



2023

Annual Report



Table of Contents

- 2** Strategic Plan 2024-2027
- 4** Alberta Golf Directory
- 5** Past Presidents of the Alberta Golf and Alberta Ladies Golf Associations
- 6** President's Report
- 8** Chief Executive Officer's Report
- 10** By the Numbers
- 12** Financial Report
- 14** Independent Auditor's Report AGA
- 16** AGA Financial Statements
- 34** Foundation President's Report
- 36** Independent Auditor's Report AGAF
- 38** AGAF Financial Statements



Alberta Golf Strategic Plan 2024-2027

Sustaining the future of our sport

Alberta Golf is the provincial sport organization for golf in Alberta, a registered not-for-profit society comprised of 56,000 members. We work collaboratively with Golf Canada, the National Sport Organization, to ensure golf remains the number one recreational activity in Canada. We preserve the integrity of the game of golf at more than two hundred golf courses in the province and promote the sport for enjoyment by all golfers.

As we build on the results of our previous strategic plan our VISION FOR THE FUTURE IS FOCUSED ON THE SUSTAINABILITY OF OUR SPORT. Our Strategic Plan (2024-2027) has been developed with clear intention, building on our most important relationships and making sustainable investments in our sport.

VISION

To be a leading Golf Association in Canada

MISSION

To foster awareness for golf while growing and developing the sport recreationally and competitively

VALUES

Enjoyment, Accountability,
Inclusiveness, Respect

Strategic Priorities

In support of our mission to foster awareness for golf while growing and developing the sport recreationally and competitively, the following four priorities have been approved by our Board of Directors.

SPORT

Promote programs that introduce new golfers to the game while recognizing excellence in our sport and inspiring a culture of high-performance.

INITIATIVES

Golf Participation, Recreational Golf, High-Performance Golf

MARKETING

Use digital and in-person communication channels to engage in activities that resonate with our target audience and enhance our brand.

INITIATIVES

Brand, Public Relations, Communications

RELATIONSHIPS

Maintain a collaborative dialogue with current stakeholders while continuing to attract future individual leaders and partners.

INITIATIVES

Governing Bodies, Industry, Volunteers

SUSTAINABILITY

Ensure we are operating with a wide lens with respect to societal trends and issues while protecting the assets, properties and best interests of the Association at all times.

INITIATIVES

Financial Health, DEI, Abuse Free Sport,
Governance, Environmental

For the full Strategic Plan, please visit albertagolf.org



2023 Alberta Golf Association Directory

Board of Directors

PRESIDENT

Brent Bailey, Windermere G&CC

VICE PRESIDENT

Kendra Koss, Earl Grey GC

SECRETARY

Chris Leach, Valley Ridge GC

TREASURER

Ross Nesbitt, River's Edge GC

DIRECTORS AT LARGE

Mark Bamford, Glendale G&CC

Jennifer Biernaskie, Public Player

Kim Carrington, Cottonwood G&CC

Ken Knowles, Windermere G&CC

Lorraine Moster, Public Player

BOARD OF DIRECTORS - GOLF CANADA

Susan MacKinnon, Willow Park G&CC

Peter Major, Calgary G&CC

PROVINCIAL COUNCIL

Brent Bailey, Windermere G&CC

PRESIDENT - ALBERTA GOLF ASSOCIATION FOUNDATION

Jim Dymianiw, Wintergreen G&CC

Staff

CHIEF EXECUTIVE OFFICER

Phil Berube

BRAND MANAGER, UPSWING BY ALBERTA GOLF

John Burns

FIELD MANAGER, COMPETITIONS

Grant Cammidge

DIRECTOR, COMPETITIONS & ATHLETE DEVELOPMENT

John Deneer

BOOKKEEPER

Tracy Hagen

DIRECTOR, COMMUNICATIONS

Kevin Smith

COORDINATOR, DIGITAL COMMUNICATIONS & HERITAGE SERVICES

Taylor Tracey

DIRECTOR, MEMBERSHIP & GOLF COURSE SERVICES

Stephen Wigington

Standing Committees

FINANCE, AUDIT & RISK MANAGEMENT

Ross Nesbitt (Chair) - Ken Knowles - Mark Bamford

Chris Leach - Brent Bailey

HUMAN RESOURCES & COMPENSATION

Lorraine Moster (Chair) - Kendra Koss

Kim Carrington - Jennifer Biernaskie - Brent Bailey

GOVERNANCE AND NOMINATING

Kendra Koss (Chair) - Jennifer Biernaskie

Mark Bamford - Ken Knowles - Brent Bailey



Past Presidents of the Alberta Golf and Alberta Ladies Golf Associations

Year	AGA President	ALGA President	Year	AGA President	ALGA President
1912	Unknown	-	1968	Glen Gray	Unknown
1913	Unknown	-	1969	Dr E.G (Jim) Skinner	Mrs. R.E. Stanhope
1914	Unknown	-	1970	Tom Wood	Mrs. R.E. Stanhope
1915	Unknown	-	1971	Bruce Bailey	Mrs. Blanche Williams
1916	Unknown	-	1972	Bruce Bailey	Mrs. Blanche Williams
1917	Unknown	-	1973	Babe Mcvoy	Mrs. C.M. Campbell
1918	Unknown	-	1974	Charlie Scott	Mrs. C.M. Campbell
1919	Unknown	-	1975	Pat Flanagan	Mrs. D.B. Grant
1920	Unknown	-	1976	Ken Laubman	Mrs. D.B. Grant
1921	Unknown	-	1977	Keith Alexander	Mrs. B. Hembling
1922	Unknown	-	1978	Suds Summerall	Mrs. B. Hembling
1923	Unknown	-	1979	Gerry Marshall	Mrs. J.G. Peace
1924	Unknown	-	1980	Ken Sharratt	Mrs. J.G. Peace
1925	Unknown	-	1981	Bill Ough	Mrs. W.J. Siwak
1926	Unknown	-	1982	John Higgin	Mrs. W.J. Siwak
1927	Unknown	-	1983	Gerry Marshall	Mrs. Lola Rozsa
1928	Unknown	Mrs. J.R. Henley	1984	Fred Trumble	Mrs. Lola Rozsa
1929	Unknown	Miss Mary Patrick	1985	Russ Powell	Mrs. Thelma Coutts
1930	Unknown	Mrs. J.A. McKinnon	1986	Mike Seniuk	Mrs. Thelma Coutts
1931	Unknown	Mrs. J.B. Starky	1987	Richard Beavers	Mrs. Catherine Simper
1932	Unknown	Mrs. C.R. Bunn	1988	Frank McBride	Mrs. Catherine Simper
1933	Unknown	Unknown	1989	Frank McBride	Mrs. Jean Smeland
1934	Unknown	Mrs. Roy H. Horne	1990	Bruce Cinnamon	Mrs. Jean Smeland
1935	A.W Matthews	Mrs. J. Train Gray	1991	Bruce Cinnamon	Mrs. Pat Workun
1936	A.W Matthews	Unknown	1992	Wayne Petersen	Mrs. Pat Workun
1937	B.V Massie	Miss Ethel Egbert	1993	Wayne Petersen	Mrs. Penny Manson
1938	J Ben Cool	Miss Ethel Egbert	1994	Ken Heywood	Mrs. Penny Manson
1939	Unknown	Unknown	1995	Frank Crean	Mrs. Corrine Wikjord
1940	H.G MacDonald	Unknown	1996	Dave Bohlken	Mrs. Corrine Wikjord
1941	R. Jennings	Unknown	1997	Rick Wood	Mrs. Fran Marsden
1942	Unknown	Unknown	1998	Jack Brooks	Mrs. Fran Marsden
1943	Gordon Love	Unknown	1999	Gordon Groft	Mrs. Fran Marsden
1944	J.B Starkey	Unknown	2000	Fran Marsden	(Amalgamation)
1945	A.J Munro	Unknown	2001	Bryan Neubeker	-
1946	Robert Ainslie	Unknown	2002	Bryan Neubeker	-
1947	P.I Cameron	Mrs. Victor Kastberg	2003	Karen Rackel	-
1948	Bob Borland	Miss Catherine Rose	2004	Varley Weisman	-
1949	F.C Smith	Mrs. H.C. Dalglish	2005	Enid Botchett	-
1950	Les Miller	Miss Jean Wallbridge	2006	Les Swelin	-
1951	Joe Welsh	Mrs. John Michaels	2007	Leslie Dunning	-
1952	Joe Welsh	Miss Louise Stempls	2008	Leslie Dunning	-
1953	Gar Lush	Mrs. A.C. Aherns	2009	Lonny Petersen	-
1954	Les Delley	Mrs. John Michaels	2010	Anne Ward Neville	-
1955	Les Delley	Mrs. S.D. McAra	2011	Tyrone Edwards	-
1956	Harold 'Red' McMahon	Mrs. Wm. Hannah	2012	Sandra Craig	-
1957	Harold 'Red' McMahon	Mrs. J.E. Walton	2013	Sandra Craig	-
1958	Charles Humber	Mrs. Mina Lindberg	2014	Susan MacKinnon	-
1959	Charles Humber	Mrs. Glen Watson	2015	Susan MacKinnon	-
1960	Dave Jones	Mrs. G.E. Lush	2016	Bob McGinn	-
1961	Dave Jones	Miss Louise Stempel	2017	Tom Zariski	-
1962	Ed Thomas	Mrs. John Kishiuchi	2018	Peter Major	-
1963	Ed Thomas	Mrs. Robert Watson	2019	Peter Major	-
1964	Bill Tait	Mrs. F. Walton	2020	Peter Major	-
1965	Bill Tait	Mrs. Marg Ward	2021	Mark Bamford	-
1966	Al Williams	Unknown	2022	Mark Bamford	-
1967	Al Williams	Mrs. G. Watson	2023	Brent Bailey	-



