,578	227,413	116,165	-
Office equipment	22,408	19,085	3,323	-
Fitness testing equipment	86,512	63,798	22,714	6,146
Netting	149,021	103,029	45,992	60,894
Towers and structures	295,000	103,250	191,750	206,500
Marketing website	52,660	52,660	-	5,266
Ski equipment	70,999	56,766	14,233	13,255
	1,762,243	1,104,060	658,183	463,518

6. Available credit facility

The Association has an available $1,260,000 (2021–$1,400,000) demand credit facility with a Canadian chartered bank, bearing interest at prime (2021–prime). As at April 30, 2022, $nil was outstanding under this facility (2021 – $nil). The Association increased the credit facility from $1,000,000 to $1,400,000 from August 26, 2020 until April 30, 2021 to offset operating costs incurred in this period. The credit facility reduces $140,000 each year on May 31 until 2030.

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.

7. Deferred contributions

Deferred contributions result from externally restricted contributions that have not yet been spent. These externally restricted contributions are then recognized into revenue in the year in which the related expenses are incurred.

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

	2022 $	2021 $
Balance – Beginning of year	1,688,137	1,255,469
Contributions in the year	7,891,618	8,890,270
Amounts recognized as revenue	(8,894,637)	(8,457,602)
Amount reclassified to accounts payable and accrued liabilities	(62,000)	-
Balance – End of year	623,118	1,688,137

8. Fundraising expenses

As required under Section 7(2) of the Charitable Fundraising Act of Alberta, the following amounts are disclosed:

	2022 $	2021 $
Amounts paid as remuneration to employees whose principal duties involve fundraising	251,337	181,57 5

9. Administration expenses

The Association's administration expense breakdown as follows:

	2022 $	2021 $
Emergency relief costs	-	400,000
Restructuring	-	265,000
General administration	1,445,555	1,130,616
	1,445,555	1,795,616

10. Related party balances and transactions

Related party transactions are made on the terms equivalent to those that prevail in an arm's length transaction.

	2022	**2021**
	$	**$**
Fundraising revenue	1,171,284	1,535,938
Sponsorship revenue	926,726	470,250
	2,098,010	2,006,188

11. Commitments

The Association is jointly liable with a third party for a commitment to rent office space in Calgary, Alberta. Both parties are committed to pay minimum annual lease payments $138,000 per annum until August 2022. Under the terms of a separate sponsorship agreement expiring April 30, 2017, the third party directly pays the cost of the rental amount. The Association recognizes the cost of rent and the corresponding contribution from the third party as sponsorship revenue. Commencing May 1, 2017, the Association is committed to pay 50% of the lease payments and operating costs for the remainder term of the lease under a new sponsorship agreement. Other commitments that the Association has committed to are include a copier lease and a memorandum of understanding for a property lease. The Association has entered into an agreement with the landlord for an alternate space in the facility for term of 6 years and 4 months with lease payments of $63,576 per annum.

	$
2022	75,381
2023	64,776
2024	64,776
2025	63,576
2026	63,576
Thereafter	148,344

12. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. These reclassifications do not affect prior year's excess of revenue and expenses.