

Canada West Ski Areas Association

Financial Statements

March 31, 2019

(Unaudited)

Canada West Ski Areas Association

March 31, 2019

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Independent Practitioner's Review Engagement Report

To the directors of Canada West Ski Areas Association:

We have reviewed the accompanying financial statements of Canada West Ski Areas Association that comprise the Statement of Financial Position as at March 31, 2019 and the Statement of Operations - General Fund, Statement of Changes in Fund Balances and Statement of Cash Flows for the year then ended and 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 private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards.

Accordingly, we do not express an opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not presently fairly, in all material respects, the financial position of Canada West Ski Areas Association as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Banka & Company
Chartered Professional Accountants

Kelowna, BC

Canada West Ski Areas Association

Statement of Financial Position

March 31, 2019

(Unaudited)

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash		\$ 454,737	\$ 512,834
Trade accounts receivable	3.	70,050	82,373
Taxes recoverable	3.	21,059	12,178
Other accounts receivable	3.	18,360	55,184
Prepaid	4.	168,494	105,789
Total Current Assets		732,700	768,358
Long term investments	5.	541,106	525,472
Property, plant and equipment, net of accumulated amortization	6.	778	3,658
Total Assets		\$ 1,274,584	\$ 1,297,488
Liabilities and Shareholders' Equity			
Current Liabilities			
Trade accounts payable	7.	\$ 78,819	\$ 179,058
Provincial Sales Tax Payable	7.	79	39
Other accrued liabilities	7.	23,081	86,779
Deferred income/revenue	8.	399,383	287,340
Due to related parties	9.	40,000	40,000
Total Current Liabilities		541,362	593,216
Funds			
Externally Restricted Funds (per Statement of Changes in Fund Balances)		223,640	231,733
Endowment Funds (per Statement of Changes in Fund Balances)		40,722	40,633
General Fund (per Statement of Operations)		468,860	431,906
Total Funds		733,222	704,272
Total Liabilities and Fund Balances		\$ 1,274,584	\$ 1,297,488

COMMITMENTS (Note 12)

Approved on Behalf of the Board:

(Signed) "Peter Nixon", Treasurer and Director

(Signed) "Christopher Nicolson", President and CEO

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

Canada West Ski Areas Association

Statement of Operations - GENERAL FUND

For the Year Ended March 31, 2019

(Unaudited)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Revenue			
Membership dues - regular	\$ 87,513	\$ 92,500	\$ 92,075
Membership dues - associate	72,795	65,000	70,215
Interest income	6,245	3,250	6,265
Other revenue	3,929	3,000	3,001
CSC Grade 4/5 Snow Pass	60,808	55,000	61,596
Program Revenue			
CWSAA Competitor Pass Program	279,917	260,000	260,839
Spring Conference	321,680	255,000	250,517
Zone Meetings	39,823	32,000	30,767
	872,710	765,750	775,275
Expenditure			
Accounting / Legal Fees	5,000	5,000	3,750
Advertising, Promotion, Website	5,645	9,000	8,718
Amortization of tangible assets	2,880	3,000	4,910
Bank Charges	13,231	7,700	12,624
Insurance	3,288	2,500	2,783
Miscellaneous	41,818	40,000	41,279
Office expenses	24,259	30,800	31,419
Office lease	25,134	25,200	24,990
Safety and risk management	5,829	7,600	14,234
Salaries and wages	260,515	260,580	256,310
Telephone/Internet	6,234	5,500	5,378
Travel & Directors expenses	58,290	47,000	54,551
Program Expenditures			
CWSAA Competitor Pass Program	40,000	40,000	40,000
Spring Conference	302,837	260,000	247,268
Zone Meetings	40,796	32,000	32,994
	835,756	775,880	781,208
Excess (Deficiency) of Revenue over Expenditure	36,954	(10,130)	(5,933)
Balance, beginning of year	431,906	431,906	437,839
Balance, End of Year	\$ 468,860	\$ 421,776	\$ 431,906

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

Canada West Ski Areas Association

Statement of Changes in Fund Balances

For the Year Ended March 31, 2019

(Unaudited)

EXTERNALLY RESTRICTED FUNDS	ALBERTA ENERGY COMMITTEE FUND	ALBERTA SKI INDUSTRY MARKETING COMMITTEE (ASIMC) FUND	BC NORDIC FUND	EXPERIENCE BC MARKETING FUND	SAFETY ACT FUND	SKI SCHOOL DIVISION FUND	SMALL AREAS ASSISTANCE FUND	UNIVERSITY OF CALGARY AVALANCHE RESEARCH FUND	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	25,821	2,449	15,399	23,935	43,384	72,770	24,166	23,806	231,730	234,844
Contributions	-	18,850	-	1,096,500	-	1,229	11,450	-	1,128,029	1,099,720
Distributions	(16,929)	(24,823)	-	(1,078,739)	-	-	(14,729)	(900)	(1,136,120)	(1,102,831)
Excess(Deficiency) of Contributions Over Distributions	(16,929)	(5,973)	-	17,761	-	1,229	(3,279)	(900)	(8,091)	(3,111)
Balance, End of Year	8,892	(3,524)	15,399	41,696	43,384	73,999	20,887	22,906	223,640	231,733