President's Report

The past golf season saw continued strong growth in competitive and recreational golf activity in Alberta. Through the completion of our new Strategic Plan and Business Plans, along with the dedication of our strong team in Calgary, we realized the following successes in 2023:

- a 12% increase to our membership up to 56,000 members.
- membership increase largely in our recreational golfer category lead by UpSwing.
- contracts signed to bring First Tee and continue Youth on Course programs in Alberta.
- increased participation in almost all competitive categories.
- inaugural All Abilities Championship held at McCall Lake Golf Course.
- First Nations Cup supported by Alberta Golf.
- Alberta players win the individual championship at Canadian Junior Girls and the team championship at the Canadian Men's Senior.



- Pace of Play system implemented in Alberta Golf events.
- Alberta Golf Foundation provides over \$70,000 in scholarships to Alberta students for post secondary education.

In support of our recreational and competitive programs, the following initiatives were implemented:

- Alberta Golf Operating Council, a cross functional group of 32 individuals representing all stakeholders of the golf industry was put in place to provide dialogue and counsel to Alberta Golf on our pathway as we move forward.
- a comprehensive review of our Competitions processes is in progress leading toward even higher levels of enjoyment and participation in our events.
- increased focus on the educational component of our Junior events to continually grow the knowledge level of our Junior players.

Financially, Alberta Golf had another successful year in balancing revenues with funding our programs. Please see the Treasurers report for details. We continue to look to add value to the recreational and competitive golfer in Alberta through creative activities through revenue growth and prudent expense management.

Finally, all of our activities would not be possible without the dedicated support of our volunteers, including those volunteers from the host clubs of our events, and the clubs themselves. Without our partners, our events would not be possible. I look forward to another successful 2024 working with the Alberta Golf team and all our partners.

Brent Bailey
President Alberta Golf Association



Chief Executive Officer's Report

Looking back at Alberta Golf's initial planning process for 2023 and evaluating the ensuing results leaves us with a great sense of excitement for the future of our sport. Having exceeded even the most aggressive of expectations with respect to total rounds played (having eclipsed ten million rounds nationally!) the golf industry remains in a very strong place based on high participation rates.

In 2023 our total membership vaulted by 6,000 (from 50,000 to more than 56,000). Cumulative efforts of the entire golf industry to be more welcoming and inclusive are on full display these days and we all know that when the weather cooperates, golfers will take advantage.

With a strategic focus on being a leading advocate for abuse free sport and adding new events to support our diversity initiatives, we placed continued emphasis on our role as the Provincial Sport Organization to support the continued growth of the game and expand our membership offering. Highlights from the season include the introduction of the All Abilities Championship,



continued growth of our UpSwing brand and the impact our Youth on Course program is having on kids playing the game for \$5 or less at more than 20 golf courses in the province.

Our teams performed well at National Championships in 2023, taking home the gold medal at the Canadian Senior Men's Championship in British Columbia. On the individual side, Red Deer G&CC protégé Eileen Park's 8-shot victory at the National Junior Girls Championship was one for the ages. Considering she is still eligible to compete in this event for another 4 years, things are looking bright for Alberta Golf's high performers.

As we look ahead to what 2024 has in store for us, the theme for Alberta Golf is to focus on our strengths as an Association by gaining a deeper understanding of who our members really are and the various demographics and segments they represent. We will respond to the information gathered by re-tooling our digital and print communications to better serve the needs of our membership.

In addition to our focus on serving a growing and diverse membership, Alberta Golf will ensure the details performed in the delivery of every program and event we offer will continue to meet the expectations of our most loyal supporters so they remain engaged - this includes our industry partners, host golf club personnel, volunteers and competitors.

Finally, the CPKC Women's Open is coming to the Earl Grey Golf Club in 2024 and Alberta Golf's commitment to supporting Golf Canada with this event and all other initiatives including the launch of First Tee Alberta will further extend the relationship we have with governing bodies in our province.

Let's hope the weather cooperates with what we have planned so that we can all enjoy another successful golf season!

Phil Berube
Chief Executive Officer



2023 BY THE NUMBERS



\$59.95

is the cost of a
Golf Canada
Gold Membership
valid for 365 days

2,280

Registrations for
Alberta Golf
EVENTS &
competitions



4,553
FOLLOWERS



4,659
FOLLOWERS



95 PLAYERS

Qualified for National events through
Alberta Golf Championships



1,981

Golfers are using the UpSwing Platform



Download the Golf Canada App
to keep track of scores, handicaps,
find golf courses and more

39 SCHOLARSHIP RECIPIENTS
received a combined total of

\$69,900

38 YEARS

OF PUBLISHING THE

**ALBERTA
GOLFER
MAGAZINE**

\$45,000

PAID OUT TO

30 ATHLETES

as part of the Athlete Development Program

\$123,514

paid out in Alberta for
GOLD MEMBERSHIP
incident protection claims

1,623,204 ROUNDS

posted by Albertans in
the Golf Canada Score Centre



8,500+ ROUNDS

played in the **Youth
On Course** program



Financial Report

After one of the strongest years for golf in both a recreational and competitive sense, the 2024 golf season is quickly approaching. Without a doubt, there have been significant challenges and uncertainty the past few years. This has only shown the resilience and dedication of Alberta Golfers and truly exemplifies the motto of “If there is a will there is a way”.

Having focused heavily on growing the game in the past years, the next question that we have asked ourselves is “how do we sustain it”? This question was at the forefront of our discussions as a board in 2023 when we were developing Alberta Golf’s strategic plan and objectives for the next 4 years. To us, sustainability of Alberta Golf means a focus on our environmental metrics, abuse free sport, DEI initiatives, governance, and financial health.

Alberta Golf’s investment in digital marketing and its investment into UpSwing by Alberta Golf (UpSwing) have provided additional means for recreational golfers to access information and participate in events province-wide. In year 3 of UpSwing, we anticipate an up-tick in the number of participants in events with golfers from all across Alberta being provided opportunities to play new clubs and interact with their fellow UpSwing members. The platform allows recreational golfers to participate in province-wide events, while also facilitating the most important aspect of the game - having fun.



Alberta Golf has and will continue to execute events and sport development for its competitive golfers. While we may have a shorter season than some provinces, it is without a doubt that our events attract participants nationally with strong playing fields and fierce competition. We aim to continue that moving forward, as evidenced by our increased investment in sport development and competitions in 2023.

