

**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**

FINANCIAL STATEMENTS

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Avalanche Canada Foundation / Fondation Avalanche Canada:

We have audited the accompanying financial statements of Avalanche Canada Foundation / Fondation Avalanche Canada, which comprise the statement of financial position as at June 30, 2017 and the statements of revenue, expenditures and net assets and cash flow 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 judgement, 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 for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Avalanche Canada Foundation / Fondation Avalanche Canada derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Avalanche Canada Foundation / Fondation Avalanche Canada. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flow from operations for the periods ended June 30, 2017 and 2016, current assets as at June 30, 2017 and 2016, opening net assets as at July 1, 2016 and July 1, 2015 and closing net assets as at June 30, 2017 and 2016.

Qualified Opinion

In our opinion, except for the possible 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 Avalanche Canada Foundation / Fondation Avalanche Canada as at June 30, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Canmore, Alberta
October 5, 2017


CHARTERED PROFESSIONAL ACCOUNTANTS


**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**
(Incorporated under the laws of Canada)

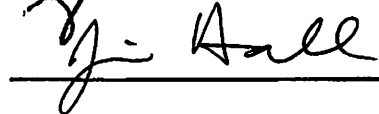
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

	ASSETS	2017	2016
Current assets			
Cash, cash equivalents and short-term deposits (note 2)		\$ 867,165	\$ 787,717
Accounts receivable (note 3)		1,512	1,293
		<u>868,677</u>	<u>789,010</u>
Long-term investments (note 4)		5,239	5,069
		<u>\$ 873,916</u>	<u>\$ 794,079</u>
	LIABILITIES		
Current liabilities			
Accounts payable and accrued liabilities		\$ 7,085	\$ 6,965
Deferred contributions (note 5)		355,205	388,695
		<u>362,290</u>	<u>395,660</u>
	NET ASSETS		
Unrestricted net assets		<u>511,626</u>	<u>398,419</u>
		<u>\$ 873,916</u>	<u>\$ 794,079</u>

Approved on behalf of the Board,


_____, Director


_____, Director

**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**

STATEMENT OF REVENUE, EXPENDITURES AND NET ASSETS

YEAR ENDED JUNE 30, 2017

	2017	2016
Revenue		
Donations		
Corporate	\$ 28,371	\$ 42,347
Individual	46,009	50,524
	<u>74,380</u>	<u>92,871</u>
Deferred contributions recognized (note 5)	65,401	68,400
Fundraising (note 6)	185,933	242,692
Interest and other income	3,909	4,093
	<u>329,623</u>	<u>408,056</u>
Expenditures		
Bank charges and interest	1,440	3,179
Fundraising (note 6)	87,003	115,211
Insurance	2,536	1,464
Office	5,274	10,850
Professional fees	21,033	17,164
Public education - direct funding	55,401	43,800
Public education - intermediary agreements	40,000	39,930
Travel	3,729	3,741
	<u>216,416</u>	<u>235,339</u>
Excess of revenue over expenditures	113,207	172,717
Net assets, beginning of year	398,419	225,702
Net assets, end of year	<u>\$ 511,626</u>	<u>\$ 398,419</u>

**AVALANCHE CANADA FOUNDATION /
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STATEMENT OF CASH FLOW

YEAR ENDED JUNE 30, 2017

	2017	2016
Cash provided by (used for)		
Operating activities		
Receipts from donations and fundraising	\$ 231,102	\$ 311,016
Operating payments	(155,393)	(147,680)
Interest and other income	3,909	4,093
	<u>79,618</u>	<u>167,429</u>
Investing activities		
Purchase of investments	(2,103,717)	(249,886)
Redemption of investments	1901,248	50,000
	<u>(202,469)</u>	<u>(199,886)</u>
Cash outflow	(122,851)	(32,457)
Cash and cash equivalents, beginning of year	537,899	570,356
Cash and cash equivalents, end of year	<u>\$ 415,048</u>	<u>\$ 537,899</u>
Cash and cash equivalents consists of:		
Cash	\$ 339,194	\$ 462,611
Money market fund	75,854	75,288
	<u>\$ 415,048</u>	<u>\$ 537,899</u>
Cash and cash equivalents subject to restriction consists of:		
Cash restricted to fund deferred contribution obligations (note 5)	\$ 355,205	\$ 388,695
Unrestricted cash	59,843	149,204
	<u>\$ 415,048</u>	<u>\$ 537,899</u>

**AVALANCHE CANADA FOUNDATION /
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

The Avalanche Canada Foundation / Fondation Avalanche Canada is a federally registered charity that raises funds and collects donations to support public avalanche safety initiatives.

1. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Revenue recognition

i) Deferred contributions

From time to time, the Foundation receives donations in memory of avalanche victims or for other designated purposes. The organization follows the deferral method of accounting for these restricted donations. Deferred contributions are recognized as revenue in the period in which the related expenditures are incurred, as detailed in note 5.

ii) Grants, general donations and fundraising revenue

Unrestricted grants, general donations and fundraising revenue are recognized as revenue when received.

b) Income taxes

The foundation is a charitable organization and as such is exempt from income tax pursuant to Section 149(1)(f) of the Income Tax Act of Canada.

c) Contributed goods and service

Contributed goods and services are recognized in the financial statements at the fair value of the items received. Volunteer time is not recorded due to the difficulty in determining the fair value.

d) Cash and cash equivalents

Cash and cash equivalents include restricted and unrestricted cash on deposit and highly liquid money market instruments with maturities of less than three months at acquisition. Restricted cash is held to fund donor directed projects as described in note 5. The Foundation maintains cash and cash equivalents at financial institutions which, periodically, may exceed federally insured amounts.

