

**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**

FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 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, 2015 and 2014, current assets as at June 30, 2015 and 2014, opening net assets as at July 1, 2014 and April 1, 2013 and closing net assets as at June 30, 2015 and 2014.

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, 2015 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
September 23, 2015

Collins Barrow Bow Valley LLP
PROFESSIONAL ACCOUNTANTS


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


STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015

ASSETS	2015	2014
Current assets		
Cash, cash equivalents and short-term deposits (note 2)	\$ 620,356	\$ 425,468
Accounts receivable (note 3)	3,633	16,970
	<u>623,989</u>	<u>442,438</u>
Long-term investments (note 4)	5,002	55,001
	<u>\$ 628,991</u>	<u>\$ 497,439</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,779	\$ 9,000
Deferred contributions (note 5)	388,510	253,665
	<u>403,289</u>	<u>262,665</u>
NET ASSETS		
Unrestricted net assets	<u>225,702</u>	<u>234,774</u>
	<u>\$ 628,991</u>	<u>\$ 497,439</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, 2015

	Twelve Months Ended June 30 2015	Fifteen Months Ended June 30 2014
Revenue		
Donations		
Corporate	\$ 30,834	\$ 39,527
Individual	62,009	46,814
Government	-	8,234
	<hr/>	<hr/>
	92,843	94,575
Deferred contributions recognized (note 5)	66,406	33,612
Fundraising (note 6)	209,933	110,261
Interest and other income	4,195	10,437
Merchandise sales	3,070	4,821
	<hr/>	<hr/>
	376,447	253,706
	<hr/>	<hr/>
Expenditures		
Bank charges and interest	3,455	2,502
Fundraising (note 6)	111,050	42,505
Insurance	1,435	-
Merchandise	2,541	3,866
Office	9,378	8,590
Professional fees	26,482	39,122
Public education - direct funding	6,220	33,355
Public education - intermediary agreements	223,769	254,119
Travel	1,189	2,842
	<hr/>	<hr/>
	385,519	386,901
	<hr/>	<hr/>
Deficiency of revenue over expenditures	(9,072)	(133,195)
Net assets, beginning of period	234,774	367,969
	<hr/>	<hr/>
Net assets, end of period	\$ 225,702	\$ 234,774
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**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**

STATEMENT OF CASH FLOW

YEAR ENDED JUNE 30, 2015

	Twelve Months Ended June 30 2015	Fifteen Months Ended June 30 2014
Cash provided by (used for)		
Operating activities		
Receipts from donations and fundraising	\$ 431,671	\$ 201,177
Operating payments	(295,798)	(338,741)
Interest received	5,945	14,601
Other income	3,070	4,821
	<u>144,888</u>	<u>(118,142)</u>
Investing activities		
Purchase of investments	-	(265,001)
Redemption of investments	125,000	500,000
	<u>125,000</u>	<u>234,999</u>
Cash inflow	269,888	116,857
Cash and cash equivalents, beginning of period	<u>300,468</u>	<u>183,611</u>
Cash and cash equivalents, end of period	<u>\$ 570,356</u>	<u>\$ 300,468</u>
Cash and cash equivalents consists of:		
Cash	\$ 495,657	\$ 226,629
Money market fund	74,699	73,839
	<u>\$ 570,356</u>	<u>\$ 300,468</u>
Cash and cash equivalents subject to restriction consists of:		
Cash restricted to fund deferred contribution obligations (note 5)	\$ 388,510	\$ 253,665
Unrestricted cash	181,846	46,803
	<u>\$ 570,356</u>	<u>\$ 300,468</u>

**AVALANCHE CANADA FOUNDATION /
FONDATION AVALANCHE CANADA**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

The Avalanche Canada Foundation / Fondation Avalanche Canada is a federally registered charity that raises funds and collects donations to support public avalanche safety initiatives. In the current year the Charity changed its name from the Canadian Avalanche Foundation/Fondation Canadienne des Avalanches. This change was approved by Industry Canada on July 2, 2014. In the prior year the board approved a change in the fiscal reporting period to June 30, annually which has resulted in the comparative information being reported for a fifteen month period ending June 30, 2014.

