



**CANADIAN SKI PATROL**

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## **Financial Statements**

**For the year ended March 31, 2018**



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## Independent Auditor's Report

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**To the Members of  
Canadian Ski Patrol / Patrouille Canadienne de Ski**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Canadian Ski Patrol / Patrouille Canadienne de Ski - National Office, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and 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 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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.

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

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## Independent Auditor's Report (continued)

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### Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Our audit opinion on the financial statements for the year ended March 31, 2017 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenue over expenses for the years ended March 31, 2018 and 2017, assets as at March 31, 2018 and 2017, and net assets at both the beginning and end of the March 31, 2018 and 2017 years.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Ski Patrol / Patrouille Canadienne de Ski - National Office as at March 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Collins Barrow Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants

May 15, 2018

Ottawa, Ontario

**Canadian Ski Patrol - Patrouille Canadienne de Ski**  
**National Office**  
**Statement of Financial Position**

**March 31** **2018** **2017**

**Assets**

**Current assets**

Cash (Note 1)	\$ 308,819	\$ 173,952
Short-term deposits (Note 1)	52,265	52,005
Accounts receivable (Note 2)	98,914	106,365
Inventory	20,752	21,800
Prepaid expenses	47,163	107,412

**527,913** **461,534**

**Tangible capital assets (Note 3)**

**54,370** **60,537**

**\$ 582,283** **\$ 522,071**

**Liabilities and Net Assets**

**Current liabilities**

Accounts payable and accrued liabilities (Note 2)	\$ 173,643	\$ 64,156
Government remittances payable	-	484
Deferred revenue	-	21,543

**173,643** **86,183**

**Contingent liability (Note 4)**

**Net assets**

Net assets internally restricted for invested in capital assets	54,370	60,537
Net assets internally restricted for CEO replacement reserve	75,000	75,000
Net assets internally restricted for education reserve	75,000	75,000
Net assets internally restricted for contingency reserve	135,902	135,640
Unrestricted net assets	68,368	89,711

**408,640** **435,888**

**\$ 582,283** **\$ 522,071**

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

**Canadian Ski Patrol - Patrouille Canadienne de Ski**  
**National Office**  
**Statement of Changes in Net Assets**

For the year ended March 31

2018

2017

	Internally restricted						
	Invested In Capital Assets	CEO Replacement Reserve	Education Reserve	Contingency Reserve	Unrestricted	Net Assets	Net Assets
<b>Balance, beginning of year</b>	\$ 60,537	\$ 75,000	\$ 75,000	\$ 135,640	\$ 89,711	\$ 435,888	\$ 446,448
<b>Deficiency of revenue over expenses for the year</b>	(6,167)	-	-	-	(21,081)	(27,248)	(10,560)
<b>Transfers</b>							
Interest earned on funds internally restricted for contingency reserve (Note 5)	-	-	-	262	(262)	-	-
<b>Balance, end of year</b>	\$ 54,370	\$ 75,000	\$ 75,000	\$ 135,902	\$ 68,368	\$ 408,640	\$ 435,888

