

**THE ALPINE CLUB OF CANADA**

**Financial Statements**

**Year Ended October 31, 2013**



**CZECHOWSKY, GRAHAM & HANEVELT**  
**CHARTERED ACCOUNTANTS**

• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of The Alpine Club of Canada

I have audited the accompanying financial statements of The Alpine Club of Canada, which comprise the statements of financial position as at October 31, 2013, October 31, 2012 and November 1, 2011, and the statements of operations and cash flows for the years ended October 31, 2013 and October 31, 2012, 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgment, 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

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Independent Auditor's Report to the Members of The Alpine Club of Canada *(continued)*

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Alpine Club of Canada as at October 31, 2013, October 31, 2012 and November 1, 2011, and the results of its operations and its cash flows for the years ended October 31, 2013 and October 31, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Calgary, Alberta  
March 20, 2014

  
CHARTERED ACCOUNTANT

**THE ALPINE CLUB OF CANADA  
STATEMENT OF FINANCIAL POSITION  
OCTOBER 31, 2013**

	Unrestricted Fund	Endowment Fund	Restricted Funds	Total October 31, 2013	Total October 31, 2012	Total November 1, 2011
<b>ASSETS</b>						
Current Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 59,326	\$ 258,329
Accounts receivable	104,440	-	-	104,440	103,973	102,632
Inventory	11,266	-	-	11,266	12,179	13,045
Prepaid expenses	68,081	-	-	68,081	38,295	13,334
	<u>183,787</u>	<u>-</u>	<u>-</u>	<u>183,787</u>	<u>213,773</u>	<u>387,340</u>
Investments & Securities (note 5)	823,275	3,056,402	1,432,057	5,311,734	4,864,563	4,265,766
Canadian Alpine Centre (note 6)	888,025	-	-	888,025	846,141	799,708
Capital Assets (note 7)	<u>1,371,145</u>	<u>-</u>	<u>-</u>	<u>1,371,145</u>	<u>1,394,997</u>	<u>1,291,549</u>
	<u>\$ 3,266,232</u>	<u>\$ 3,056,402</u>	<u>\$ 1,432,057</u>	<u>\$ 7,754,691</u>	<u>\$ 7,319,474</u>	<u>\$ 6,744,363</u>
<b>LIABILITIES</b>						
Current liabilities						
Bank indebtedness	\$ 15,771	\$ -	\$ -	\$ 15,771	\$ -	\$ -
Accounts payable	139,423	-	-	139,423	237,355	326,485
Unearned revenue	311,275	-	-	311,275	276,223	279,883
	<u>466,469</u>	<u>-</u>	<u>-</u>	<u>466,469</u>	<u>513,578</u>	<u>606,368</u>
<b>NET ASSETS</b>						
Unrestricted fund	2,799,763	3,056,402	1,432,057	2,799,763	2,585,737	2,577,380
Endowment fund	<u>2,799,763</u>	<u>3,056,402</u>	<u>1,432,057</u>	<u>3,056,402</u>	<u>2,841,844</u>	<u>2,431,499</u>
Restricted fund	<u>\$ 3,266,232</u>	<u>\$ 3,056,402</u>	<u>\$ 1,432,057</u>	<u>\$ 7,288,222</u>	<u>6,805,896</u>	<u>6,137,995</u>
				<u>\$ 7,754,691</u>	<u>\$ 7,319,474</u>	<u>\$ 6,744,363</u>