ENDOWMENT FUNDS	JIM MARSHALL AWARD ENDOWMENT FUND	LARS FOSSBERG AWARD ENDOWMENT FUND								2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Contributions	29,504	11,129	-	-	-	-	-	-	40,633	39,684	
Distributions	(300)	(300)	-	-	-	-	-	-	(600)	-	
Excess(Deficiency) of Contributions Over Distributions	204	(115)	-	-	-	-	-	-	89	949	
Balance, End of Year	29,708	11,014	-	-	-	-	-	-	40,722	40,633	

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

Canada West Ski Areas Association

Statement of Cash Flows

For the Year Ended March 31, 2019

(Unaudited)

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Alberta Energy Committee Fund	\$ (16,929)	\$ (6,615)
Alberta Regional Industry Promotion Fund	(5,973)	(7,899)
University of Calgary Avalanche Research Fund	(900)	(4,527)
Experience BC Marketing Fund	17,761	14,512
Ski School Division Fund	1,229	(848)
Small Areas Assistance Fund	(3,279)	2,263
Jim Marshall Award Endowment Fund	204	687
Lars Fossberg Award Endowment Fund	(115)	262
General Fund	37,954	(5,933)
Amortization of Capital Assets	2,880	4,910
Net change in non cash working capital	(75,295)	211,741
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(42,463)	208,553
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in investments	(15,634)	32,902
Purchase of property, plant and equipment	-	(3,112)
NET CASH USED BY INVESTING ACTIVITIES	(15,634)	29,790
Net cash increase (decreases) in cash and cash equivalents	(58,097)	238,343
Cash and cash equivalents at beginning of period	512,834	274,491
Cash and cash equivalents at end of period	\$ 454,737	\$ 512,834

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

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

1. Purpose of the Organization

Canada West Ski Areas Association (CWSAA) is a not-for-profit trade organization that represents the Ski Areas of Western Canada. Its primary areas of focus are government relations, media relations, marketing, safety & risk management and industry conferences. CWSAA was founded in 1967 and incorporated in 1973 under the Canada Corporations Act. At the May 12, 2014 CWSAA AGM, CWSAA members approved new By-Laws and Articles of Continuance to facilitate a migration to the new Canada Not-For-Profit Corporations Act. CWSAA filed the required forms with Corporations Canada on May 26, 2014 and received a Certificate of Continuance on June 3, 2014.

2. Significant Accounting Policies

a. Nature of business/basis of preparation

i. Basis of accounting

The Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Canada West Ski Areas Association's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors meets periodically with management and the members' accountants to review significant accounting, reporting and internal control matters. The Board also considers for review and approval by the members, the engagement or re-appointment of the external accountants.

b. Fund Accounting

Canada West Ski Areas Association follows the restricted fund method of accounting for contributions to Externally Restricted and Endowment Funds, and the deferral method of accounting for contributions to the General Fund.

Externally Restricted Funds

The Alberta Energy Committee Fund reports externally restricted resources that are used to support the collective efforts of Alberta ski areas to analyse and advocate for reductions in energy rates. Funds are derived from Alberta ski operators.

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

2. Significant Accounting Policies continued

b. Fund Accounting continued

The Alberta Ski Industry Marketing Committee (ASIMC) Program reports contributions from participating Alberta Ski Area Operators and Travel Alberta matching contributions to support efforts to develop awareness and interest amongst new skiers.

The Safety Act Fund reports externally restricted resources that are to be used in lobbying the courses of action related to ski area safety legislation. Funds are derived from members' contributions.

The Ski School Division Fund reports externally restricted resources that are used for funding assistance in matters of specific interest or education of ski school staff. Funds were transferred from Canadian Professional Ski School Association upon dissolution of this organization. Interest income earned on resources of this fund is reported as revenue of this fund.

The Small Areas Assistance Fund reports externally restricted contributions that are to be used to assist small ski areas with annual skier visits of less than 20,000, with funding for risk management, safety training and any other worthy activity. Funds are derived from fund raising events.

The Experience BC Marketing Fund reports externally restricted resources that are used to drive incremental destination skier visits and revenues for BC. Contributions are derived from participating members' contributions and Destination BC matched funding.

The University of Calgary Avalanche Research Fund reports externally restricted resources that are used to provide financial assistance in research and development of avalanche detection and prevention techniques. Funds are derived from members' contributions.

The BC Nordic Ski Fund holds funds that are intended to support future Nordic ski marketing initiatives in the province of British Columbia. These funds were transferred to CWSAA upon dissolution of the BC Nordic Marketing Society.

Endowment Funds

The Jim Marshall Award Endowment Fund reports resources contributed for endowment and interest income earned on resources of this fund. The fund is to be used to provide annually an award to the person selected for outstanding contributions to the sport of alpine skiing.

The Lars Fossberg Award Endowment Fund reports resources contributed for endowment and interest income earned on resources of this fund. The fund is to be used to provide an annual award to the manager or supervisor who shows a high degree of initiative and creativity together with the ability to improvise when dealing with the unexpected.