From a financial perspective, Alberta Golf generated positive results, showcasing continued growth of the game. Total revenues for the period ended December 31, 2023, amounted to \$2,043,646 (2022 - \$1,892,187) with corresponding expenses of \$1,988,566 (2022 - \$1,743,355), resulting in an excess of revenue over expenses before other income of \$55,080 (2022 - \$148,832). Increases in revenue were the result of an 11.9% growth in membership dues, after amounts paid to Golf Canada, offset by a 14.8% increase in our program expenses and spending related to sport development, competition and member programs and services.

Alberta Golf continues to maintain a healthy balance sheet and steady sources of funding to meet the diverse needs of our stakeholders and programs – as demonstrated by our current ratio of 3.67 (2022 - 3.73) as at December 31, 2023. In the current year, we have placed an emphasis on the long-term

financial stability of the organization. We continue to look for opportunities to reinvest funds into the organization and our programs to achieve our vision of being a leading golf association in Canada.

We encourage you to read the audited financial statements including the notes and schedules, opined by Grant Thornton LLP, in its entirety.

At Alberta Golf, it is our mission to foster awareness for golf while growing and developing the sport recreationally and competitively for all Albertans. We are beyond excited for what is to come in the next few years and look forward to growing and sustaining the game that we all love.

A handwritten signature in blue ink, appearing to read 'R. Nesbitt'.

Ross Nesbitt
Chair, Finance and
Risk Management Committee
Alberta Golf Association

Independent Auditor's Report

To the Members of Alberta Golf Association

Opinion

We have audited the financial statements of Alberta Golf Association, which comprise the statement of financial position as at December 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 Association as at December 31, 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Grant Thornton LLP

Grant Thornton LLP
Chartered Professional Accountants

February 29, 2024

Suite 1100, 332 - 6 Avenue SW
Calgary, AB, Canada T2P 0B2
www.GrantThornton.ca

Alberta Golf Association

Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 678,235	\$ 579,931
Accounts receivable	95,226	36,679
Prepaid expenses and deposits	25,081	21,782
Restricted cash (Note 4)	89,784	54,793
	<u>888,326</u>	<u>693,185</u>
Investments (Note 5)	626,544	591,722
Capital assets (Note 6)	635,275	632,265
Intangible assets (Note 7)	149,182	208,773
	<u>\$ 2,299,327</u>	<u>\$ 2,125,945</u>
Liabilities		
Current		
Payables and accruals (Note 8)	\$ 80,978	\$ 40,443
Deferred revenue (Note 9)	70,800	40,762
Deferred casino revenue (Note 4)	89,784	55,849
	<u>241,562</u>	<u>137,054</u>
Deferred capital contributions (Note 10)	46,246	48,680
	<u>287,808</u>	<u>185,734</u>
Net assets		
Endowment (Note 5)	626,544	591,722
Invested in capital and intangible assets	738,211	792,358
Unrestricted	646,764	556,131
	<u>2,011,519</u>	<u>1,940,211</u>
	<u>\$ 2,299,327</u>	<u>\$ 2,125,945</u>

On behalf of the board

Grant Bailey

[Signature]

see accompanying notes to the financial statements

Alberta Golf Association

Statement of Operations

Year ended December 31	2023	2022
Revenue		
Membership dues	\$ 2,513,006	\$ 2,223,176
Amounts paid to Golf Canada	(1,266,394)	(1,124,993)
	<u>1,246,612</u>	<u>1,098,183</u>
Program revenue		
Grants (Note 9)	91,562	81,523
Casino (Note 4)	46,323	62,763
Sport development (Schedule 1)	170,611	163,220
Competitions (Schedule 1)	441,318	440,962
Member programs and services (Schedule 1)	47,220	45,536
	<u>797,034</u>	<u>794,004</u>
Total revenue	<u>2,043,646</u>	<u>1,892,187</u>
Expenses		
Program expenses		
Sport development (Schedule 2)	434,960	377,889
Competition (Schedule 2)	587,461	532,507
Member programs and services (Schedule 2)	474,997	365,802
	<u>1,497,418</u>	<u>1,276,198</u>
Program support expenses		
Administration and overhead (Schedule 2)	284,551	256,080
Communications and business development (Schedule 2)	206,597	211,077
	<u>491,148</u>	<u>467,157</u>
	<u>1,988,566</u>	<u>1,743,355</u>
Excess of revenue over expenses before other income (expense)	<u>55,080</u>	<u>148,832</u>
Other income (expense)		
Interest and other income	99,112	73,050
Amortization (Notes 6, 7 and 10)	(117,706)	(113,206)
	<u>(18,594)</u>	<u>(40,156)</u>
Excess of revenue over expenses	<u>\$ 36,486</u>	<u>\$ 108,676</u>

see accompanying notes to the financial statements

Alberta Golf Association

Statement of Changes in Net Assets

Year ended December 31

	Unrestricted	Invested in capital and intangible assets	Endowment	Total 2023	Total 2022
Balance, beginning of year	\$ 556,131	\$ 792,358	\$ 591,722	\$ 1,940,211	\$ 1,853,083
Excess (deficiency) of revenue over expenses	154,192	(117,706)	-	36,486	108,676
Capital assets acquired with unrestricted net assets	(63,559)	63,559	-	-	-
Income on endowment investments	-	-	34,822	34,822	(21,548)
Balance, end of year	<u>\$ 646,764</u>	<u>\$ 738,211</u>	<u>\$ 626,544</u>	<u>\$ 2,011,519</u>	<u>\$ 1,940,211</u>

see accompanying notes to the financial statements

Alberta Golf Association

Statement of Cash Flows

Year ended December 31	2023	2022
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenue over expenses	\$ 36,486	\$ 108,676
Item not affecting cash		
Amortization	117,706	113,206
	154,192	221,882
Change in non-cash working capital items		
Accounts receivable	(58,547)	34,345
Prepaid expenses and deposits	(3,299)	(294)
Payables and accruals	40,535	9,818
Deferred revenue	30,038	28,127
Deferred casino revenue	33,935	(62,762)
	196,854	231,116
Financing		
Repayment of Canada Emergency Business Account loan payable	-	(30,000)
Investing		
Expensed portion of UpSwing Platform (Note 7)	-	31,875
Purchase of capital and intangible assets	(63,559)	(36,104)
Restricted cash	(34,991)	63,818
	(98,550)	59,589
Increase in cash and cash equivalents	98,304	260,705
Cash and cash equivalents		
Beginning of year	579,931	319,226
End of year	\$ 678,235	\$ 579,931

see accompanying notes to the financial statements

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

1. Nature of the Association

The Alberta Golf Association (the "Association") is a society founded in 1912 and established under the Societies Act of Alberta (RSA 2000 CS-14) through an amalgamation with the Alberta Ladies Golf Association on January 1, 2000. The Association is recognized as the provincial golf sport organization by the Government of Alberta - Sports, Physical Activity and Recreation (SPAR) Division. The Association is committed to promoting and realizing the positive impacts of golf on individuals and communities across Alberta.

2. Summary of significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

Cash and cash equivalents

The Association's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn. Also included in cash and cash equivalents are term deposits with a maturity period of three months or less from the date of acquisition. Cash and cash equivalents that are externally restricted for specified expenditures by contributors are presented as restricted cash in the statement of financial position.

Capital assets

Capital assets are recorded at cost less accumulated amortization and, if applicable, impairment provisions. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the useful lives of the separate components. Capital assets are amortized over their estimated useful lives using the declining balance method and the following rates:

Office premises	5%
Field equipment	20%
Vehicles	30%
Office equipment	20%
Computer equipment	25%

When the Association determines that a capital asset no longer has any long-term service potential, the excess of the carrying amount of the asset over its residual value is recognized as an expense in the statement of operations. The Association tests for impairment whenever events or changes in circumstances indicate that the future economic benefits or service potential of the asset may not be recoverable. Any recorded write-downs cannot be reversed.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

2. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and, if applicable, impairment provisions. Intangible assets are amortized over their estimated useful lives using the following method and rates:

Alberta Golf identity video	4 Years Straight-line
Website development	4 Years Straight-line
UpSwing platform	3 Years Straight-line

The Association maintains rights to the Junior Golf Tour in Alberta, which are not amortized.

Intangible assets under development are not initially amortized until the asset is ready for use and has been reclassified to the appropriate category, at which time, the estimated useful life is determined.