**THE ALPINE CLUB OF CANADA**  
**STATEMENT OF OPERATIONS AND NET ASSETS**  
**OCTOBER 31, 2013**

	Unrestricted Fund		Endowment Fund		Restricted Fund		Total	Total
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Revenues</b>								
<b>Membership</b>								
Fees	\$ 229,902	\$ 225,982	\$ -	\$ -	\$ -	\$ -	\$ 229,902	\$ 225,982
Liability insurance	(44,000)	(50,705)					(44,000)	(50,705)
Expenses	(272,304)	(261,987)					(272,304)	(261,987)
	<u>(86,402)</u>	<u>(86,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,402)</u>	<u>(86,710)</u>
<b>Facilities</b>								
Revenue	1,638,968	1,543,597					1,638,968	1,543,597
Expenses	(1,303,595)	(1,275,809)					(1,303,595)	(1,275,809)
	<u>335,373</u>	<u>267,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,373</u>	<u>267,788</u>
<b>Activities</b>								
Revenue	422,923	333,280	894	6,284	256,316	140,190	680,133	479,754
Expenses	(415,467)	(372,793)		(7,266)	(375,539)	(215,992)	(791,006)	(596,051)
	<u>7,456</u>	<u>(39,513)</u>	<u>894</u>	<u>(982)</u>	<u>(119,223)</u>	<u>(75,802)</u>	<u>(110,873)</u>	<u>(116,297)</u>
<b>Publications</b>								
Revenue	41,331	46,610					41,331	46,610
Expenses	(34,957)	(35,284)					(34,957)	(35,284)
	<u>6,374</u>	<u>11,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,374</u>	<u>11,326</u>
<b>ASRPWF Grant</b>								
Revenue	50,295	50,295					50,295	50,295
Expenses	(50,295)	(50,295)					(50,295)	(50,295)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Canadian Alpine Centre</b>								
Contributions	81,448	46,433					81,448	46,433
Other	48,698	3,531	162,023	18,552	69,358	83,187	231,381	101,739
	<u>130,146</u>	<u>49,964</u>	<u>162,023</u>	<u>212,786</u>	<u>53,272</u>	<u>90,220</u>	<u>101,970</u>	<u>306,537</u>
<b>Total revenue</b>	<u>392,947</u>	<u>202,855</u>	<u>162,917</u>	<u>230,356</u>	<u>3,407</u>	<u>97,605</u>	<u>559,271</u>	<u>530,816</u>
<b>Expenses</b>								
National office	132,133	71,751	-	-	-	-	132,133	71,751
Board of directors	40,158	54,951	-	-	-	-	40,158	54,951
Committee and UIAA	17,571	10,208	-	-	-	-	17,571	10,208
Amortization	138,941	139,611	-	-	-	-	138,941	139,611
Grants	-	-	-	-	-	-	-	-
Other	26,399	2,680	-	-	18,100	7,300	18,100	7,300
	<u>355,202</u>	<u>279,201</u>	<u>-</u>	<u>81,786</u>	<u>71</u>	<u>34,295</u>	<u>26,470</u>	<u>118,761</u>
<b>Excess of revenue over expenses from operations</b>	<u>37,745</u>	<u>(76,346)</u>	<u>162,917</u>	<u>148,570</u>	<u>(14,764)</u>	<u>56,010</u>	<u>185,898</u>	<u>128,234</u>
<b>Investment income</b>	<u>32,669</u>	<u>78,606</u>	<u>154,783</u>	<u>316,014</u>	<u>64,140</u>	<u>148,850</u>	<u>251,592</u>	<u>543,470</u>
<b>Unrealized gain(loss) on investments</b>	<u>6,949</u>	<u>(503)</u>	<u>25,799</u>	<u>(2,222)</u>	<u>12,088</u>	<u>(1,078)</u>	<u>44,836</u>	<u>(3,803)</u>
<b>Excess of revenue over expenses</b>	<u>77,363</u>	<u>1,757</u>	<u>343,499</u>	<u>462,362</u>	<u>61,464</u>	<u>203,782</u>	<u>482,326</u>	<u>667,901</u>
<b>Net assets</b>								
Beginning	2,585,737	2,577,380	2,841,844	2,431,499	1,378,315	1,129,116	6,805,896	6,137,995
Transfers	136,663	6,600	(128,941)	(52,017)	(7,722)	45,417	-	-
<b>Ending</b>	<u>\$ 2,799,763</u>	<u>\$ 2,585,737</u>	<u>\$ 3,056,402</u>	<u>\$ 2,841,844</u>	<u>\$ 1,432,057</u>	<u>\$ 1,378,315</u>	<u>\$ 7,288,222</u>	<u>\$ 6,805,896</u>