**AVALANCHE CANADA FOUNDATION /
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. Accounting policies (cont'd)

e) Financial instruments

The Foundation's financial instruments consist of cash, cash equivalents and short-term deposits, accounts receivable, long-term investments and accounts payable and accrued liabilities. These financial instruments are measured at amortized cost and evaluated for impairment at each balance sheet date with the write-down recorded in net income. Impairment reversals may occur and the asset can be written up to its original cost.

Unless otherwise noted it is the directors' opinion that the Foundation is not exposed to significant credit, currency, interest rate, liquidity or market risk arising from these financial instruments.

f) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant items subject to such estimates and assumptions include accrued liabilities and the fair value of items contributed by way of donation. Actual results could differ from those reported.

2. Cash, cash equivalents and short-term deposits

	2017	2016
Cash	\$ 339,194	\$ 462,611
Money market fund	75,854	75,288
Discount instruments yielding .574 to .7601 percent per annum, maturing between July, 2017 to December, 2017	452,117	149,818
Guaranteed Investment Certificate bearing interest at .85 percent per annum, maturing June 28, 2017	-	100,000
	\$ 867,165	\$ 787,717
	\$ 867,165	\$ 787,717

3. Accounts receivable

	2017	2016
Goods and services tax recoverable	\$ 1,257	\$ 1,145
Other receivables	255	148
	\$ 1,512	\$ 1,293
	\$ 1,512	\$ 1,293

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4. Long-term investments

	2017	2016
Guaranteed Investment Certificate bearing interest at 1 percent for Year 1, 1.2 percent for Year 2 and 1.3 percent for Year 3 maturing June 8, 2020	\$ 5,239	\$ 5,069
	<u> </u>	<u> </u>

The above Guaranteed Investment Certificate is pledged as security for the Foundation's credit card.

5. Deferred contributions

Deferred contributions of \$ 355,205 (2016 - \$ 388,695) represent contributions that have been externally restricted as described below and are therefore not generally available to pay for operating expenses of the organization.

	2017	2016
Balance, beginning of year	\$ 388,695	\$ 388,510
Deferred contributions received	31,911	68,585
	<u>420,606</u>	<u>457,095</u>
Deferred contributions recognized as revenue	65,401	68,400
	<u>355,205</u>	<u>388,695</u>

Deferred contributions consist of the following funds:

The International Snow Science Workshop Fund	\$ 196,237	\$ 209,139
The Craig Kelly Fund	5,318	4,918
The Hincks Fund	49,647	49,347
Miles for Mountains Fund	47,560	87,560
Cora Shea Memorial Fund	16,547	17,521
Avalanche Canada Program Fund	35,000	20,000
Al Hodgson Memorial Fund	4,896	210
	<u>355,205</u>	<u>388,695</u>

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6. Fundraising

	2017	2016
Revenue		
Calgary fundraiser	\$ 150,223	\$ 226,687
Fundraisers - other	35,710	16,005
	<hr/>	<hr/>
Total fundraising revenue	185,933	242,692
	<hr/>	<hr/>
Fundraising expenses		
Calgary fundraiser	82,840	113,451
Fundraisers - other	4,163	1,760
	<hr/>	<hr/>
Total fundraising expenses	87,003	115,211
	<hr/>	<hr/>
Net fundraising revenues	\$ 98,930	\$ 127,481
	<hr/> <hr/>	<hr/> <hr/>

Fundraising revenue and fundraising expenses includes non-monetary transactions as described in note 7.

7. Non-monetary transactions

The Foundation receives donations of non-monetary assets and services for the purpose of auctioning them off at fundraising events. These donations are recorded at fair market value. When the donated items are sold at auction, the amount received is recorded as revenue and the fair market value of the item is recorded as fundraising expenses.

The fair market value of the donated items was \$ 61,122 (2016 - \$ 93,132).

8. Financial instrument risk disclosure

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentration as at the statement of financial position date June 30, 2017.

a) 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 Foundation's short-term and long-term Guaranteed Investment Certificate investments bear interest at a fixed rate, and are intended to be held to maturity. As such the interest rate risk the Foundation is exposed to is limited and is assessed as low.

The Foundation is exposed to interest rate fair value risk to the extent that the money market mutual fund earns interest at a floating interest rate. Given the balance of money market mutual funds as described in note 2 the Foundation's risk exposure is limited and is assessed as low.

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8. Financial instrument risk disclosure (cont'd)

b) Market risk

Market risk is the risk that changes in market prices and interest rates will affect the Foundation's fair values or future cash flows. These risks are generally outside the control of the Foundation. The objective of the Foundation is to mitigate market risk exposures within acceptable limits, while maximizing returns. The directors believe the exposure to market risk is limited, as such the risk is assessed as low.

9. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.