# Canadian Ski Patrol - Patrouille Canadienne de Ski

## National Office

### Statement of Operations

For the year ended March 31

2018

2017

	Budget (Unaudited)	Total	Total
<b>Revenue</b>			
<b>Sales</b> (Note 2)	\$ 72,300	\$ 136,113	\$ 270,756
<b>Internal revenue</b>			
Membership fees	632,108	623,472	598,531
Program revenue	49,000	9,467	61,656
Donations	-	-	1,780
	<b>681,108</b>	<b>632,939</b>	<b>661,967</b>
<b>External revenue</b>			
Direct mail	100,950	54,906	54,999
Other external programs	22,400	12,931	8,879
Other rent	3,780	3,600	3,600
	<b>127,130</b>	<b>71,437</b>	<b>67,478</b>
<b>Other Revenue</b>			
Advertising	24,000	600	23,612
Expense recoveries	44,814	51,353	19,618
Interest (Note 5)	881	262	489
Leadership conference	144,650	147,934	165,639
Other income	500	6,076	8,191
	<b>214,845</b>	<b>206,225</b>	<b>217,549</b>
	<b>1,095,383</b>	<b>1,046,714</b>	<b>1,217,750</b>
<b>Expenses</b>			
Amortization of tangible capital assets	6,300	6,167	6,542
Fund development	51,200	35,950	41,145
Leadership conference	233,123	217,986	223,008
Internal meetings	114,604	81,361	86,758
External meetings	5,700	8,404	9,567
Education resources	19,500	4,908	2,377
Professional development	-	3,155	234
Insurance	76,814	87,366	86,858
Head office	451,935	432,361	430,140
Corporate communications	34,200	20,565	42,196
Finance	23,300	29,165	32,874
Board/MC expenses	6,000	4,650	1,003
Cost of sales	67,470	130,168	247,712
Patroller resources	5,000	3,527	5,373
Endowment contribution	-	625	2,523
Professional fees	-	7,604	10,000
	<b>1,095,146</b>	<b>1,073,962</b>	<b>1,228,310</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ 237</b>	<b>\$ (27,248)</b>	<b>\$ (10,560)</b>

**Canadian Ski Patrol - Patrouille Canadienne de Ski**  
**National Office**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Deficiency of revenue over expenses for the year	\$ (27,248)	\$ (10,560)
Adjustments for amortization of tangible capital assets	<u>6,167</u>	<u>6,542</u>
	<b>(21,081)</b>	<b>(4,018)</b>
Changes in non-cash working capital items		
Accounts receivable	7,451	(53,864)
Inventory	1,048	(18,383)
Prepaid expenses	60,249	(52,040)
Accounts payable and accrued liabilities	109,487	3,487
Deferred revenue	(21,543)	21,543
Government remittances payable	<u>(484)</u>	<u>484</u>
	<b>135,127</b>	<b>(102,791)</b>
<b>Cash flows from investing activities</b>		
Net increase in short-term investments	<u>(260)</u>	<u>(490)</u>
<b>Increase (decrease) in cash during the year</b>	<b>134,867</b>	<b>(103,281)</b>
<b>Cash, beginning of year</b>	<u>173,952</u>	<u>277,233</u>
<b>Cash, end of year</b>	<b>\$ 308,819</b>	<b>\$ 173,952</b>

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# Canadian Ski Patrol - Patrouille Canadienne de Ski

## National Office

### Summary of Significant Accounting Policies

March 31, 2018

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**Nature of Organization** Canadian Ski Patrol - Patrouille Canadienne de Ski is incorporated under the laws of Canada to promote safe skiing and to provide assistance to injured skiers. The organization was continued under the Canada Not-for-profit Corporations Act on June 27, 2013. The organization is a registered charity under the Income Tax Act and is therefore exempt from income taxes and may issue official donation receipts to donors.

The accompanying financial statements reflect the assets, liabilities and operating results of the Canadian Ski Patrol / Patrouille Canadienne de Ski - National Office. Because the National Office has no control or influence over the divisions and zones of the Canadian Ski Patrol - Patrouille Canadienne de Ski, these financial statements do not reflect their assets, liabilities or operating results.

**Basis of Presentation** These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

**Financial Instruments** Measurement of financial instruments  
Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The organization subsequently measures all its financial assets and financial liabilities at 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 excess of revenue over expenses.

Financial assets and financial liabilities measured at amortized cost include cash, short-term deposits, accounts receivable and accounts payable and accrued liabilities.

Impairment  
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.



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# Canadian Ski Patrol - Patrouille Canadienne de Ski

## National Office

### Summary of Significant Accounting Policies

March 31, 2018

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**Financial Instruments**  
(continued)

Transaction costs

The organization recognizes its transactions costs in the excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Revenue Recognition**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Membership fees are set annually by the board of directors and are recognized as revenue proportionately over the fiscal year.

Sales are recognized at the time of shipment. Other revenues are recorded when earned.

