

NATIONAL SKI ACADEMY
FINANCIAL STATEMENTS
JUNE 30, 2024

NATIONAL SKI ACADEMY
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AS AT JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Ski Academy:

Qualified Opinion

We have audited the financial statements of the National Ski Academy ("the Academy"), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as at June 30, 2024, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Academy derives part of its income from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Academy and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses for the year and net assets. Consequently, we were unable to determine whether any adjustments were necessary to revenues, excess of revenues over expenditures, and cash flows for the years ended June 30, 2024 and June 30, 2023 and assets and fund balances as at June 30, 2024 and June 30, 2023. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. 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 Academy 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.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Academy or to cease operations, or has no realistic alternative but to do so.

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


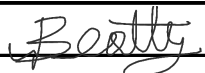
Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
October 28, 2024

NATIONAL SKI ACADEMY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2024	2023
	\$	\$
Assets		
Current		
Cash	235,058	401,150
Accounts receivable (net of allowance \$NIL; 2023 - \$NIL)	32,285	33,356
Inventories	56,365	52,610
Prepaid expenses	107,232	100,369
Investments (Note 10)	288,481	773,365
	719,421	1,360,850
Tangible capital assets (Note 5)	1,298,476	1,324,294
	2,017,897	2,685,144
Liabilities		
Current		
Accounts payable and accruals	27,841	38,503
Deferred revenue (Note 6)	702,774	586,675
Current portion of long-term (Note 8)	34,296	98,383
	764,911	723,561
Long-term (Note 8 and 12)	704,285	1,207,117
	1,469,196	1,930,678
Deferred capital contributions (Note 2)	16,998	17,694
	1,486,194	1,948,372
Net assets		
Unrestricted	435,905	636,673
Internally restricted - scholarship fund (Note 3)	66,173	85,618
Internally restricted - capital fund (Note 4)	29,625	14,481
	531,703	736,772
	2,017,897	2,685,144

Approved on behalf of the board


 _____ Director

 _____ Director

NATIONAL SKI ACADEMY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30

	2024	2023
	\$	\$
Revenue		
Tuition - Schedule 1 (Note 13)	1,897,989	1,811,708
Donations and fundraising (net of awards of \$35,000; 2023 - \$38,821) (Note 3)	31,572	126,676
Amortization of deferred capital contributions (Note 2)	696	696
	1,930,257	1,939,080
Expenses		
Ski program - Schedule 1	1,030,875	979,434
Fundraising	8,851	4,669
Premises - Schedule 1	824,771	830,595
Tutor and education	281,972	305,915
	2,146,469	2,120,613
Deficiency of revenue over expenses for the year before other income	(216,212)	(181,533)
Other income		
Gain on disposal of tangible capital assets	11,143	-
Deficiency of revenue over expenses for the year	(205,069)	(181,533)

See accompanying notes to the financial statements

NATIONAL SKI ACADEMY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30

	Unrestricted Fund \$	Internally Restricted Scholarship Fund \$ (Note 3)	Internally Restricted Capital Fund \$ (Note 4)	2024 \$	2023 \$
Balance at beginning of year	636,673	85,618	14,481	736,772	918,305
Deficiency of revenue over expenses	(173,068)	(33,295)	1,294	(205,069)	(181,533)
Interfund transfers	(27,700)	13,850	13,850	-	-
Balance at end of year	435,905	66,173	29,625	531,703	736,772

See accompanying notes to the financial statements

NATIONAL SKI ACADEMY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30

	2024	2023
	\$	\$
Cash flows from (for):		
Operating activities		
Deficiency of revenue over expenses for the year	(205,069)	(181,533)
Items not involving cash		
Amortization	49,463	54,258
Gain on sale of tangible capital assets	(11,143)	-
Amortization of deferred capital contributions	(696)	(696)
	(167,445)	(127,971)
Changes in		
Accounts receivable	1,071	58,476
Inventories	(3,755)	(11,511)
Prepaid expenses	(6,863)	58,311
Accounts payable and accruals	(10,662)	7,332
Deferred revenue	116,099	107,553
	(71,555)	92,190
Financing activities		
Repayment of long-term liabilities	(566,920)	(45,776)
Issuance of long-term liabilities	-	750,000
	(566,920)	704,224
Investing activities		
Purchase of tangible capital assets (Note 5)	(43,001)	-
Proceeds from sale of tangible capital assets	30,500	-
Investments, net	484,884	(771,267)
	472,383	(771,267)
Change in cash	(166,092)	25,147
Balance at beginning of year	401,150	376,003
Balance at end of year	235,058	401,150

See accompanying notes to the financial statements

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

Purpose of the organization

The Academy was incorporated in Ontario on March 7, 1986. The Academy operates a world class athletic and academic program for the training of alpine skiers to international, Olympic and post secondary education levels. The Academy is a fully accredited private school offering academics to their athletes as well as other members of the community requiring customized education. The mission of the Academy is to provide an environment for talented students/athletes to maximize individual potential through the pursuit of alpine ski racing excellence, academic achievement and personal growth. The Academy operates from its premises in Collingwood, Ontario. It is an exempt corporation under the Income Tax Act and is a registered charity.

1. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNFPO") and are in accordance with Canadian generally accepted accounting principles (GAAP).

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

(a) Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Academy becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments are recognized in excess of revenue over expenses in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the Academy assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

(b) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

1. Summary of significant accounting policies (continued)

(c) Revenue recognition

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

Deferred capital contributions represent the contributed equipment and grants received which were restricted for the purpose of acquiring specific tangible capital assets. The contributions are amortized to revenue on the same basis as the related tangible capital assets are amortized.

Revenue from tuition, tutor fees, premises, training, race fees and fundraising are recognized in the period which the services are offered.

Investment income is recognized on investments when received or receivable.

(d) Inventories

Inventories consist mainly of program materials to be used in the delivery of education programs. Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first in, first out method.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates have been made of the useful lives of tangible capital assets. Actual results could differ from those estimates.

(f) Tangible capital assets

Tangible capital assets are stated at cost, which includes the purchase price and other acquisition costs such as installation, legal fees, survey costs, freight charges, transportation insurance costs and duties. Donated property and equipment are recorded at fair market value at the time of receipt. Amortization is provided to allocate the cost of assets over their estimated useful lives. Provision is made for amortization as follows:

Buildings	40 years straight-line
Building improvements	20 and 40 years straight-line
Furnishings	20 years straight-line
Equipment	30% declining balance
Computer equipment	3 years straight-line
Vehicles	30% declining balance

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

1. Summary of significant accounting policies (continued)

(g) Investments

Investments are initially measured at fair value and gains and losses are recognized when the investments are sold.

2. Deferred capital contributions related to property and equipment

The deferred capital contributions include a restricted contribution received from Trillium. Funds received in 2009 were used to finance the gymnasium floor. In 2013 flooring was donated by Georgian Design Centre. The changes during the year are as follows:

	2024	2023
	\$	\$
Balance at beginning of year	17,694	18,390
Less: amounts amortized to revenue	(696)	(696)
	16,998	17,694

3. Internally restricted - scholarship fund

The Academy has segregated funds to assist with tuition for students. The changes during the year are as follows:

	2024	2023
	\$	\$
Donations and interest received	1,705	25,477
Awards	(35,000)	(38,821)
	(33,295)	(13,344)

The net activity of this fund is reflected in donations revenue on the statement of operations. During the year the Board approved a motion to transfer 1% of tuition revenue, in the amount of \$13,850 (2023 - \$13,980), to this fund from unrestricted net assets. In addition, the Board approved a motion to transfer \$NIL (2023 - \$10,000) from the scholarship fund to the unrestricted fund to cover international coach expenses. This is reflected on the statement of changes in net assets as an interfund transfer.

4. Internally restricted - capital fund

The Academy has segregated funds to assist with capital improvements. The changes during the year are as follows:

	2024	2023
	\$	\$
Interest revenue	1,294	-
	1,294	-

The net activity of this fund is reflected in miscellaneous expense on Schedule 1. During the year the Board approved a motion to transfer 1% of tuition revenue, in the amount of \$13,850 (2023 - \$13,980), to this fund from unrestricted net assets. This is reflected on the statement of changes in net assets as an interfund transfer.

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

5. Tangible capital assets

Tangible capital assets consist of the following:

	2024	2023
	\$	\$
Cost		
Land	475,000	475,000
Buildings	781,652	781,652
Building improvements	256,370	220,438
Furnishings	73,238	73,238
Equipment	150,529	146,159
Computer equipment	30,673	27,973
Vehicles	95,899	118,673
	<u>1,863,361</u>	<u>1,843,133</u>
Accumulated amortization		
Buildings	249,165	229,624
Building improvements	23,110	14,981
Furnishings	71,562	71,562
Equipment	141,509	139,359
Computer equipment	28,423	27,973
Vehicles	51,116	35,340
	<u>564,885</u>	<u>518,839</u>
	<u>1,298,476</u>	<u>1,324,294</u>

During the year, property and equipment were acquired at an aggregate cost of \$43,001 (2023 - \$49,893) of which \$NIL (2023 - \$49,893) was acquired by long-term debt. Cash payments of \$43,001 (2023 - \$NIL) were made to purchase property and equipment.

6. Deferred revenue

Deferred revenue for the year consists of the following:

	2024	2023
	\$	\$
Camps	29,835	81,200
Activity, grad and international fees	7,858	7,001
Tuition	540,981	339,599
Grants	5,850	-
Room and board	118,250	158,875
	<u>702,774</u>	<u>586,675</u>

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

7. Financial instruments

The Club's financial instruments consist of cash, accounts receivable, investments, accounts payable and long-term liabilities.