When the Association determines that an intangible asset no longer has any long-term service potential, the excess of the carrying amount of the asset over its residual value is recognized as an expense in the statement of operations. The Association tests for impairment whenever events or changes in circumstances indicate that the future economic benefits or service potential of the asset may not be recoverable. Any recorded write-downs cannot be reversed.

Given that the rights to the Junior Tour in Alberta are not amortized, the Association tests for impairment of these rights at least annually at the end of its reporting period.

Financial instruments

Financial assets and liabilities are measured at fair value on initial recognition, except for certain non-arm's length transactions, which are measured at cost or fair value depending on the nature of the transaction. The Association has no non-arm's length transactions recorded at fair value. Investments are measured at fair value at each reporting date and transaction costs, investment income and realized and unrealized gains or losses associated with investment activities are recognized as direct increases or decreases in endowment net assets. All other financial instruments are subsequently measured at amortized cost. Transaction costs incurred on the acquisition of financial instruments measured subsequently at amortized cost are applied against the associated financial asset or liability and are amortized over the life of the associated financial asset or liability using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators that the assets may be impaired. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the previously recognized impairment loss.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

2. Summary of significant accounting policies (continued)

Fund balances

The Association has established certain funds for the following purposes:

Unrestricted - Represents the cumulative excess of unrestricted revenues received less expenses. These funds are utilized for operations.

Invested in capital assets - Represents funds expended on capital assets and intangible assets less externally restricted contributions of resources for the purchase of capital assets and intangible assets, offset by annual amortization.

Endowment - Represents externally restricted contributions that are required to be held in perpetuity, with net revenues generated from these invested contributions to be expended for the purposes specified by the donor.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions, including SPAR grants (formerly ASC) and casino funds, are recognized as revenue in the year that the related expenses are incurred or capital assets acquired.

The Association collects Golf Canada membership dues from golf clubs and individuals in Alberta on behalf of Golf Canada. A portion of the membership dues collected are required to be remitted to Golf Canada by the Association, with the residual amounts retained by the Association to support the Association's mandate. The Association recognizes membership dues revenue, less the amounts payable to Golf Canada, at the time the golf clubs or individuals enter into a Golf Canada membership agreement, collection of the relevant receivable is reasonably assured and when the Association maintains no further acts or obligations to the golf club, individual or Golf Canada concerning the memberships sold.

Revenues from sport development, competitions and member programs and services are principally derived from entry fees, registrations and sponsorships. These revenues are recognized when monies have been collected or collection of the relevant receivable is reasonably certain and when the events or competitions have concluded.

Interest income is recognized when received. Other income is recognized when persuasive evidence of an arrangement exists, the sales price for goods or services are fixed or determinable and collection of the relevant receivable is reasonably assured.

Endowment fund income is recognized as a direct increase to endowment fund net assets.

Income taxes

The Association operates as a not-for-profit organization as defined under the Income Tax Act, Canada and is not subject to income taxes.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

2. Summary of significant accounting policies (continued)

Contributed materials and services

The Association may recognize contributed materials or supplies when the fair value of these contributions can be reasonably estimated and if the Association would otherwise have had to acquire these materials or supplies. The Association recognizes that volunteers annually contribute a substantial number of hours to assist the Association in fulfilling its mandate. The value of contributed services is not recognized in these financial statements as the fair value of these contributed services cannot be reasonably estimated.

Foreign currency translation

Certain of the Association's endowment investments are denominated in foreign currencies and are translated to Canadian dollars at the applicable exchange rates on the date of the statement of financial position. Investment revenue and expenses that are denominated in foreign currencies are translated to Canadian dollars at the rates of exchange in effect at the respective transaction dates. The resulting foreign exchange gains and losses are recorded as direct increases or decreases, respectively, in endowment net assets.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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 expenses during the year. These estimates are based on management's knowledge of current events and actions that the Association may undertake in the future. Significant items subject to estimation uncertainty include the carrying value of accounts receivable, fair value of investments, potential impairment and estimated useful lives (service potential) of capital assets and intangible assets and the completeness of accrued liabilities. Actual results may differ from these estimates and the differences could be material.

3. Line of credit and Canada Emergency Business Account loan payable

The Association has a \$245,000 line of credit with the Canadian Western Bank. The line of credit bears interest at the greater of the Bank's prime interest rate plus 1.65% per annum or 8.85% per annum. As at December 31, 2023 \$nil (2022 - \$nil) was outstanding under the line of credit. The line of credit is secured by a general security agreement over all present and after acquired personal property of the Association and a demand, collateral mortgage in the principal amount of \$245,000, conveying a fixed charge over the Association's office premises (Note 6).

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

4. Restricted cash and deferred casino revenue

Restricted cash represents charitable gaming proceeds ("casino revenue") received from Alberta Gaming, Liquor and Cannabis ("AGLC") that have not yet been expended by the Association in accordance with Article 5, *Specific Use of Proceeds*, of the Charitable Gaming Policies Handbook published by the AGLC. Sources and uses of casino revenue in the year were as follows:

	2023	2022
Balance, beginning of year	\$ 54,793	\$ 118,611
Charitable gaming proceeds	82,123	-
Funds transferred back to Casino account for ineligible expenditures / amounts	2,656	4,249
Casino revenue recognized on account of eligible expenses	(49,788)	(68,067)
	<u>\$ 89,784</u>	<u>\$ 54,793</u>

5. Investments and endowment funds

The Association's investments comprise a portfolio of domestic and foreign fixed income and equity securities that are publicly traded and managed by a professional investment advisor. All of the Association's investments were derived initially from contributions of the following endowment funds:

Arthur P. and E. Lynne Cox Memorial Fund

The original endowment of \$100,000 was accumulated from 1995 to 1997. The Fund was established to provide program funding for the Alberta Montana Junior Ryder Cup Teams.

General Endowment Funds

General endowment funds have been contributed from various sources to provide support for the Association's programming and services.

In addition to the above noted funds, in fiscal 2000, the Association contributed \$100,000 of endowment funds, comprising of \$80,000 of general endowment contributions and \$20,000 from the E. Lynne Cox Memorial Fund, to SPAR (formerly ASC). The E. Lynne Cox Memorial Fund was established to provide program funding for junior girls golf. The terms of the contribution agreement between the Association and SPAR (formerly ASC) are that contributed amounts are to be held by SPAR (formerly ASC) in perpetuity. Net investment income generated from these contributed funds may be paid to the Association annually and on request, provided the project description is consistent with the purpose specified by the original endowing parties. As the Association has no legal right or title to these contributed funds, these investments have not been recorded in these financial statements.

A summary of changes to endowment funds are included in the accompanying tables.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

5. Investments and endowment funds (continued)

	2023			
	Carrying amount	Investment income	Unrealized gain (loss)	Market values
Arthur P. and E. Lynne Cox Memorial Funds	\$ 186,048	\$ 5,721	\$ 7,611	\$ 199,380
General endowment funds	405,674	13,956	7,534	427,164
	<u>\$ 591,722</u>	<u>\$ 19,677</u>	<u>\$ 15,145</u>	<u>\$ 626,544</u>
	2022			
	Carrying amount	Investment income	Unrealized gain (loss)	Market values
Arthur P. and E. Lynne Cox Memorial Funds	\$ 192,865	\$ 4,897	\$ (11,714)	\$ 186,048
General endowment funds	420,405	13,270	(28,001)	405,674
	<u>\$ 613,270</u>	<u>\$ 18,167</u>	<u>\$ (39,715)</u>	<u>\$ 591,722</u>

6. Capital assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office premises	\$ 1,199,252	\$ 660,467	\$ 538,785	\$ 567,141
Field equipment	148,335	127,982	20,353	19,872
Vehicles	61,741	22,445	39,296	13,074
Office equipment	249,109	224,899	24,210	19,237
Computer equipment	91,742	79,111	12,631	12,941
	<u>\$ 1,750,179</u>	<u>\$ 1,114,904</u>	<u>\$ 635,275</u>	<u>\$ 632,265</u>

Included in amortization expense is \$60,549 (2022 - \$49,543) associated with capital assets. The total amortization expense presented in the statement of operations includes amortization of capital assets, intangible assets and deferred capital contributions.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

7. Intangible assets

			<u>2023</u>	<u>2022</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Alberta Golf identity video	\$ 30,000	\$ 30,000	\$ -	\$ -
Website development	5,381	5,381	-	-
Junior Golf Tour rights	30,000	-	30,000	30,000
UpSwing platform	<u>238,364</u>	<u>119,182</u>	<u>119,182</u>	<u>178,773</u>
	<u>\$ 303,745</u>	<u>\$ 154,563</u>	<u>\$ 149,182</u>	<u>\$ 208,773</u>

Included in amortization expense is \$59,591 (2022 - \$66,225) associated with intangible assets. The total amortization expense presented in the statement of operations includes amortization of capital assets, intangible assets and deferred capital contributions.

