Alpine Canada Alpin

Financial Statements
April 30, 2023

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, 2023 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, 2023;
- 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 31, 2023

Alpine Canada Alpin

Balance Sheet

As at April 30, 2023

	2023	2022
	$	$
Assets		
Current assets		
Cash & Term Deposits	707,421	700,642
Accounts receivable, net of allowance for doubtful accounts of $56,963 (2022- $40,369)	1,716,491	1,346,214
Prepaid expenses	255,740	105,080
Inventory	25,850	25,850
	2,705,502	2,177,786
Assets held in trust (note 2,d)	1,209,956	714,623
Due from Alpine Canada Events Company (note 10,11)	702,233	-
Property and equipment (note 6)	697,886	658,183
	5,315,577	3,550,592
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	2,083,134	1,516,877
Deferred contributions (note 8)	1,349,980	623,118
	3,433,114	2,139,995
Investment in subsidiary (note 11)	176,990	-
Liability for assets held in trust (note 2d)	1,209,956	714,623
	4,820,060	2,854,618
Net Assets		
Unrestricted	495,517	695,974
	495,517	695,974
	5,315,577	3,550,592

Commitments (note 12)

Alpine Canada Alpin

Statement of Operations and Changes in Net Assets
For the year ended April 30, 2023

	2023	2022
	$	$
Revenue		
Sport Funding Partners (note 3,5)	8,544,567	9,750,430
Partnerships, sponsorship and supplier pool (notes (2(c),10)	3,196,442	2,923,877
Fundraising (note 10)	2,678,748	2,081,309
Membership fees	991,236	807,523
Sport development initiatives	624,654	651,956
Athlete team fees	498,979	757,730
Coach education	494,917	426,735
Provincial grants	383,853	455,000
Events (excluding federal and provincial grants)	340,708	376,493
Other	231,891	126,624
	17,985,995	18,357,677
Expenses		
Canadian Alpine Ski Team	6,176,446	5,524,258
Canadian Ski-Cross Team	2,293,970	3,063,481
Events	1,940,269	2,239,037
Sport Development Programs	1,850,815	1,016,728
Canadian Para-Alpine Ski Team	1,614,553	1,870,633
Administration	1,413,754	1,445,555
Supplier pool (note 2(c))	1,069,078	1,171,625
Partnerships and sponsorship	680,725	591,602
Communications and marketing	350,428	273,503
Coach education	249,482	513,412
Amortization of property and equipment	190,890	146,283
Fundraising (note 9)	179,052	164,616
	18,009,462	18,020,733
(Deficiency)/Excess of revenue over expenses before equity loss from subsidiary	(23,467)	336,944
Equity loss from subsidiary (note 11)	(176,990)	-
(Deficiency)/Excess of revenue over expenses	(200,457)	-
Net Assets – Beginning of year	695,974	359,030
Net Assets – End of year	495,517	695,974

Alpine Canada Alpin

Statement of Cash Flows
For the year ended April 30, 2023

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
(Deficiency)/Excess of revenue over expenses	(200,457)	336,944
Items not affecting cash		
Amortization of property and equipment	190,890	146,283
	(9,567)	483,227
Change in non-cash working capital		
Accounts receivable	(370,277)	(306,502)
Prepaid expenses	(150,660)	12,105
Inventory	-	(13,123)
Accounts payable and accrued liabilities	566,257	659,945
Deferred contribution	726,862	(1,003,019)
	762,615	(167,367)
Investing activities		
Purchase of property and equipment	(230,593)	(340,948)
Due from Alpine Canada Events Company Limited	(702,233)	-
Investment in subsidiary	176,990	-
	(755,836)	(340,948)
Change in cash and term deposits	6,779	(508,315)
Cash and term deposits – Beginning of year	700,642	1,208,957
Cash and term deposits balance – End of year	707,421	700,642

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) 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 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) Sport development and coach education

Revenue generated from Sport Development 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.

c) 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 2023, $1,160,078 of contributed services and materials were recorded in the financial statements as sponsorship and supplier pool revenue (2022 – $1,063,485). Contributed volunteer services are not recognized in the financial statements because of the difficulty in determining their value.

d) 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.

e) Income tax status

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

f) 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.

g) 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
Vehicles	30%	declining balance
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.

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) Investments

Investments in subsidiaries are accounted for using the equity method. The investment is initially recognized at cost. The carrying amount is increased or decreased to reflect the investor’s share of post-acquisition earnings as well as any capital transactions. Distributions from the subsidiary reduce the investment balance.

At the end of each reporting period, the Association considers whether there are indicators that a subsidiary may be impaired. When there is an indication of impairment, the Association determines whether a significant adverse change in the expected timing or amount of future cash flows from the investment has occurred during the period. If the Association identifies a significant adverse change, the carrying amount of the investment is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the investment and the amount that could be realized by selling the asset at the balance sheet date. The amount of the reduction is recognized as an impairment loss in the statement of operations and net assets. A previously recognized impairment loss may be reversed to the extent of improvement, provided the adjusted carrying amount of the investment is 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 the statement of operations and net assets in the year the reversal occurs.

j) Financial instruments

The Association initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm’s length transaction at fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and term deposits, accounts receivable, assets held in trust and prepaid expenses. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and liability for assets held in trust.

All financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. Cost is determined by reference to the consideration transferred or received by the Association in the transaction. All financial instruments resulting from related party transactions are subsequently measured at cost less any reduction for impairment.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method.

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Association determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

If circumstances change, a previously recognized impairment may be reversed to the extent of the improvement, provided the adjusted carrying amount is no greater than the amount that would have been recognized if the impairment had not been recorded.

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

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.

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.

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 $1,260,000 (2022 $1,260,000) demand credit facility available (note 7). 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, 2023, including collectability of receivables, valuation of assets, assessment of provisions and impact on borrowing agreements. Management has mitigated operational constraints with cashflow by emergency relief funding from the Department of Canadian Heritage.

In 2020, the Government of Canada introduced COVID-19 emergency relief measures. The Association was eligible for emergency support from the Department of Canadian Heritage. In 2023, the Association received $1,082,861 (2022-$1,250,000) COVID-19 emergency support and recognized $1,082,861 (2022-$1,250,000) in Revenue–Government of Canada. As of April 30, 2023, $62,000 (2022 - $62,000) of the received COVID-19 emergency support funding is in accounts payable and accrued liabilities.

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 related to payroll remittances $3,177 (2022 GST- $61,291).

5. Sport Funding Partners

Sport Funding Partners revenue consists of funding from the Government of Canada and the Canadian Olympic Committee and the Canadian Paralympic Committee based on the technical leadership and guidance of Own the Podium. Own the Podium provides technical leadership and guidance to national sport organizations.

	2023 $	2022 $
Government of Canada	7,638,862	8,118,500
Canadian Olympic Committee	815,004	1,546,087
Canadian Paralympic Committee	100,701	85,843
	8,554,567	9,750,430

6. Property and equipment

			2023	2022
	Cost $	Accumulated amortization $	Net $	Net $
Computer equipment and systems	390,669	278,310	112,359	153,049
Racing equipment	294,873	199,874	94,999	110,957
World cup equipment	348,432	239,552	108,880	116,165
Office equipment	97,654	5,000	92,654	3,323
Fitness testing equipment	86,512	67,473	19,039	22,714
Vehicle	79,228	17,364	61,864	-
Netting	149,021	117,930	31,091	45,992
Towers and structures	295,000	118,000	177,000	191,750
Organization website	52,600	52,660	-	-
Ski equipment	21,844	21,844	-	14,233
	1,942,445	1,244,559	697,886	658,183

7. Available credit facility

The Association has an available $1,260,000 (2022–$1,260,000) demand credit facility with a Canadian chartered bank, bearing interest at prime (2022–prime). As at April 30, 2023, $247,867 was outstanding under this facility (2022 – $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.

8. 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:

	2023 $	2022 $
Balance – Beginning of year	623,118	1,688,137
Contributions in the year	9,765,495	7,891,618
Amounts recognized as revenue	(9,038,633)	(8,894,637)
Amount reclassified to accounts payable and accrued liabilities	-	(62,000)
Balance – End of year	1,349,980	623,118

9. Fundraising expenses

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

	2023 $	2022 $
Amounts paid as remuneration to employees whose principal duties involve fundraising	231,418	251,337

10. Related party balances and transactions

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

During the year, the Association hosted the 2022 Lake Louise World Cup (the Event) through its subsidiary, Alpine Canada Events Company Limited (note 11). The funds received and expenditures paid on behalf of the subsidiary are summarized in the table below.

	2023
	$
World Cup revenues	4,169,723
World Cup expenses	4,871,956
Amounts due from Alpine Canada Events Company	702,233

Transactions with other related parties amounted to $1,888,594 (2022 - 1,171,284) and $951,524 (2022 - 926,726) and are included in Fundraising revenue and Partnerships, sponsorship and supplier pool revenue, respectively.

11. Investment – Alpine Canada Events Company Limited

The Alpine Canada Events Company Limited (the subsidiary) was incorporated as a wholly owned for-profit subsidiary of the Association under the Business Corporations Act of the Government of Alberta on September 26, 2022 with the purpose of managing the Lake Louise World Cup in 2022.

The subsidiary's financial information for the period of September 26, 2022 to April 30, 2023 and for the period then ended is summarized below. The statement of cash flows is not disclosed and the subsidiary did not obtain a bank account or hold cash until subsequent to year-end.

Balance Sheet

Total assets	663,324
Accounts payable and accrued liabilities	138,081
Due to Alpine Canada Alpin	702,233
Total liabilities	840,314
Net assets – beginning of period	-
Net assets – end of period	(176,990)

Statement of Operations

Total revenues	4,750,698
Total expenses	4,927,688
Excess (deficiency) of revenue over expenses	(176,990)

12. 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 include a copier lease and a memorandum of understanding for a property lease and two vehicle leases. The Association has entered into an agreement with the landlord for an alternate space in the facility for a term of 5 years with a 3-year extension, with lease payments of $63,415 per annum.

	$
2023	88,592
2024	90,806
2025	89,606
2026	89,606
2027	76,382
Thereafter	253,659

13. Comparative figures

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