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, 2015

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 for donation. Actual results could differ from those reported.

2. Cash, cash equivalents and short-term deposits

	2015	2014
Cash	\$ 495,657	\$ 226,629
Money market fund	74,699	73,839
Guaranteed Investment Certificate bearing interest at 2.05 percent per annum and maturing April 11, 2016	50,000	125,000
	<u>\$ 620,356</u>	<u>\$ 425,468</u>

3. Accounts receivable

	2015	2014
Goods and services tax recoverable	\$ 2,856	\$ 1,030
Other receivables	777	5,940
Loan owing from International Snow Science Workshop	-	10,000
	<u>\$ 3,633</u>	<u>\$ 16,970</u>

**AVALANCHE CANADA FOUNDATION /
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

4. Long-term investments

	2015	2014
Guaranteed Investment Certificate bearing interest at 1.35 percent per annum maturing June 5, 2017	\$ 5,002	\$ 55,001
	<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 \$ 388,510 (2014 - \$ 253,665) represent contributions that have been externally restricted as described below and are therefore not generally available to pay for operating expenses of the organization.

	2015	2014
Balance, beginning of year	\$ 253,665	\$ 249,440
Deferred contributions received	201,251	37,837
	<u> </u>	<u> </u>
	454,916	287,277
Deferred contributions recognized as revenue	66,406	33,612
	<u> </u>	<u> </u>
Balance, end of year	\$ 388,510	\$ 253,665
	<u> </u>	<u> </u>

Deferred contributions consist of the following funds:

The International Snow Science Workshop Fund	\$ 188,139	\$ 32,000
The Craig Kelly Fund	3,843	5,493
The Hincks Fund	45,397	59,318
Miles for Mountains Fund	88,335	88,335
Strathcona Tweedsmuir School Fund	39,225	39,225
Cora Shea Memorial Fund	18,321	16,861
Canadian Avalanche Centre Fund	-	12,433
Al Hodgson Memorial Fund	750	-
Cherry Bowl Project	4,500	-
	<u> </u>	<u> </u>
	\$ 388,510	\$ 253,665
	<u> </u>	<u> </u>

The International Snow Science Workshop Fund is set up to support the snow safety research and the development of avalanche professionals in Canada.

The Craig Kelly Fund is set up to grant bursaries to individuals enrolled in the Industry Training Program Avalanche Operations Level II course offered by the Canadian Avalanche Association.

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5. Deferred contributions (cont'd)

The Hincks Fund is to be used for avalanche education initiatives that will impact adolescents and young adults.

The Miles for Mountains and the Strathcona Tweedsmuir School Fund are to be used to support special projects which are determined at the discretion of the Board.

The Cora Shea Memorial Fund has been established to provide financial assistance to women seeking to do avalanche research and/or study advanced avalanche practices.

The Canadian Avalanche Centre Fund has been created to allow donors to direct their contributions to the public avalanche safety programs of Avalanche Canada.

The Al Hodgson Memorial Fund will be used to award scholarships to support snowmobilers who wish to take recreational or professional level avalanche safety training.

The Cherry Bowl Project is an initiative to encourage training and preparation for backcountry users. The funds are to be used to develop an interactive multi-media website to tell the story of Cherry Bowl and inspire viewers more about safe backcountry travel.

6. Fundraising

	2015	2014
Revenue		
Calgary fundraiser	\$ 139,178	\$ 104,022
Revelstoke fundraiser	-	5,648
Whistler fundraiser	63,222	-
Fundraisers - other	7,533	591
Total fundraising revenue	209,933	110,261
Fundraising expenses		
Calgary fundraiser	63,371	40,943
Revelstoke fundraiser	-	906
Whistler fundraiser	41,431	-
Fundraisers - other	6,248	656
Total fundraising expenses	111,050	42,505
Net fundraising revenues	\$ 98,883	\$ 67,756

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

**AVALANCHE CANADA FOUNDATION /
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JUNE 30, 2015

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 \$ 81,402 (2014 - \$ 36,701).

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, 2015.

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.

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.