In April 2022, the Association completed the development of the UpSwing Platform. Upon completion of the platform, the Association determined that \$31,875 of the amounts incurred were related to exploratory expenditures, including an initial pilot platform that was not used in the platform's final form. As such, these costs were expensed in fiscal 2022 as a part of Member programs and services and not included in the capitalized cost of the finalized UpSwing Platform.

8. Payables and accruals

Included in payables and accruals are government remittances payable of \$33,585 (December 31, 2022 - \$Nil payable) on account of GST.

9. Deferred revenue

Deferred revenue represents restricted sport support grant funding received from SPAR (formerly ASC) during the year to support support high performance athletes, volunteer training, junior golf initiatives, and the Golf Canada Foundation grant received in support of diversity initiatives. The following table summarizes funding received and spent in the year, and deferred online memberships recognized in 2023.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

9. Deferred revenue (continued)

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 40,762	\$ 12,635
Annual SPAR funding	81,600	122,285
ATB Financial Classic - Youth on Course program	55,000	-
Canada Summer Games Grant	10,000	-
Diversity Grant	2,000	-
Skills Challenge Grant	2,000	-
Golf Canada Foundation grant	-	25,000
Expended on eligible expenses	(120,562)	(106,523)
Recognition of online membership purchases for 2023	-	(12,635)
	<u>\$ 70,800</u>	<u>\$ 40,762</u>

Amounts expended on eligible expenses relates to total grant revenue recognized as follows:

	<u>2023</u>	<u>2022</u>
Annual SPAR funding	\$ 81,562	\$ 81,523
ATB Financial Classic - Youth on Course program	25,000	-
Canada Summer Games Grant	10,000	-
Diversity Grant	2,000	-
Skills Challenge Grant	2,000	-
Golf Canada Foundation grant	-	25,000
Balance, end of year	<u>\$ 120,562</u>	<u>\$ 106,523</u>

10. Deferred capital contributions

In 2009, the Association received a donation of \$100,000 from Lola Rozsa for the construction of its new office premises. The Association has capitalized this donation as a deferred capital contribution in the statement of financial position, and the contribution is recognized as revenue on the same basis of the asset acquired and is presented as a reduction in amortization expense presented in the statement of operations. Amortization expense presented in the statement of operations includes amortization of capital assets, intangible assets and deferred capital contributions. Amortization of deferred capital contributions was determined as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 48,680	\$ 51,242
Revenue recognized	<u>(2,434)</u>	<u>(2,562)</u>
Balance, end of year	<u>\$ 46,246</u>	<u>\$ 48,680</u>

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

11. Related party transactions

The Association's related parties include the Board of Directors and management. The Board of Directors and management may hold interests or positions in other organizations that result in them having significant influence over the strategic operating, financing and investing activities of those organizations. The Alberta Golf Association Foundation (the "Foundation") provides scholarships on an annual basis for all eligible Albertans. The Foundation president is an invited guest at all Association board meetings and certain directors of the Association are also directors of the Foundation. Accordingly, the Foundation and Association are related parties. During the periods ended December 31, 2023 and December 31, 2022, there were no transactions by and between these related parties.

During the year ended December 31, 2023, the Association donated \$7,500 (2022 - \$nil) to the Foundation.

12. Financial instruments

The Association is exposed to various risks through its financial instruments including credit risk and market risk. The Association manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) 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 Association's main credit risks relate to its cash and cash equivalents, accounts receivable, restricted cash and investments. Cash and cash equivalents, restricted cash and investments are deposited or held in trust with reputable financial institutions. With respect to accounts receivable, the Association has a large number of golf club and individual members, which minimizes the Association's concentration of credit risk.

It is management's opinion that the Association is not exposed to significant credit risk arising from these financial assets.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 18% (December 31, 2022 - 19%) of the Association's investments represent equity interests in US corporations.

(ii) 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 Association is exposed to interest rate risk on its line of credit and its investments. The Association's fixed-rate financial instruments subject it to a fair value risk while the floating-rate financial instruments subject it to a cash flow risk. Approximately 42% (December 31, 2022 - 41%) of the Association's investments comprise Canadian fixed income instruments.

Alberta Golf Association

Notes to the Financial Statements

December 31, 2023

12. Financial instruments (continued)

(b) Market risk (continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments that are quoted in an active market.

The Association is exposed to concentration risk as approximately 82% (December 31, 2022 - 81%) of its investments in a quoted active market are in Canada and approximately 18% (December 31, 2022 - 19%) of its investments in a quoted active market are in the US. The Association mitigates this risk by engaging the services of professional investment advisors, by placing limits on assets investable in debt or equity interests and by altering the mix of its Canadian, foreign, debt and equity investments in response to market developments.

Alberta Golf Association

Schedule 1 - Program Revenue

Year ended December 31

	Sport Development		Competitions		Member programs and services		Total 2023
Entry fees and registrations	\$	114,611	\$	441,318	\$	4,166	\$ 560,095
Sponsorships		27,000		-		9,016	36,016
Grants and other (Note 9)		29,000		-		34,038	63,038
	\$	170,611	\$	441,318	\$	47,220	\$ 659,149

Year ended December 31

	Sport Development		Competitions		Member programs and services		Total 2022
Entry fees and registrations	\$	106,220	\$	420,962	\$	10,375	\$ 537,557
Sponsorships		55,000		20,000		3,570	78,570
Grants and other		2,000		-		31,591	33,591
	\$	163,220	\$	440,962	\$	45,536	\$ 649,718

Alberta Golf Association

Schedule 2 - Program and Support Expenses

Year ended December 31

	Sport development	Competition	Member programs and services	Administration and overhead	Communications and business development	Total 2023
Accommodations and travel	19,664	42,759	29,469	-	11,833	103,724
Bad debts	-	-	-	9,853	-	9,853
Building maintenance and repairs	-	-	-	17,431	-	17,431
Clothing	-	-	37,332	1,443	-	38,775
Competitor participation awards	-	60,691	-	-	-	60,691
Competitor performance awards	-	76,252	-	-	-	76,252
Contract fees	40,145	23,150	5,161	3,004	-	71,460
Delivery costs	-	-	-	3,816	-	3,816
Facility and equipment fees	168,730	148,813	81,315	-	-	398,858
Food and beverage	20,648	78,146	43,909	-	1,190	143,893
Gifts for host clubs	500	-	7,650	-	-	8,150
Stripe fees	-	-	-	25,760	-	25,760
Grants and donations	67,548	-	417	-	-	67,965
Information technology	-	-	-	9,499	-	9,499
Insurance	-	-	-	15,384	-	15,384
Legal and audit	-	-	-	32,855	-	32,855
Office supplies and bank fees	-	-	-	19,590	-	19,590
Printing, postage and telephone	-	-	109,604	7,784	-	117,388
Professional development	-	-	-	12,505	-	12,505
Property tax	-	-	-	17,259	-	17,259
Registrations	3,524	-	15,639	-	-	19,163
Salaries and benefits	110,761	144,500	144,500	101,794	193,574	695,129
Staff and officials	-	13,152	-	-	-	13,152
Team apparel	3,440	-	-	-	-	3,440
Utilities	-	-	-	6,574	-	6,574
	\$ 434,960	\$ 587,461	\$ 474,997	\$ 284,551	\$ 206,597	\$ 1,988,566

