

Avalanche Canada Foundation / Fondation Avalanche Canada
Financial Statements
June 30, 2023

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

Opinion

We have audited the financial statements of Avalanche Canada Foundation / Fondation Avalanche Canada (the "Foundation"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and supporting schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 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.

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 are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restatement

As disclosed in Note 11 to the financial statements, the 2022 and 2023 financial statements have been restated to correct a misstatement.

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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Calgary, Alberta

October 3, 2023

June 21, 2024 - Notes 3, 5, 7 and 11

MNP LLP

Chartered Professional Accountants

Avalanche Canada Foundation / Fondation Avalanche Canada

Statement of Financial Position


As at June 30, 2023

	Operating Fund	Government of Canada Agreement Fund	Province of British Columbia Fund	2023	2022
Assets					
Current					
Cash and cash equivalents (Note 5)	934,246	-	-	934,246	1,009,317
Accounts receivable (Note 6)	22,799	-	-	22,799	11,297
Prepaid fundraising expenses	1,000	-	-	1,000	600
	958,045	-	-	958,045	1,021,214
Long term Investments (Note 7)	5,618	21,513,912	8,247,717	29,767,247	32,340,716
	963,663	21,513,912	8,247,717	30,725,292	33,361,930
Liabilities					
Current					
Accounts payable and accrued liabilities	26,747	32,084	-	58,831	28,207
Deferred contributions (Note 8)	195,738	-	-	195,738	206,385
Deferred contributions related to funding agreements (Note 7)	-	21,481,828	8,247,717	29,729,545	32,425,291
Deferred fundraising revenue	610	-	-	610	610
	223,095	21,513,912	8,247,717	29,984,724	32,660,493
Net Assets					
Unrestricted net assets	740,568	-	-	740,568	701,437
	740,568	-	-	740,568	701,437
	963,663	21,513,912	8,247,717	30,725,292	33,361,930

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Avalanche Canada Foundation / Fondation Avalanche Canada

Statement of Operations and Changes in Net Assets

For the year ended June 30, 2023

	<i>Operating Fund</i>	<i>Government of Canada Agreement Fund</i>	<i>Province of British Columbia Fund</i>	2023	2022
Revenue					
Interest and other income	14,179	2,369,536	1,000,000	3,383,715	2,334,460
Individual donations	71,623	-	-	71,623	84,781
Fundraising (Note 9)	57,840	-	-	57,840	120,337
Deferred contributions recognized (Note 8)	18,872	-	-	18,872	7,700
Corporate Donations	634	-	-	634	700
	163,148	2,369,536	1,000,000	3,532,684	2,547,978
Expenditures					
Program and grant funding (Note 3), (Note 4)	18,872	2,300,000	1,000,000	3,318,872	2,458,450
Bank charges and interest	1,700	59,536	-	61,236	53,700
Salaries and benefits	24,709	-	-	24,709	-
Professional fees	22,773	10,000	-	32,773	37,091
Fundraising (Note 9)	20,179	-	-	20,179	37,217
Office	18,343	-	-	18,343	12,218
Insurance	10,807	-	-	10,807	7,442
Travel	6,634	-	-	6,634	2,494
	124,017	2,369,536	1,000,000	3,493,553	2,608,612
Excess (deficiency) of revenue over expenses	39,131	-	-	39,131	(60,634)
Net assets, beginning of year	701,437	-	-	701,437	762,071
Net assets, end of year	740,568	-	-	740,568	701,437

The accompanying notes are an integral part of these financial statements

Avalanche Canada Foundation / Fondation Avalanche Canada
Statement of Cash Flows
For the year ended June 30, 2023

