

REGINA SKI CLUB INC.

FINANCIAL STATEMENTS
May 31, 2023

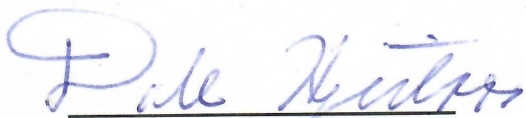
**MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

The accompanying financial statements of **Regina Ski Club Inc.** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



Dale Hjertaas
President, Board of Directors



Dave Safnuk
Treasurer, Board of Directors



INDEPENDENT AUDITORS' REPORT

**To the Members,
Regina Ski Club Inc.**

Opinion

We have audited the financial statements of **Regina Ski Club Inc.**, which comprise the statement of financial position as at **May 31, 2023**, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at May 31, 2023, and its financial performance and 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment

- 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 Organization'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 Organization'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 Organization 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

November 2, 2023
Regina, Saskatchewan

Virtus Group LLP

Chartered Professional Accountants

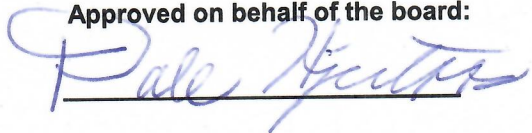


REGINA SKI CLUB INC.
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2023
(with comparative figures as at May 31, 2022)

	<u>ASSETS</u>	
	2023	2022
Current Assets		
Cash	\$ 117,690	\$ 143,160
Investments (Note 3)	22,117	107,372
Accounts Receivable	7,254	10,222
Inventory	-	225
	147,061	260,979
Investments (Note 3)	181,064	91,447
	\$ 328,125	\$ 352,426
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 21,935	\$ 7,555
Deferred revenue	630	5,760
	22,565	13,315
<u>NET ASSETS</u>		
Unappropriated surplus	305,560	339,111
	\$ 328,125	\$ 352,426

See accompanying notes to the financial statements.

Approved on behalf of the board:





REGINA SKI CLUB INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

	2023	2022
Revenue		
Adaptive	\$ 21,914	\$ 13,930
Administration	3,811	2,667
Alpine (RART)	81,531	89,838
Nordic	79,650	104,415
Memberships	21,247	22,219
	<u>208,153</u>	<u>233,069</u>
Expenses		
Adaptive	18,549	12,492
Administration	10,122	8,527
Alpine (RART)	106,409	82,845
Nordic	97,402	81,912
Memberships	9,222	18,081
	<u>241,704</u>	<u>203,857</u>
Excess (deficiency) of revenue over expenses	(33,551)	29,212
Net assets - beginning of year	<u>339,111</u>	<u>309,899</u>
Net assets - end of year	<u><u>\$ 305,560</u></u>	<u><u>\$ 339,111</u></u>

See accompanying notes to the financial statements.

REGINA SKI CLUB INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

	2023	2022
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	\$ (33,551)	\$ 29,212
Non-cash operating working capital (Note 4)	12,443	(18,199)
	<u>(21,108)</u>	<u>11,013</u>
Cash provided by (used in) investing activities:		
Net change in investments	<u>(4,362)</u>	<u>(42,007)</u>
(Decrease) in cash	(25,470)	(30,994)
Cash position - beginning of year	<u>143,160</u>	<u>174,154</u>
Cash position - end of year	<u>\$ 117,690</u>	<u>\$ 143,160</u>

See accompanying notes to the financial statements.

REGINA SKI CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2023

(with comparative figures for the year ended May 31, 2022)

1. Nature of operations

Regina Ski Club Inc. (the "Organization") continues incorporation under *The Non-profit Corporations Act, 2022* in the province of Saskatchewan. The Organization promotes skiing as an amateur winter sport for recreational and competitive purposes for its members. The Organization is exempt from income tax under section 149(1)(l) of the *Income Tax Act*.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following accounting policies:

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial instruments measured at fair value are recognized in the excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities. The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying value given the short term nature of the amounts. The fair value of investments approximates amortized cost.

Inventory

Inventory consists of gift cards held for resale, and is recorded at the lower of cost and net realizable value. Cost is determined using the specific cost method, and net realizable value is the estimated selling price in the normal course of operations.

Tangible capital assets

Tangible capital assets are expensed in the year of acquisition. There was \$5,665 (2022 - \$37,889) of equipment purchased and expensed during the year.

REGINA SKI CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

2. Summary of significant accounting policies (continued)

Revenue recognition

Revenues for ski programs, events and trips are recognized as the activities occur. Membership fees are recognized in the year the member benefits and services are provided. Other revenues are recognized as they occur.

3. Investments

Current:

	2023	2022
Term deposit due August 28, 2022 (0.50%)	\$ -	\$ 39,559
Term deposit due January 16, 2023 (1.80%)	-	26,082
Term deposit due January 16, 2023 (1.80%)	-	41,731
Term deposit due January 15, 2024 (0.60%)	22,117	-
	22,117	107,372

Long term:

Term deposit due January 15, 2024 (0.60%)	-	21,986
Term deposit due June 14, 2024 (4.75%)	40,714	-
Term deposit due March 9, 2025 (1.60%)	37,432	36,842
Term deposit due February 27, 2026 (1.90%)	32,733	32,124
Term deposit due January 16, 2027 (4.25%)	69,655	-
Co-operative equity	530	495
	181,064	91,447
	\$ 203,181	\$ 198,819

4. Non-cash operating working capital

Details of net change in each element of working capital relating to operations excluding case are as follows:

	2023	2022
(Increase) decrease in current assets:		
Accounts receivable	\$ 2,968	\$ (3,705)
Inventory	225	1,092
	3,193	(2,613)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	14,380	(11,306)
Deferred revenue	(5,130)	(4,280)
	9,250	(15,586)
	\$ 12,443	\$ (18,199)

REGINA SKI CLUB INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

5. Financial risk management

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

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 credit risk on its accounts receivable from its customers, however, does not have a significant amount of exposure to any individual customer or counterpart. The Organization has not incurred bad debt expense in recent years.

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's exposure to interest rate risk is limited to the term deposit investments. These investments have fixed rates of interest and thus, the Organization is not exposed to any interest rate risk.