Alberta Golf Association

Schedule 2 - Program and Support Expenses

Year ended December 31

	Sport development	Competition	Member programs and services	Administration and overhead	Communications and business development	Total 2022
Accommodations and travel	16,559	45,009	31,642	-	486	93,696
Building maintenance and repairs	-	-	-	18,189	-	18,189
Clothing	-	-	26,563	2,269	-	28,832
Competitor participation awards	-	36,175	-	-	-	36,175
Competitor performance awards	-	65,184	-	-	-	65,184
Contract fees	29,807	29,271	-	3,774	-	62,852
Delivery costs	-	-	-	6,394	-	6,394
Facility and equipment fees	119,708	154,026	41,067	-	14,011	328,812
Food and beverage	18,639	62,945	17,816	-	6,387	105,787
Gifts for host clubs	500	-	119	-	1,145	1,764
Stripe fees	-	-	-	24,005	-	24,005
Grants and donations	83,306	-	-	-	-	83,306
Information technology	-	-	-	5,905	-	5,905
Insurance	-	-	-	25,206	-	25,206
Legal and audit	-	-	-	27,571	-	27,571
Office supplies and bank fees	-	-	-	20,836	-	20,836
Printing, postage and telephone	-	-	136,497	10,265	-	146,762
Professional development	-	-	-	400	-	400
Property tax	-	-	-	16,929	-	16,929
Registrations	3,308	-	7,336	-	1,538	12,182
Salaries and benefits	95,756	124,924	104,762	88,002	187,510	600,954
Staff and officials	-	14,973	-	-	-	14,973
Team apparel	10,306	-	-	-	-	10,306
Utilities	-	-	-	6,335	-	6,335
	\$ 377,889	\$ 532,507	\$ 365,802	\$ 256,080	\$ 211,077	\$ 1,743,355





Foundation President's Report

The Alberta Golf Association Foundation (AGAF), established under the Alberta Societies act in 1994, continues to grow for the benefit of all Alberta students graduating and going on to post secondary studies and the next generation of golfers through post secondary scholarship funding. It is a legacy that continues to be funded by the generosity extended from patrons of the game and fundraising from a small number of casino dates, staffed by volunteers.

The AGAF Board of Directors is a small group of dedicated AGAF volunteers who give their time to ensure the operational integrity of the Alberta Golf Association Foundation. Specifically, the primary mandate of the AGAF is to award scholarships to qualified and deserving Alberta post-secondary student applicants. Thanks go to the Board of Directors and to Alberta Golf administration for their undying support.

The mandate of the Alberta Golf Foundation is to provide scholarship assistance to many young people entering and attending post-secondary institutions. The AGAF Board approved a 2023 scholarship disbursement amount of \$69,900. From this, the Board agreed to approve scholarships to 39 deserving applicants, representing a total disbursement amount similar to 2022 and for amounts that were deemed to be impactful. As a point of note – a record number of applications were received, approaching almost double that of the previous year. We conclude from this that the profile of the AGAF and its work is reaching a larger student audience.

Toward the latter half of the year, work began in earnest to assemble a staff of volunteers for the 2023 AGAF Casino fundraising initiative, held at the Starlight Casino - West Edmonton Mall. This 2-day initiative was successful once again in providing the AGAF with funds necessary to continue our mission of awarding scholarships to several successful Student applicants. The criterion used each year to evaluate each student includes several objective criteria designed to be fair and equitable to all applicants. The criteria have been working well



in the recent past and remained unchanged for 2023. In addition to these funds, are the generous donations from a list of private patrons of both the game and Alberta youth. Our next Casino fundraising opportunity will be in 2025. The Foundation is very proud that our total scholarships awarded since beginning the scholarship program in 1994 is close to one million dollars!

Looking ahead, the AGAF Board are proposing to embark on a journey that will revisit the AGAF strategic plan with renewed strategic initiatives designed to bolster our sources of scholarship revenue. An obvious end goal could be to provide scholarships for more students with higher awards. In addition, we are on the lookout for people interested in joining our Board for 2 specific roles. One is an additional Director position, to help with projects related to the renewed strategic initiatives. A background in legal, estate administration or sales and marketing would be an asset to the current team. The second role we are looking to fill for the beginning of 2025 is that of AGAF Treasurer. The position is currently held by Neil Little, whose term is coming due at the end of 2024. Any people interested in joining our volunteer Board for either role is asked to contact Jim Dymianiw.

Volunteers take time out of their busy lives to help the Foundation by serving on the Board of Directors, so a shout out to my fellow AGAF Board members - Leigh Cormack, Darrell Hodges, Dave Mitchell, Neil Little, Karen Wingnean and Richard Emery. All have agreed to let their names stand as voluntary Board members for the 2024 calendar year. Finally, I'd be remiss

if I didn't extend a huge thank you to Alberta Golf and its staff for their administrative support, and from which the AGAF mission is made possible.

In closing, I would again like to acknowledge the Foundation Members and the Valued Endowment Patrons for their contributions to ensure another successful year for post-secondary scholarships in Alberta.

THANK YOU TO OUR PATRONS:

Charles C. Reid Foundation
Frank Lindsay Memorial Foundation
R.E. Courage Memorial Fund
Christa Spahmann Memorial
Lola Rozsa Memorial
Jeff Llewellyn Memorial Fund
Bob Rintoul Memorial Fund
Mike Bower Memorial
Marg Condon Memorial
Festival Family Scholarship

Jim Dymianiw
President, Alberta Golf
Association Foundation

Independent Auditor's Report

To the Members of Alberta Golf Association Foundation

Opinion

We have audited the financial statements of Alberta Golf Association Foundation, which comprise the statement of financial position as at September 30, 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 Foundation as at September 30, 2023, and its results of 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.

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.

Grant Thornton LLP

Grant Thornton LLP
Chartered Professional Accountants

December 6, 2023

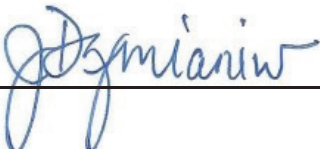
Suite 1100, 332 - 6 Avenue SW
Calgary, AB, Canada T2P 0B2
www.GrantThornton.ca

Alberta Golf Association Foundation

Statement of Financial Position

September 30	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 22,230	\$ 29,112
Accounts receivable	-	799
Restricted cash (Note 3)	<u>34,615</u>	<u>74,465</u>
	56,845	104,376
Investments (Note 4)	<u>357,851</u>	<u>301,678</u>
	<u>\$ 414,696</u>	<u>\$ 406,054</u>
Liabilities		
Current		
Payables and accruals	\$ 5,000	\$ 5,000
Deferred revenue (Note 5)	<u>114,230</u>	<u>109,070</u>
	<u>119,230</u>	<u>114,070</u>
Net assets		
Endowment	302,502	299,196
Unrestricted	<u>(7,036)</u>	<u>(7,212)</u>
	<u>295,466</u>	<u>291,984</u>
	<u>\$ 414,696</u>	<u>\$ 406,054</u>

On behalf of the board



Director



Director

see accompanying notes to the financial statements

Alberta Golf Association Foundation

Statement of Operations

Year ended September 30	2023	2022
Revenue		
Casino revenue	\$ 39,850	\$ 40,250
Scholarships - not tax receipted	24,150	18,000
Interest income	1,187	904
Donations general - not tax receipted (Note 6)	7,600	812
Donations general - tax receipted	<u>650</u>	<u>-</u>
	<u>73,437</u>	<u>59,966</u>
Expenses		
Scholarships and bursaries	58,400	56,750
Administration and general	<u>14,861</u>	<u>8,608</u>
	<u>73,261</u>	<u>65,358</u>
Excess (deficiency) of revenue over expenses	<u>\$ 176</u>	<u>\$ (5,392)</u>

see accompanying notes to the financial statements

Alberta Golf Association Foundation

Statement of Changes in Net Assets

Year ended September 30

	Unrestricted	Endowment	Total 2023	Total 2022
Balance, beginning of year	\$ (7,212)	\$ 299,196	\$ 291,984	\$ 325,966
Excess (deficiency) of revenue over expenses	176	-	176	(5,392)
Endowment income	-	11,346	11,346	(17,340)
Scholarships paid from endowment net assets	-	(11,500)	(11,500)	(12,250)
Endowment contributions	-	3,460	3,460	1,000
Balance, end of year	<u>\$ (7,036)</u>	<u>\$ 302,502</u>	<u>\$ 295,466</u>	<u>\$ 291,984</u>