	<i>Operating Fund</i>	<i>Government of Canada Agreement Fund</i>	<i>Province of British Columbia Fund</i>	2023	2022
Cash provided by (used for) the following activities					
Operating					
Cash received from donations and fundraising	126,820	-	-	126,820	207,004
Cash receipts from investment income	14,179	312,646	86,301	401,043	136,432
Cash paid for program service expenses	(89,661)	(2,300,000)	(1,000,000)	(3,377,578)	(2,544,353)
Cash paid for salaries and benefits	(24,709)	-	-	(24,709)	-
Cash paid for interest and bank charges	(1,700)	(59,536)	-	(61,236)	(53,701)
	24,929	(2,046,890)	(913,699)	(2,935,660)	(2,254,618)
Investing					
Purchase of long-term investments	-	(10,367,220)	(1,422,655)	(11,789,875)	(5,410,585)
Redemption of long-term investments	-	12,314,110	2,336,354	14,650,464	7,698,614
Redemption of short-term investments	-	-	-	-	675,356
	-	1,946,890	913,699	2,860,589	2,963,385
(Decrease) increase in cash resources	24,929	(100,000)	-	(75,071)	708,767
Cash resources, beginning of year	909,317	100,000	-	1,009,317	300,550
Cash resources, end of year	934,246	-	-	934,246	1,009,317

The accompanying notes are an integral part of these financial statements

Avalanche Canada Foundation / Fondation Avalanche Canada

Notes to the Financial Statements

For the year ended June 30, 2023

1. Incorporation and nature of the organization

Avalanche Canada Foundation / Fondation Avalanche Canada (the "Foundation") was incorporated federally on May 28, 1999 and registered in British Columbia as Canadian Avalanche Foundation. It is a federally registered charity and is exempt from income taxes under Section p.149(1)(f) of the Income Tax Act of Canada ("the Act"). The Foundation changed its name to Avalanche Canada Foundation / Fondation Avalanche Canada on July 2, 2014.

The Foundation's purpose is to support Avalanche Canada financially in its ability to coordinate public avalanche safety programs, deliver public avalanche awareness and education programs, provide curriculum and support to instructors of recreational avalanche courses, promote avalanche research, and act as a central point of contact for avalanche information such as providing avalanche bulletins and special warnings for many of the mountainous regions of western Canada.

2. 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:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions:

The Operating Fund reports the assets, liabilities, revenue, and expenses to the ongoing fundraising and operating activities of the Foundation.

The Government of Canada Agreement Fund reports the assets, liabilities, revenue, and expenses related to the Government of Canada funding agreement as disclosed in Note 3.

The Province of British Columbia Fund reports the assets, liabilities, revenue, and expenses related to the Province of British Columbia funding agreement as disclosed in Note 4.

Revenue recognition

i) Deferred contributions

From time to time, the Foundation receives donations in memory of avalanche victims or for other designated purposes. The Foundation 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 8.

ii) Grants, general donations and fundraising revenue

Unrestricted grants, general donations and fundraising revenue are recognized as revenue when received. However, fundraising revenue received for an event to be held after the year end is deferred along with the related costs for the event.

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 ("the Act"). To maintain its status as a tax exempt entity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Contributed goods and services

Contributions of 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.

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 3, Note 4 and Note 5. The Foundation maintains cash and cash equivalents at financial institutions which, periodically, may exceed federally insured amounts.

Avalanche Canada Foundation / Fondation Avalanche Canada

Notes to the Financial Statements

For the year ended June 30, 2023

2. Significant accounting policies (Continued from previous page)

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Foundation measures financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Investments

Long-term investments are held in zero coupon bonds and are measured at amortized cost.

Measurement uncertainty

The preparation of financial statements in conformity 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 revenue and expenses 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.

The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

Avalanche Canada Foundation / Fondation Avalanche Canada

Notes to the Financial Statements

For the year ended June 30, 2023

3. Government of Canada Funding Agreement

In 2020, the Foundation entered into a tripartite agreement with His Majesty the King in Right of Canada, as represented by the Minister of Public Safety and Emergency Preparedness ("the Minister") and Avalanche Canada, whereby the Minister provided the Foundation with up-front multi-year funding for the purpose of enabling Avalanche Canada to meet the objectives of its business plan. The maximum amount of the grant furnished to the Foundation is \$25,000,000 which was received in full in the 2020 fiscal year. The Foundation is responsible for managing the funds that are granted and ensuring funds under the grant are used in accordance with the agreement. Earnings on investments related to the grant are to be made available to Avalanche Canada for the purposes of achieving the objectives and activities set out in its business plan.