**THE ALPINE CLUB OF CANADA  
STATEMENT OF CASH FLOWS  
YEAR ENDED OCTOBER 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue (expenses)	<b>\$ 482,326</b>	<b>\$ 667,901</b>
Add back items not affecting cash from operations		
Amortization of capital assets	138,941	139,611
Unrealized loss (gain) on marketable securities	(44,836)	3,803
Realized loss (gain) on marketable securities	(57,859)	(229,757)
Canadian Alpine Centre - share of loss (income)	<u>(81,448)</u>	<u>(46,433)</u>
	<u>437,124</u>	<u>535,125</u>
Net change in non-cash balances		
Accounts receivable	15,030	(1,341)
Inventory	913	866
Prepaid expenses	(29,786)	(24,961)
Accounts payable	(113,431)	(89,131)
Unearned revenue	<u>35,052</u>	<u>(3,660)</u>
	<u>(92,222)</u>	<u>(118,227)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(115,088)	(243,058)
Canadian Alpine Centre - distribution of earnings	39,565	-
Proceeds (purchases) of investments and securities	<u>(344,476)</u>	<u>(372,843)</u>
	<u>(419,999)</u>	<u>(615,901)</u>
<b>INCREASE (DECREASE) IN CASH POSITION</b>	<u>(75,097)</u>	<u>(199,003)</u>
CASH (DEFICIENCY), beginning of year	<u>59,326</u>	<u>258,329</u>
CASH (DEFICIENCY), end of year	<u><b>\$ (15,771)</b></u>	<u><b>\$ 59,326</b></u>
<b>CASH (DEFICIENCY) CONSISTS OF:</b>		
Cash	\$ -	\$ 59,326
Bank indebtedness	<u>(15,771)</u>	<u>-</u>
	<u><b>\$ (15,771)</b></u>	<u><b>\$ 59,326</b></u>

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

**1. PURPOSE OF THE ORGANIZATION**

The Club was incorporated under The Alpine Club of Canada Act in 1909, for the promotion of scientific study and exploration of Canadian alpine and glacial regions. The club is a registered amateur athletic association as such is not subject to income taxes.

**2. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO).

**3. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

During the year the organization adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

- a) Excess of revenues over expenses for the year ended October 31, 2012 which was previously reported using Canadian generally accepted accounting principles, has been restated as follows:

	October 31 2012	Adjustment	Restated
Net membership revenue	\$ (86,710)	\$ -	\$ (86,710)
Net facilities revenue	267,788	-	267,788
Net activities revenue	(116,297)	-	(116,297)
Net publications revenue	11,326	-	11,326
Net ASRPWF grant revenue	-	-	-
	76,107	-	76,107
Canadian Alpine Centre	46,433	-	46,433
Investment income	543,470	-	543,470
Unrealized gain(loss) on investments	-	(3,803)	(3,803)
Contributions	101,739	-	101,739
Other	306,537	-	306,537
Expenses	(402,582)	-	(402,582)
Excess of revenues over expenses	\$ 671,704	\$ (3,803)	\$ 667,901

Investments were previously classified as available for sale and carried at their estimated fair value. Upon adoption of the new accounting standards during the year, the investments continue to be carried at fair value. Unrealized gains or losses were previously adjusted through net assets, but under new standards are reported as part of excess of revenues over expenses. During the current year, upon adoption of the new standards, these investments were reclassified to the statement of revenues and expenditures as disclosed in Note 4.

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The financial statements of the club are prepared on the accrual basis of accounting.

Cash equivalents

Highly liquid investments with maturities of 90 days or less at date of purchase are considered to be cash equivalents.

Inventory

The inventory consists of supplies, guidebooks and journals at lower of cost and net realizable value. During the year, \$12,541 (2012 - \$12,776) was expensed through cost of sales, included in other revenue.

Investments

Investments for which there are quoted prices in an active market were, prior to the organization's adoption of Canadian Accounting Standards for Not-for-Profit Organizations, classified as available for sale and carried at fair value. As described in Note 3, the organization has adopted new accounting standards during the year and accordingly, such investments continue to be carried at fair value. Fair values are obtained from quoted market prices. Unrealized gains or losses are reported as part of the statement of operations. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired.

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed property and equipment are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Clubhouse buildings, cabins, services and furnishings	10 to 42 years	straight-line method
Climbing huts and furnishings	20 years	straight-line method
Computer software	100%	
Camp equipment	15% to 30%	declining balance method
Office equipment	15% to 30%	declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable.

At the end of each reporting period the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment might include significant financial difficulty of the issuer, default or delinquency in interest payments, or bankruptcy. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. Any impairment loss is recognized in the statement of revenues and expenditures in the current period. Impairment losses can be reversed to the extent of the improvement. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.