see accompanying notes to the financial statements

Alberta Golf Association Foundation

Statement of Cash Flows

Year ended September 30	2023	2022
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenue over expenses	\$ 176	\$ (5,392)
Items not affecting cash		
Scholarships paid from endowment net assets	(11,500)	(12,250)
Endowment contributions and income, net of expenses	14,806	(16,340)
Net change in endowment investments	<u>(56,173)</u>	<u>12,168</u>
	(52,691)	(21,814)
Change in non-cash working capital items		
Accounts receivable	799	791
Deferred revenue	<u>5,160</u>	<u>59,866</u>
	(46,732)	38,843
Investing		
Restricted cash	<u>39,850</u>	<u>(54,531)</u>
Decrease in cash and cash equivalents	(6,882)	(15,688)
Cash and cash equivalents		
Beginning of year	<u>29,112</u>	<u>44,800</u>
End of year	<u>\$ 22,230</u>	<u>\$ 29,112</u>

see accompanying notes to the financial statements

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

1. Nature of the Foundation

The Alberta Golf Association Foundation (the "Foundation") is a not-for-profit, charitable organization that provides scholarships to Albertans for post-secondary education and that may also fund research projects relating to golf and golf facilities. The Foundation was established under the Societies Act on February 10, 1994 with active operations commencing October 1, 1995.

2. Summary of significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

Cash and cash equivalents

The Foundation's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn. Also included in cash and cash equivalents are term deposits with a maturity period of three months or less from the date of acquisition or term deposits that are cashable at any time by the Foundation. Cash and cash equivalents that are externally restricted for specified expenditures by contributors are presented as restricted cash in the statement of financial position.

Financial instruments

Financial assets and liabilities are measured at fair value on initial recognition, except for certain non-arm's length transactions which are measured at cost or fair value, depending on the nature of the transaction. The Foundation does not have any non-arm's length transactions carried at fair value. Investments are measured at fair value at each reporting date and transaction costs, investment income and realized and unrealized gains or losses associated with investment activities are recognized as direct increases or decreases in endowment net assets. All other financial instruments are subsequently measured at amortized cost. Transaction costs incurred on the acquisition of financial instruments measured subsequently at amortized cost are adjusted by transaction costs incurred on acquisition, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators that the assets may be impaired. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the previously recognized impairment loss.

Fund balances

The Foundation has established certain funds for the following purposes:

Unrestricted - Represents the cumulative excess of unrestricted revenues received less expenses. These funds are utilized for operations.

Endowment - Represents externally restricted contributions that are required to be held in perpetuity, with net revenues generated from these invested contributions to be expended for the purposes specified by the donor.

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

2. Summary of significant accounting policies (continued)

Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Unrestricted contributions and donations are recognized as revenue when received or receivable, when the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year that the related expenses are incurred and when the externally imposed restrictions are satisfied.

Endowment contributions and endowment fund income (expenses) are recognized as direct increases (decreases) to endowment fund net assets.

Income taxes

The Foundation is registered as a charitable organization authorized to issue donation receipts for income tax purposes under the Income Tax Act, Canada and is not subject to income taxes.

Foreign currency translation

Certain of the Foundation's endowment investments are denominated in foreign currencies and are translated to Canadian dollars at the applicable exchange rates on the date of the statement of financial position. Investment revenue and expenses that are denominated in foreign currencies are translated to Canadian dollars at the rates of exchange in effect at the respective transaction dates. The resulting foreign exchange gains and losses are recorded as direct increases or decreases, respectively, in endowment net assets.

Contributed materials and services

The Foundation may recognize contributed materials or supplies when the fair value of these contributions can be reasonably estimated and if the Foundation would otherwise have had to acquire these materials or supplies. The Foundation recognizes that volunteers annually contribute a substantial number of hours to assist the Foundation in fulfilling its mandate. The value of contributed services is not recognized in these financial statements as the fair value of these contributed services cannot be reasonably estimated.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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 expenses during the year. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Significant items subject to estimation uncertainty include the carrying value of accounts receivable, fair value of investments and completeness of accrued liabilities. Actual results may differ from these estimates and the differences could be material.

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

3. Restricted cash

Restricted cash represents charitable gaming proceeds ("casino revenue") received from Alberta Gaming, Liquor and Cannabis ("AGLC") that have not yet been expended by the Foundation in accordance with Article 5, Specific Use of Proceeds, of the Charitable Gaming Policies Handbook published by the AGLC (Note 5). Separate bank accounts are maintained by the Foundation to hold these funds that included a cashable guaranteed investment certificate acquired November 17, 2022 with a face value of \$15,790 (2022 - \$15,775) that bears interest at 1.75% (2022 - 0.1%) per annum and that matures November 17, 2023 (2022 - November 17, 2022).

4. Investments and endowment net assets

The Foundation's investments comprise a portfolio of domestic and foreign debt and equity securities that are publicly traded and managed by a professional investment advisor. All of the Foundation's investments were derived initially from contributions of the following endowment funds:

Christa Spahmann Memorial Scholarship Fund

Christa was fun loving, hardworking and an extremely good athlete. She was liked by all around and always had a smile on her face. The recipient of the Christa Spahmann Memorial Scholarship will display these qualities and preference will be given to a Southern Alberta female pursuing a post-secondary education. Funds for this scholarship are raised through the Christa Spahmann Memorial Tournament and contributed to the Foundation on an annual basis.

R. E. Courage Memorial Scholarship Fund

The Family of R. E. "Dick" Courage created a scholarship endowment to honour the legacy of a sportsman that contributed greatly to his community. Funds for the endowment were raised by family and friends through the staging of annual golf tournaments. Investment income from the endowment fund provides annual post-secondary scholarships.

Bob Rintoul Scholarship Fund

In 2012, Calgary entrepreneur and philanthropist, Mr. Bob Rintoul, provided a \$50,000 endowment to the Foundation to provide a lasting scholarship legacy. Investment income from the endowment fund is utilized to provide post-secondary scholarships each year to Southern Alberta area students.

Lola Rozsa Memorial Golf Scholarship and Bursary Fund

Affectionately nicknamed the "Grandmother of Calgary Golf" by local media, Lola dedicated herself to the promotion of the game, serving on the Calgary, Alberta and Canadian ladies golf associations. In 1999, Lola Rozsa donated a \$50,000 endowment to the Foundation to establish an annual post-secondary scholarship and bursary award program as a perennial gift to the game she loved. Investment income from the endowment fund provides annual post-secondary scholarships.

Frank Lindsay Foundation Fund

In 2008, an agreement was made with the Frank Lindsay Foundation to contribute an annual grant to sponsor the Alberta Bantam Championship. Subsequent to the signing of this agreement, a Canada Revenue Agency challenge resulted in the funds being built into a scholarship endowment fund.

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

4. Investments and endowment net assets (continued)

Jeff Llewellyn Scholarship Fund

In 2013, the Foundation received a generous endowment of \$51,800 to honour the memory of Jeff Llewellyn. The endowment was set up through his employer, MNP LLP. Jeff Llewellyn was an avid golfer who was dedicated to mentoring youth. In his memory, the Foundation will award a minimum \$1,000 scholarship annually, from the investment income of the endowment fund, to students pursuing a post-secondary education in the area of sports administration, with an emphasis on those pursuing bachelor of commerce, economics or business management degrees.

Marg Condon Scholarship Fund

In 2020, the Foundation received an agreement in honor of Marg Condon to establish an endowment fund once total donations reached \$20,000, which was achieved in fiscal 2021. This fund will award an annual amount of \$1,000 to an Alberta female student in financial need who is pursuing a post-secondary education and has demonstrated good sportsmanship.

A summary of changes to the aforementioned endowment funds are included in the accompanying tables.