During the year, \$2,300,000 (2022 - \$1,250,000) of funds were contributed to Avalanche Canada under the terms of the agreement.

4. Province of British Columbia Funding Agreement

In March of 2021, the Foundation entered into an agreement with His Majesty the King in Right of British Columbia, as represented by the Minister of Public Safety and Solicitor General ("the Province") whereby the Province provided the Foundation with up-front multi-year funding for the purpose of enabling Avalanche Canada to coordinate and provide public avalanche safety programs in the Province of British Columbia. The maximum amount of the grant furnished to the Foundation is \$10,000,000 which was received in full in April of 2021. The Foundation is responsible for managing the funds that are granted and ensuring funds under the grant are used in accordance with the agreement. Earnings on investments related to the grant are to be made available to Avalanche Canada for the purposes of achieving the objectives and activities set out in its business plan.

During the year, \$1,000,000 (2022 - \$1,000,000) of funds were contributed to Avalanche Canada under the terms of the agreement.

5. Cash and cash equivalents

	2023	2022
Cash	934,246	830,105
Cash restricted for the Government of Canada Agreement Fund	-	100,000
Money market fund	-	79,212
	934,246	1,009,317

\$192,513 (2022 - \$203,385) of cash and cash equivalents are funds restricted to contribution obligations as disclosed in Note 8.

6. Accounts receivable

	2023	2022
Accounts receivable	20,000	10,000
Goods and service tax recoverable	2,742	1,241
Interest receivable	57	56
	22,799	11,297

Avalanche Canada Foundation / Fondation Avalanche Canada

Notes to the Financial Statements

For the year ended June 30, 2023

7. Long-term investments

	2023	2022
Measured at amortized cost:		
PH&N Institutional Portfolio - Government of Canada (Schedule 1)	21,513,912	23,280,225
Guaranteed Investment Certificate bearing interest at 3.7% due June 16, 2026	5,618	5,425
PH&N Institutional Portfolio - Province of British Columbia (Schedule 2)	8,247,717	9,055,066
	29,767,247	32,340,716

A portion of the \$25,000,000 proceeds received from the Government of Canada, in the amount of \$2,300,000 (2022 - \$1,250,000) were used to fund Avalanche Canada's operations. Included is an amount of \$10,000 (2022 - \$10,000) that was transferred to operating fund net assets as a cost recovery for a portion of administrative expenditures of the operating fund. The PH&N Institutional Portfolio has a fair market value of \$20,178,613 (2022 - \$21,990,586).

A portion of the \$10,000,000 proceeds received from the Province of British Columbia, in the amount of \$1,000,000 (2022 - \$1,000,000) was used to fund Avalanche Canada's operations. The PH&N Institutional Portfolio has a fair market value of \$7,933,898 (2022 - \$8,726,029).

The above Guaranteed Investment Certificate of \$5,618 (2022 - \$5,425) is pledged as security for the Foundation's credit card.

8. Deferred contributions

Deferred contributions represent contributions that have been externally restricted as described below and are therefore not generally available to pay for operating expenses of the Foundation.

	2023	2022
Balance, beginning of year	206,385	209,810
Deferred contributions received	8,225	4,275
	214,610	214,085
Deferred contributions recognized as revenue	18,872	7,700
	195,738	206,385
Deferred contributions consist of the following funds:		
The International Snow Science Workshop Fund	135,948	137,948
The Craig Kelly Memorial Fund	6,311	3,711
The Hincks Memorial Fund	32,773	46,245
Cora Shea Memorial Fund	15,381	15,381
Al Hodgson Memorial Fund	5,325	3,100
	195,738	206,385

Avalanche Canada Foundation / Fondation Avalanche Canada

Notes to the Financial Statements

For the year ended June 30, 2023

9. Fundraising

	2023	2022
Revenue		
Online auction and raffle	48,922	102,470
Backyard backcountry challenge	-	2,227
Splitfest	-	15,640
Step Into Spring	8,918	-
Total fundraising revenue	57,840	120,337
Expenses		
Online auction and raffle	19,898	32,087
Backyard backcountry challenge	-	4,837
Splitfest	-	293
Step Into Spring	281	-
Total fundraising expenses	20,179	37,217
Net fundraising revenue	37,661	83,120

10. Financial instrument risk disclosure

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 long-term 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.