The Club is not exposed to significant market risk, currency risk nor other price risk. There have been no changes in the risk exposures from the prior year.

Financial risks

(a) Liquidity risk

Liquidity risk is the risk that the Academy will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Academy's cash requirements. The Academy has available to them a revolving line of credit in the amount of \$100,000 with an interest rate of prime plus 1.75% to help meet their short-term cash needs. \$NIL was outstanding at year end (2023 - \$NIL).

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Academy.

The Academy has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Academy is considered to relate to the class of assets described as "accounts receivable". The Academy has estimated an allowance for doubtful accounts of \$NIL (2023 - \$NIL) in order to account for the credit risk related to this asset class.

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at the balance sheet date whereby a future change in interest rates will affect future cash flows or the fair value of fixed financial instruments.

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

8. Long-term liabilities

Long-term liabilities consist of the following:

	2024	2023
	\$	\$
5.49% loan payable to Royal Bank of Canada with blended payments of \$3,370 paid monthly. The loan was repaid in February 2024.	-	444,709
5.86% loan payable to Royal Bank of Canada with blended payments of \$5,314 paid monthly. The loan is secured by the land and building located at 200 Oak Street, Collingwood with net book value of \$1,240,747. Due August 2027.	711,857	733,105
Canada Emergency Business Account (Note 12)	-	40,000
2.88% vehicle loan payable to Royal Bank of Canada with blended payments of \$1,021 paid monthly. Due September 2026. Secured by vehicle with net book value of \$23,737.	26,724	40,062
8.99% vehicle loan payable to Royal Bank of Canada with blended payments of \$526 paid monthly. The loan was repaid in November 2023.	-	22,904
8.99% vehicle loan payable to Royal Bank of Canada with blended payments of \$566 paid monthly. The loan was repaid in November 2023.	-	24,720
	738,581	1,305,500
Less: current portion	34,296	98,383
	704,285	1,207,117

Payment requirements for subsequent years are:

	Principal \$	Interest \$	Total \$
2025	34,296	41,721	76,017
2026	35,999	40,018	76,017
2027	28,515	38,311	66,826
2028	639,771	6,236	646,007
	738,581	126,286	864,867

9. Subsequent events

Subsequent to year end on September 4, 2024, the Academy sold a 2017 Sprinter van for proceeds of \$27,685 inclusive of HST.

NATIONAL SKI ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

10. Investments

Investments consist of mutual funds invested through RBC Dominion Securities. The funds have a book cost of \$288,481 (2023 - \$773,365). The fair market value is equal to the book cost of the investments. Interest revenue of \$28,738 (2023 - \$20,203) is netted with miscellaneous expense on Schedule 1.

11. Commitments

The Academy entered into one operating lease agreement with Orangeville Nissan for the lease of one Nissan Passenger van. The lease period is 60 months beginning November 2020. Monthly payments are \$800 each (HST inclusive). Combined lease payments for fiscal 2021 were \$5,603, fiscal years 2022 to 2025 are \$9,605 and fiscal year 2026 is \$4,002 (HST inclusive).

12. Canada Emergency Business Account and Canada Emergency Wage Subsidy

As part of the emergency measures introduced by the federal government the Academy accessed the Canada Emergency Business Account (CEBA) loan through the Royal Bank of Canada. As a qualifying small business customer the Academy obtained a \$60,000 loan, of which \$20,000 was forgivable. The Academy repaid the loan in December 2023.

13. Related party transactions

The Academy offers financial assistance to parties. During the year this amounted to \$25,000 (2023 - \$25,578) and was measured at fair value.

The Academy occasionally purchases services from related parties at not greater than fair market value with payment terms and conditions similar to other suppliers.

Various individuals volunteer services to the Academy for no compensation. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

NATIONAL SKI ACADEMY
SCHEDULE 1 - REVENUE AND EXPENSES
FOR THE YEAR ENDED JUNE 30

	2024	2023
	\$	\$
Tuition revenue		
Tuition and tutor fees	1,404,896	1,321,107
Premises	342,640	330,453
Additional training and race fees	150,453	160,148
	1,897,989	1,811,708
Ski program expenses		
Coaching	358,877	260,569
Racing	197,657	155,052
Training	414,589	487,990
Vehicle and insurance (Note 11)	59,752	75,823
	1,030,875	979,434
Premises expenses		
Amortization	49,463	54,258
Bad debts	125	3,972
Contract labour	15,744	27,235
Food and supplies	126,877	99,147
Global health and safety measures	4,527	6,157
Insurance	74,727	57,246
Interest and bank charges	1,905	6,710
Interest on long-term liabilities	58,733	61,059
Miscellaneous (net of revenue \$37,663; 2023 - \$35,342) (Note 10)	24,938	45,601
Office	40,173	32,222
Repairs and maintenance	36,074	23,978
Salaries and benefits	350,962	370,871
Telephone and postage	15,425	13,862
Utilities	25,098	28,277
	824,771	830,595