Contributions

The Alpine Club of Canada follows the restricted fund method of accounting for contributions. The activities of the Club are segregated into the following funds:

The unrestricted fund reports the assets, liabilities, revenues and expenditures related to activities not subject to restrictions. It also includes regular revenues and expenses relating to the use of the Club's facilities.

The endowment fund is a permanently maintained fund. 4.5% of the book value of this fund can be used for grants. Fund principal can only be accessed in cases involving extreme financial emergency and with 90% approval from the Board of Directors.

The restricted funds include the revenues, expenses, assets and liabilities related to contributions which are restricted to a certain activity or program as directed by the donors or in accordance with criteria approved by the board of directors. Refer to Schedule 1 for details of restricted net assets.

Revenue recognition

Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception of contributions to fund a specific future period's operating expenses, which are included in revenue in the later period.

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**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investment in the Canadian Alpine Centre

The Club accounts for its investment in the Canadian Alpine Centre on the equity method. Under the equity method, the pro-rata share of the Canadian Alpine Centre's earnings are recorded as income and added to the carrying value of the investment shown on the balance sheet. Distributions of cash are deducted from the carrying value of the investment.

Alpine Club Sections

These financial statements do not include various assets and liabilities held by Sections of the Club located across Canada. These Section assets include cash, clubhouse facilities, climbing walls, and other items related to the activities of the Club. The liabilities are primarily miscellaneous accounts payable.

Donated Services

Due to the difficulty in determining the fair value of donated services, these financial statements do not account for the value of such services.

Allocation of expenses

The Club operates with membership, facilities, activities, publications and development functions. The costs of each function include the costs of personnel, facilities, programs and other expenses that are directly related to providing the function. The Club also incurs a number of general support expenses that are common to the administration of the organization and each of its functions.

The Club allocates certain administration expenses by identifying the appropriate basis of allocating each expense and applies that basis consistently each year. Postage and telephone expenses are allocated based on usage by each function. General office expenses are allocated based on a flat rate between facilities, activities and membership functions. Staff expenses are allocated based on time spent on each function.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

**5. INVESTMENTS AND SECURITIES**

	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>Fair Value</b>	<b>Fair Value</b>	<b>Fair Value</b>
Fixed Income Investments	\$ 354,703	\$ 457,287	\$ 747,839
Equity Investments	3,424,296	3,116,334	2,943,856
Mutual Funds	447,289	382,265	358,774
Money Market Funds	216,976	205,205	205,205
Cash, GIC and other	868,470	703,472	10,092
	<b>\$ 5,311,734</b>	<b>\$ 4,864,563</b>	<b>\$ 4,265,766</b>

Investments consist of fixed income and equity investments, mutual funds, money market funds and cash.

The fixed income investments have maturity dates of 12 months or greater from date of acquisition, with varying interest rates ranging from 5.75% to 7.00%.

**6. CANADIAN ALPINE CENTRE**

The Club has an approximate 30% interest in a joint venture which owns and operates the Canadian Alpine Centre ("CAC") in the township of Lake Louise. The Alpine Club of Canada and The Southern Alberta Hostel Association have entered into a joint venture agreement to govern the ownership of the CAC. Each party has the right to appoint half of the Board of Directors, but share the economic return based on their respective equity contributions to the joint venture.

The Club's investment in the joint venture consists of the following:

Equity contribution	\$ 377,696	\$ 377,696
Equity in earnings	953,279	871,830
Distributions	(442,950)	(403,385)
	<b>\$ 888,025</b>	<b>\$ 846,141</b>

During the year the Club's share of income in the CAC was \$81,448 (2012 - \$46,433).

**7. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX**

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	<b>2013</b>	<b>2012</b>
GST payable	\$ -	\$ 7,475

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

**8. CAPITAL ASSETS**

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Clubhouse buildings, cabins, services and furnishings	\$ 1,223,181	\$ 497,515	\$ 725,666	\$ 716,915
Climbing huts and furnishings	1,768,274	1,258,817	509,457	513,430
Vehicle	228,868	163,665	65,203	81,251
Camp equipment	230,763	185,089	45,674	52,574
Office equipment	374,116	350,562	23,554	29,236
Library	1,591	-	1,591	1,591
	<u>\$ 3,826,793</u>	<u>\$ 2,455,648</u>	<u>\$ 1,371,145</u>	<u>\$ 1,394,997</u>

The climbing huts are situated on lands owned by the Government of Canada and the province of British Columbia. The Club has negotiated licences of occupancy for the lands on which these huts are situated. The licenses expire March 31, 2020.