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.

11. Restatement

Subsequent to year-end, it was determined that the financial statements for the year-ended June 30, 2022, had incorrectly reported \$180,000 of the program and grant funding expenditure had been included as a Government of Canada Agreement Fund disbursement when it should have been reported as an expenditure from the Operating Fund. In addition, as a result of reducing the Government of Canada Agreement Fund expenditure, the interfund transfer of \$80,000 from the Operating Fund to the Government of Canada Agreement Fund was no longer required and \$100,000 that was reported as an expense in the 2023 year-end operating fund should have been recorded as from the Government of Canada Agreement Fund. It was also determined that a \$10,000 amount payable from the Government of Canada Agreement Fund had not been previously recorded for either 2022 or 2023 as well as an amount payable from the Government of Canada Agreement Fund had been improperly classified in the Operating Fund. The 2022 comparative information has been restated to correct the opening net assets for the Operating Fund and Government of Canada Agreement Fund and the financial statements have been restated to correct the Operating Fund and Government of Canada Agreement Fund 2023 amounts as well as updated Note 3, Note 5 and Note 7.

Avalanche Canada Foundation / Fondation Avalanche Canda
Schedule 1 – Long-term Investments
For the year ended June 30, 2023

	<i>Book Cost</i>	<i>Amortization</i>	<i>Amortized Cost</i>
Province of BC Interest Strip Bond, maturing December 2028, discounted at .81321	2,663,263	246,232	2,909,495
Province of BC Interest Strip Bond, maturing June 2029, discounted at .80247	2,772,534	260,522	3,033,056
Province of BC Interest Strip Bond, maturing June 2030, discounted at .7806	1,366,050	132,818	1,498,868
Province of Ontario Generic Coupon Strip Bond, maturing June 2024, discounted at .90998	2,302,249	182,038	2,484,287
Province of Ontario Generic Coupon Strip Bond, maturing June 2025, discounted at .88886	2,457,698	201,869	2,659,567
Province of Ontario Generic Coupon Strip Bond, maturing June 2026, discounted at .86705	2,536,121	216,831	2,752,952
Province of Ontario Generic Strip Residual Bond, maturing June 2027, discounted at .85155	2,648,321	223,613	2,871,934
Canadian Government Short Term Note, bearing 0.2% interest, maturing August 2023	2,336,537	-	2,336,537
Canadian Government Short Term Note, bearing 0.2% interest, maturing July 2023	948,325	-	948,325
Cash	18,891	-	18,891
	20,049,989	1,463,923	21,513,912

Avalanche Canada Foundation / Fondation Avalanche Canda
Schedule 2 – Long-term Investments
For the year ended June 30, 2023

	<i>Book Cost</i>	<i>Amortization</i>	<i>Amortized Cost</i>
Province of BC Interest Strip Bond, maturing June 2028, discounted at .84946	849,460	31,121	880,581
Province of BC Interest Strip Bond, maturing June 2027, discounted at .87600	876,000	30,516	906,516
Province of BC Interest Strip Bond, maturing June 2029, discounted at .82033	820,330	32,033	852,363
Province of BC Interest Strip Bond, maturing June 2030, discounted at .79107	791,070	32,745	823,815
Province of Ontario Generic Coupon Strip Bond, maturing June 2024, discounted at .95409	954,090	26,776	980,866
Province of Ontario Generic Coupon Strip Bond, maturing June 2025, discounted at .92871	928,710	28,674	957,384
Province of Ontario Generic Coupon Strip Bond, maturing June 2026, discounted at .90393	903,930	29,488	933,418
Canadian Government Short Term Note, bearing 0.2% interest, maturing August 2023	992,160	-	992,160
Canadian Common Stocks	305,625	-	305,625
Non- N.A. Common Stocks	603,420	-	603,420
Cash	11,569	-	11,569
	8,036,364	211,353	8,247,717