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

2. Significant Accounting Policies continued

b. Fund Accounting continued

General Fund

The General Fund accounts for the organization's program delivery and administrative activities.

c. Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Membership fees are recognized as revenue of the General Fund when earned.

Interest income is recognized on a time proportional basis.

d. Investments

i. Long term investments - cost and valuation

Long-term investments in Guaranteed Investment Certificates (GIC's) are recorded at cost. Interest is accrued over the life of the investment.

e. Property, plant and equipment

i. Valuation, method and amount

Property, plant and equipment is carried at cost. Amortization is calculated using the declining balance method at 50% for computers and website development, 100% for software and 50% for furniture and equipment.

f. Financial instruments

i. Fair values not materially different from book values

The association has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

g. Use of estimates

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

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

2. Significant Accounting Policies continued

g. Use of estimates continued

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and all other assumptions that we believe are reasonable under the circumstances. Actual results could differ from these estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

3. Receivables

	2019	2018
	\$	\$
Trade accounts receivable	\$ 70,050	\$ 82,373
Taxes recoverable	21,059	12,178
Other accounts receivable	18,360	55,184
Total	\$ 109,469	\$ 149,735

Trade accounts receivable is comprised of government grants, spring conference registration fees, spring conference sponsorships and membership dues receivable. The amount is shown net of a \$525 provision for anticipated non-renewal of memberships.

Taxes recoverable consists of GST refunds receivable.

Other accounts receivable consists of program revenues receivable.

4. Prepaid expenses

	2019	2018
	\$	\$
Spring Conference Deposits	\$ 162,919	\$ 98,725
Lease Deposit	4,200	4,200
Printing	-	1,864
Insurance	1,375	-
Division Meeting Deposit	-	1,000
Total	\$ 168,494	\$ 105,789

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

5. Investments

	Type	Maturity Date	Rate	Market Value \$	2019 \$	2018 \$
Matured and Short Term						
Accrued Interest				\$ -	\$ 2,395	\$ 19,213
Business Investment	Savings	None	0.4000	128,002	128,002	175,982
				128,002	130,397	195,195
Long Term						
Prospera	GIC-18 month	02/14/2020	1.7500	101,100	100,882	100,000
Prospera	GIC -1 year	07/09/2019	1.3000	75,708	75,000	-
Prospera	GIC-18 month	01/09/2020	1.7500	75,956	75,662	-
Prospera	GIC-18 month	07/09/2020	2.8500	54,738	54,394	-
Prospera	GIC-18 month	09/03/2020	2.8500	50,761	50,650	-
ICICI Bank of Canada	GIC-4 year	04/04/2018	2.3200	-	-	90,000
Tangerine Bank	GIC-4 year	04/04/2018	2.3200	-	-	39,861
RBC Bank	GIC-5 year	31/07/2019	2.0000	54,841	54,121	53,060
Tangerine Bank	GIC-5 year	01/09/2019	2.8100	-	-	47,356
Subtotal				413,104	410,709	330,277
Total				\$ 541,106	\$ 541,106	\$ 525,472

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

6. Property, plant and equipment

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Furniture and fixtures	\$ 12,254	\$ (12,254)	\$ -	\$ -
Computer equipment	22,702	(21,924)	778	2,334
Website development	5,295	(5,295)	-	1,324
Total	\$ 40,251	\$ (39,473)	\$ 778	\$ 3,658

7. Accounts payable and accrued expenses

	2019	2018
	\$	\$
Trade accounts payable	\$ 78,819	\$ 179,059
Provincial Sales Tax payable	79	39
Other accrued liabilities	23,081	86,779
Total	\$ 101,979	\$ 265,877

Trade accounts payable are amounts owing to providers of marketing services, administered on behalf of BC Ski Areas and Destination BC. Also included in trade accounts payable is \$1,044 payable to a director for a reimbursement of expenses.

Other accrued liabilities include accrued amounts owing for marketing fees, consulting fees, accounting fees and employee vacation pay.

Canada West Ski Areas Association

Notes to the Financial Statements

For the Year Ended March 31, 2019

(Unaudited)

8. Deferred Revenue

Deferred revenue represents funds received in advance of program expenditures:

	2019	2018
	\$	\$
Spring Conference Registration and Sponsorship Fees	\$ 266,223	\$ 287,340
Membership Dues	133,160	-
Total	\$ 399,383	\$ 287,340

9. Due to related parties

Amounts due to related parties are rebates payable to member ski hills as part of a competitor pass equalization program.

10. Financial Risks

Credit Risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market Risk

Market risk is defined as the risk that the fair value future cash flows of a financial instrument will fluctuate because of changes in market prices.

Summary:

The association does not face significant financial risk exposure. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include accounts receivable and investments.

11. Government Funding

Destination BC provided \$535,000 in funding for the Experiences BC Alpine Ski Marketing Campaign, plus a further \$35,000 for the Experiences BC Nordic Ski Marketing Campaign.

12. Lease Commitments

The association has a five year office space lease agreement ending December 1, 2021. Future annual lease commitments are \$24,000 per year.