**Contributed Materials and Services**

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

**Inventory**

Inventory is stated at the lower of cost and net realizable value. Cost was determined on a first-in, first-out basis.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset and is provided as follows:

Building	40 years straight-line basis
Major building components	25 years straight-line basis
Computer	30% declining balance basis
Office equipment	20% declining balance basis

Computer and office equipment are amortized at half the regular rate in the year of acquisition.

**Education Reserve Fund**

The education reserve fund represents net assets internally restricted for education. The revenue and expenses applied to the reserve are determined by the board of directors. The maximum balance in the fund has been set at \$100,000. On an ongoing basis, the fund will be replenished from general revenues to maintain the maximum reserve.

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**Canadian Ski Patrol - Patrouille Canadienne de Ski  
National Office  
Summary of Significant Accounting Policies**

**March 31, 2018**

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**Invested in  
Capital Assets**

Net assets invested in capital assets is comprised of the net book value of tangible capital assets.

**Contingency Reserve**

Contingency reserve represents net assets internally restricted for the following contingencies:

- a. to cover cash flow needs of the organization for a period not to go beyond the fiscal year end of March 31st; or
- b. to fund special projects for which such borrowing has been authorized by the board of directors.

**CEO Replacement  
Reserve**

The executive director reserve represents net assets internally restricted for the purpose of funding the costs of hiring a new executive director. Funds allocated to the reserve are determined by the board of directors.

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## Canadian Ski Patrol - Patrouille Canadienne de Ski

### National Office

### Notes to Financial Statements

**March 31, 2018**

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#### 1. Cash and Short-Term Deposits

Cash and short-term deposits are held at one chartered bank. Short-term deposit consist of a one-year term guaranteed investment certificates earning interest of 0.50% per annum.

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#### 2. Related Party Transactions

All revenue from sales, membership fees and program revenues are earned from divisions and zones making up the organization.

Accounts receivable includes an amount of \$62,465 (2017 - \$87,961) from divisions and zones.

Accounts payable includes an amount of \$24,617 (2017 - \$19,971) to divisions and zones.

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#### 3. Tangible Capital Assets

	2018			2017		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 16,350	\$ -	\$ 16,350	\$ 16,350	\$ -	\$ 16,350
Building	172,575	155,971	16,604	172,575	151,656	20,919
Major building components	21,770	3,048	18,722	21,770	2,177	19,593
Computer	42,806	41,085	1,721	42,806	40,347	2,459
Office equipment	12,798	11,825	973	12,798	11,582	1,216
	<b>\$ 266,299</b>	<b>\$ 211,929</b>	<b>\$ 54,370</b>	<b>\$ 266,299</b>	<b>\$ 205,762</b>	<b>\$ 60,537</b>

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#### 4. Contingent Liability

As national office of the Canadian Ski Patrol, the organization is thereby contingently liable for obligations of the divisions and zones comprising the Canadian Ski Patrol.

There are multiple lawsuits filed against the organization for incidents which arose in the ordinary course of business. In the opinion of management, the outcome of the lawsuits, now pending, is not determinable. Should any additional losses result from the resolution of these claims, such loss will be accounted for in the period of settlement.

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# Canadian Ski Patrol - Patrouille Canadienne de Ski

## National Office

### Notes to Financial Statements

March 31, 2018

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5. **Interest Revenue**

	2018	2017
Revenue earned on internally restricted resources	\$ 262	\$ 489

In accordance with Canadian accounting standards for not-for-profit organizations, all interest revenue is recorded in the statement of operations. Interest earned on internally restricted contingency reserve funds is transferred from the operating fund on the statement of changes in net assets, as designated by the board of directors.

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6. **Risks and Concentrations**

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at March 31, 2018.

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 organization is exposed to this credit risk mainly in respect of its accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The organization is only exposed to interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed interest investments.

Changes in Risk

There have been no changes in the organization's risk exposures from the prior year.

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7. **Comparative Amounts**

In certain instances, 2017 amounts presented for comparative purposes have been restated to conform with the financial statement presentation adopted for the current year.

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