The organization has determined amortization is not required on the library.

**9. GRANT REVENUE**

The Club receives annual grant funding from the Alberta Sport, Recreation, Parks and Wildlife Foundation. Continuity of the grant funding is as follows:

	2013	2012
Grant funding received	\$ 50,295	\$ 50,295
Expended during the year	(50,295)	(50,295)
	<u>\$ -</u>	<u>\$ -</u>

**10. INCOME TAXES**

The Club is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

**11. ALLOCATION OF EXPENSES**

Various office administration costs and staff wages of \$1,159,547 (2012 - \$1,138,585) have been allocated as follows:

	<b>2013</b>	<b>2012</b>
Memberships	\$ 295,938	\$ 299,352
Facilities	705,394	691,668
Activities	104,012	93,092
Publications	21,664	21,662
Development	32,539	32,811
	<b>\$ 1,159,547</b>	<b>\$ 1,138,585</b>

**12. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of October 31, 2013.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. The majority of the organization's accounts receivable are from customers in the tourism industry and are subject to normal industry credit risks. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The allowance at October 31, 2013 was \$1,612 (2012 - \$1,612). The organization has a significant number of customers which minimizes concentration of credit risk.

**Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to fluctuations in the market price of equities and fixed income investments and credit risks on fixed income investments. The organization manages its investments based on its cash flow needs and with a view to optimizing its investment income.

**Currency risk**

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

## **THE ALPINE CLUB OF CANADA**

### **Notes to Financial Statements**

**Year Ended October 31, 2013**

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#### **13. RESTRICTED NET ASSETS**

The Alpine Club of Canada manages restricted funds as directed by the donors or in accordance with criteria approved by the Board of Directors. The following restricted funds have been pooled with other Alpine Club funds and the net investment income is allocated proportionate to net assets. Restrictions on all funds have been internally imposed except for the J. Higgins fund and the Colpitts fund.

**Mountain Culture Fund** – This fund is to be used in projects as determined by the Publications committee.

**Colpitts Fund** – The purpose of this fund is to provide two grants annually for the Club's national summer Youth Mountaineering Camp.

**Facilities Fund** – The purpose of this fund is to construct, restore, maintain and upgrade the Club's mountain huts and Canmore Clubhouse. In addition, the fund will be used to develop systems to allow the Club to use technology to minimize the environmental impact on areas in the vicinity of a Club facility involving the use of energy, water or waste disposal.

**Environment Fund** – 4.5% of the book value of this fund can be used for grants. Fund principal can only be accessed in special circumstances if approved by 75% of the Board of Directors.

**Library Fund** – The purpose of this fund is to support efforts to conserve, enhance and augment the Club's library collection.

**J. Higgins Fund** – The purpose of the fund is to promote outdoor pursuits for young women.

**Guides Ball Fund** – The purpose of this fund is to operate the annual Mountain Guides Ball and to raise money for the Club.

**Centennial Fund** – The purpose of this fund is to promote the centennial of the Club.

**Leadership Fund** – The purpose of this fund is to develop climbing and mountaineering amateur leaders for national and section activities.

**E. Brooks Fund** – 4.5% of the book value of this fund can be used annually in support of the publication of the Canadian Alpine Journal.

**Museum Fund** – The purpose of this fund is to construct and maintain a Canadian mountaineering museum in the Canmore area.

**Rob & Tanya Ritchie Environmental Legacy Fund** – The purpose of this fund is to assist the Club regarding its goals and objectives, with special emphasis on its environmental programs.

**Robson Hut Fund** – The purpose of this fund is to support the ACC costs of pursuing the possible construction of a hut in Mt. Robson Provincial Park.

*(continues)*

**THE ALPINE CLUB OF CANADA**  
**Notes to Financial Statements**  
**Year Ended October 31, 2013**

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**13. RESTRICTED NET ASSETS** *(continued)*

Energy, Water, Waste Management ("EWWM") Fund - The purpose of this fund is to develop systems that allow the Club to utilize the most suitable technology to minimize the environmental impact on the immediate vicinity of an ACC facility involving the use of energy, water or waste disposal.