	2022	Contributions	Investment income (net of unrealized gains)	Scholarships	2023
Christa Spahmann	\$ 57,454	\$ 1,360	\$ 2,148	\$ (3,000)	\$ 57,962
R. E. Courage	24,781	100	938	(1,000)	24,819
Bob Rintoul	50,277	-	1,943	(1,000)	51,220
Lola Rozsa	51,676	-	1,959	(2,000)	51,635
Frank Lindsay	40,363	-	1,552	(1,000)	40,915
Jeff Llewellyn	53,421	-	2,008	(2,500)	52,929
Marg Condon	21,224	2,000	798	(1,000)	23,022
	<u>\$ 299,196</u>	<u>\$ 3,460</u>	<u>\$ 11,346</u>	<u>\$ (11,500)</u>	<u>\$ 302,502</u>

	2021	Contributions	Investment income, net (net of unrealized losses)	Scholarships	2022
Christa Spahmann	\$ 63,795	\$ -	\$ (3,341)	\$ (3,000)	\$ 57,454
R. E. Courage	27,472	-	(1,441)	(1,250)	24,781
Bob Rintoul	54,951	-	(2,924)	(1,750)	50,277
Lola Rozsa	56,431	-	(3,005)	(1,750)	51,676
Frank Lindsay	43,960	-	(2,347)	(1,250)	40,363
Jeff Llewellyn	58,277	-	(3,106)	(1,750)	53,421
Marg Condon	22,900	1,000	(1,176)	(1,500)	21,224
	<u>\$ 327,786</u>	<u>\$ 1,000</u>	<u>\$ (17,340)</u>	<u>\$ (12,250)</u>	<u>\$ 299,196</u>

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

4. Investments and endowment net assets (continued)

In fiscal 2022, there were \$12,250 in scholarships that were withdrawn from cash and cash equivalents; a contribution of \$5,172 relating to the Mike Bower Memorial Scholarship (which is not an endowment fund) was included in the investment account; and a contribution of \$1,000 relating to the Marg Condon Scholarship Fund (which is an endowment fund) was received in cash and cash equivalents. Therefore, upon aggregating the net deposit of \$13,940 from cash and cash equivalents to the investment account as at September 30, 2021 with the fiscal 2022 transactions, a net withdrawal of \$2,482 from the investment account to cash and cash equivalents was required. Accordingly, at September 30, 2022, the investments and endowment net assets balances on the statement of financial position differed by that amount.

In fiscal 2023, there were \$11,500 in scholarships that were withdrawn from cash and cash equivalents; contributions of \$3,460 relating to various scholarship funds (which are endowment funds) were received in cash and cash equivalents; a contribution of \$50,000 relating to the Festival Family Scholarship (which is not an endowment fund) was included in the investment account; and the prior year contribution of \$5,173 relating to the Mike Bower Memorial Scholarship (which is not an endowment fund) was withdrawn from the investment account and moved to cash and cash equivalents. Therefore, upon aggregating the the net withdrawal of \$2,482 from the investment account to cash and cash equivalents required at September 30, 2022 with the fiscal 2023 transactions, a net withdrawal of \$55,349 from the investment account to cash and cash equivalents is required. Accordingly, as at September 30, 2023, the investments and endowment net assets balances on the statement of financial position differ by this amount.

5. Deferred revenue

Deferred revenue comprises externally restricted contributions and donations summarized as follows:

Casino Funds

Casino funds represent gaming proceeds ("casino revenue") received from Alberta Gaming, Liquor and Cannabis ("AGLC") that have not yet been expended by the Foundation in accordance with Article 5, Specific Use of Proceeds, of the Charitable Gaming Policies Handbook published by the AGLC.

Charles C. Reid Memorial Foundation Scholarship

The Charles C. Reid Memorial Foundation provides contributions to the Foundation to provide scholarships to students pursuing post-secondary education. This program is funded by the Estate of Charles C. Reid, formerly an enthusiastic patron of golf from Banff.

Mike Bower Memorial Scholarship

Mike Bower started playing the game of golf at age 11 and by the conclusion of his junior career would capture two consecutive Alberta Junior Championships. Donations to the fund are accepted from family and friends annually. This annual \$1,000 scholarship will be provided to a golfer 24 years of age or younger that is pursuing a post-secondary education, pending fund availability.

Turf Project Scholarship

The Alberta Golf Association Turfgrass Management Scholarship was awarded to students pursuing turfgrass management education. Monies in the Turf Project Fund were raised through an Alberta Golf Association Turf School. This scholarship was concluded in fiscal 2022.

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

5. Deferred revenue (continued)

Festival Family Scholarship

The Festival Family Scholarship was established in 2022 and provides contributions of \$5,000 annually to the Foundation to provide a scholarship to a student in their second, third, or fourth year of post-secondary education who has financial need and has been invited to participate on their collegiate golf team. In fiscal 2023, a lump sum contribution of \$50,000 was received.

A summary of changes to the aforementioned restricted contributions and donations are included in the accompanying tables.

	2023				
	Balance, beginning of year	Contributions and donations	Scholarships paid and disbursements	Transfer to endowment	Balance, end of year
Casino funds	\$ 74,465	\$ -	\$ (39,850)	\$ -	\$ 34,615
Charles C. Reid	20,050	13,983	(18,150)	-	15,883
Mike Bower	9,555	5,177	(1,000)	-	13,732
Festival Family	5,000	50,000	(5,000)	-	50,000
	<u>\$ 109,070</u>	<u>\$ 69,160</u>	<u>\$ (64,000)</u>	<u>\$ -</u>	<u>\$ 114,230</u>

	2022				
	Balance, beginning of year	Contributions and donations	Scholarships paid and disbursements	Transfer to endowment	Balance, end of year
Casino funds	\$ 19,934	\$ 94,781	\$ (40,250)	\$ -	\$ 74,465
Charles C. Reid	18,075	13,975	(12,000)	-	20,050
Mike Bower	5,383	5,172	(1,000)	-	9,555
Turf Project	812	-	(812)	-	-
Festival Family	5,000	5,000	(5,000)	-	5,000
	<u>\$ 49,204</u>	<u>\$ 118,928</u>	<u>\$ (59,062)</u>	<u>\$ -</u>	<u>\$ 109,070</u>

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

6. Related party transactions

The Foundation's related parties include the Board of Directors and management. The Board of Directors and management may hold interests or positions in other organizations that result in them having significant influence over the strategic operating, financing and investing activities of those organizations. The Alberta Golf Association (the "Association") is recognized as the provincial golf sport organization by the Alberta Sport Connection and is committed to promoting and realizing the positive impacts of golf on individuals and communities across Alberta. The Foundation president is an invited guest at all Association board meetings and certain directors of the Foundation are also directors of the Association. Accordingly, the Foundation and Association are also related parties. During the year ended September 30, 2023, Alberta Golf Association donated \$7,500 (2022 - \$Nil) to the Foundation.

7. Financial instruments

The Foundation is exposed to various risks through its financial instruments including credit risk and market risk. The Foundation manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) 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 Foundation's main credit risks relate to its cash and cash equivalents, restricted cash and investments. Cash and cash equivalents, restricted cash and investments are deposited or held in trust with major financial institutions.

It is management's opinion that the Association is not exposed to significant credit risk arising from these financial assets.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 15% (2022 - 14%) of the Foundation's investments represent equity interests in US corporations.

(ii) 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 is exposed to interest rate risk on its investments. The Foundation's fixed-rate financial instruments subject it to a fair value risk. Approximately 49% (2022 - 49%) of the Foundation's investments comprise Canadian debt instruments.

Alberta Golf Association Foundation

Notes to the Financial Statements

September 30, 2023

7. Financial instruments (continued)

(b) Market risk (continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments that are quoted in an active market.

The Foundation is exposed to concentration risk as approximately 85% (2022 - 86%) of its investments in a quoted active market are in Canada and approximately 15% (2022 - 14%) of its investments in a quoted active market are in the US. The Foundation mitigates this risk by engaging the services of professional investment advisors, by placing limits on assets investable in debt or equity interests and by altering the mix of its Canadian, foreign, debt and equity investments in response to market developments.



© Alberta Golf 2023

Alberta Golf Association

#22, 11410 27 Street SE
Calgary, Alberta T2Z 3R6

Phone 403 236 4616

Toll Free 1 888 414 4849

info@albertagolf.org

albertagolf.org