John Lauchlan Award Fund - This fund was started to help fund Canadian climbing expeditions in John Lauchlan's memory.

Bev Bendell Library Fund - The purpose of this fund is to support the Club's library and ACC publications generally.

Backcountry Energy and Environmental Solutions ("BEES") Fund - The purpose of this fund is to provide a separate vehicle for the collection and disbursement of monies related to the BEES project.

Insurance Reserve Fund - The purpose of this fund is to aid the Club in the event of an insurance claim investigation or award.

Louise Guy Commemorative Fund - The purpose of this fund is to provide ongoing funding for the training of amateur leaders for the annual general mountaineering camp.

Competition Sports Fund - The purpose of this fund is to further the aims of the Club in the area of competition climbing.

Section Fund - The purpose of this fund is to assist the Sections of the Club in management of their funds for continuity, ease of reporting and professional management.

New Heights Capital Campaign Fund - The purpose of this fund is to raise \$3 Million in monies directed to three specific objectives of the Club:

- (a) Increasing the Endowment Fund
- (b) Construction of a Heritage Gallery and Library
- (c) Construction of an Alpine Hut

**THE ALPINE CLUB OF CANADA  
RESTRICTED NET ASSETS**

Schedule 1	Mtn Culture Oct.31/13	Capitals Oct.31/13	Facilities Oct.31/13	Environment Oct.31/13	Library Oct.31/13	J. Higgins Oct.31/13	Guides Bldg Oct.31/13	Centennial Oct.31/13	Leadership Oct.31/13	E. Brooks Oct.31/13	Museum/ NMC Oct.31/13	T&R Ritchie Oct.31/13	Robson Hld Oct.31/13	EWWM Oct.31/13	Bev Bendall Library Oct.31/13	John Lauchlan Award Oct.31/13	Insurance Reserve Fund Oct.31/13	Louis Guy Fund Oct.31/13	BEEES Oct.31/13	Competition Sports Oct.31/13	Section Oct.31/13	New Heights Oct.31/13	Total Funds Oct.31/13
Revenue																							
Donations	\$ 1,916	\$ -	\$ 375	\$ 1,150	\$ -	\$ 9,628	\$ 6,500	\$ -	\$ 5,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,664	\$ -	\$ 3,200	\$ -	\$ 2,551	\$ -	\$ 31,139	\$ 69,356
Sales	6,730	-	-	-	-	71,065	17,900	-	17,900	3,818	898	10,580	3,011	1,145	7,392	849	230	8,325	1,458	160,591	2,481	256,316	
Investment Income	2,968	1,275	3,716	6,065	266	465	465	-	880	3,818	898	10,580	3,011	1,145	7,392	849	230	8,325	1,458	3,422	2,481	364,140	
Other	-	-	33,272	7,245	-	-	-	-	-	3,818	898	10,580	3,011	1,145	7,392	849	230	11,525	20,000	1,458	20,000	53,272	
Total Revenue	11,614	1,275	37,363	7,245	266	9,628	78,000	-	23,815	3,818	898	10,580	3,011	1,145	7,392	853	230	11,525	1,458	168,564	22,481	35,975	440,060
Expenses																							
Administration	1	-	-	-	-	-	15	-	35	3,000	2,875	-	-	-	-	-	-	-	-	-	-	-	71
Cost of sales	15,748	-	-	4,472	2,116	8,159	66,093	-	43,480	-	-	-	-	-	-	365	15,603	1,760	20,510	186,870	20	4,438	375,539
Capital	11,000	600	-	-	-	-	-	-	-	-	-	-	-	-	-	6,500	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	26,748	600	-	4,472	2,116	8,159	66,108	-	43,515	3,000	2,875	-	-	-	-	6,865	15,603	1,760	20,510	186,890	-	4,438	393,710
Excess of revenue over expenses	\$ (15,135)	\$ 675	\$ 37,363	\$ 2,773	\$ (1,850)	\$ 1,669	\$ 11,892	\$ -	\$ (19,700)	\$ 818	\$ (1,877)	\$ 10,580	\$ 3,011	\$ 1,145	\$ 7,392	\$ 1,618	\$ (15,373)	\$ 9,745	\$ (19,052)	\$ 22,481	\$ 31,537	\$ 46,376	