

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Financial Statements

Year Ended December 31, 2021

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Index to Financial Statements

Year Ended December 31, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Grant Income (<i>Schedule 1</i>)	11
Fundraising Income (<i>Schedule 2</i>)	12
Travel and Accommodation Expenses (<i>Schedule 3</i>)	13

INDEPENDENT AUDITOR'S REPORT

To the Members of Wheelchair Sports Alberta Association

Qualified Opinion

We have audited the financial statements of Wheelchair Sports Alberta Association (the Association), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2021, current assets and net assets as at December 31, 2021. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of the Association for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on March 31, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

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 relating 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.

(continues)

Independent Auditor's Report to the Members of Wheelchair Sports Alberta Association *(continued)*

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.

Edmonton, Alberta
CORPORATION
June 23, 2022


RADKE PROFESSIONAL

CHARTERED PROFESSIONAL ACCOUNTANT

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Statement of Revenues and Expenditures

Year Ended December 31, 2021

	2021	2020
REVENUES		
Grant income (Schedule 1)	\$ 145,210	\$ 113,071
Door to Door - net (Schedule 2)	98,546	87,093
Telemarketing - net (Schedule 2)	76,254	80,072
Donations	34,727	9,759
Sports programs	5,887	2,171
Casino revenues	5,264	34,050
Memberships	1,500	3,337
Program registrations and camp	750	3,012
Interest income	346	505
	<u>368,484</u>	<u>333,070</u>
EXPENSES		
Grants to clubs and users	153,539	75,226
Salaries and wages	132,473	168,186
Equipment	45,841	15,937
Travel (Schedule 3)	17,793	31,768
Sport facility rental	16,949	5,825
Amortization	13,599	17,105
Sub-contracts	5,939	5,875
Professional fees	5,829	11,250
Office	5,476	4,429
Insurance	5,198	3,973
GST expense	4,781	3,167
Bad debts	2,575	-
Advertising and promotion	1,877	1,364
Telephone	1,799	4,533
Memberships	1,075	669
Registration and assessment	430	2,950
Interest and bank charges	354	927
Meals and entertainment	91	1,230
Uniforms	-	23
	<u>415,618</u>	<u>354,437</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(47,134)</u>	<u>(21,367)</u>
OTHER INCOME		
Canada emergency wage subsidy income (Note 8)	17,876	69,304
Loss on disposal of capital assets	-	(1,350)
10% wage subsidy	-	3,681
	<u>17,876</u>	<u>71,635</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (29,258)</u>	<u>\$ 50,268</u>

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2021

	Unrestricted	Invested in equipment	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 477,708	\$ 71,010	\$ 548,718	\$ 498,450
Deficiency of revenues over expenses	(15,659)	(13,599)	(29,258)	50,268
Purchase and disposal of equipment	1,363	(1,363)	-	-
NET ASSETS - END OF YEAR	\$ 463,412	\$ 56,048	\$ 519,460	\$ 548,718

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash (Note 3)	\$ 662,318	\$ 464,206
Term deposits (Note 4)	13,000	102,328
Accounts receivable	750	17,729
Interest receivable	65	76
Goods and services tax recoverable	5,438	3,824
Prepaid expenses	3,281	9,134
	<u>684,852</u>	<u>597,297</u>
EQUIPMENT (Note 5)	<u>56,048</u>	<u>71,010</u>
	<u>\$ 740,900</u>	<u>\$ 668,307</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 87,109	\$ 59,648
Employee deductions	2,389	2,394
Wages payable	3,980	1,929
Deferred contributions (Note 6)	127,962	53,218
Prepaid program fee	-	2,400
	<u>221,440</u>	<u>119,589</u>
NET ASSETS		
Unrestricted	463,412	477,708
Invested in equipment	56,048	71,010
	<u>519,460</u>	<u>548,718</u>
	<u>\$ 740,900</u>	<u>\$ 668,307</u>

ON BEHALF OF THE BOARD

 Director

 Director

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from donors and others	\$ 472,762	\$ 437,063
Cash paid to suppliers and employees	(364,200)	(383,849)
Interest received	358	505
Goods and services tax	3,167	12,817
	<hr/>	<hr/>
Cash flow from operating activities	112,087	66,536
INVESTING ACTIVITIES		
Purchase of equipment	(3,302)	(5,183)
Term deposits	89,327	(439)
	<hr/>	<hr/>
Cash flow from (used by) investing activities	86,025	(5,622)
INCREASE IN CASH FLOW	198,112	60,914
Cash - beginning of year	464,206	403,292
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CASH - END OF YEAR (Note 3)	\$ 662,318	\$ 464,206

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

1. PURPOSE OF THE SOCIETY

Wheelchair Sports Alberta Association is a provincial not-for-profit charitable organization incorporated under the Societies Act of the Province of Alberta. The Society is registered as a charity under the Income Tax Act of Canada and as such is exempt from income taxes.

The Association operates in Alberta through various local associations and committees. At present, these local associations and committees operate autonomously under the authority of the Board of Wheelchair Sports Alberta Association.

The purpose of the organization is to facilitate sporting opportunities to Albertans from the development level to high-performance level of participation in athletic competitions, technical development, leadership, and integration to persons with disabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash includes cash and restricted cash only. Restricted cash is amounts restricted for a specific use.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	20% declining balance method
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The association regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

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

Contributed services and materials

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. When the fair value of donated materials and services cannot be reasonably determined they are not reflected in the financial statements.

When a fair value can be reasonably estimated and when the contributed materials or services are used in the normal course of operations, they are expensed and the associated contribution revenue is recognized.

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WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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

Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized over the useful life of the asset. Unrestricted contributions are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue is recognized in the year to which it pertains.

Investment income is recognized as revenue when earned.

Registration fees are recognized as revenue when the events are held.

Government subsidy

Government subsidies received based on current expenditures is recorded as income in the same period as the related expenditures.

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 cost or amortized cost.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability.

The association assess impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year net earnings.

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.

3. CASH

	2021	2020
Unrestricted cash	\$ 534,356	\$ 408,588
Restricted deferred contributions	100,008	22,400
Restricted casino funds	27,954	33,218
	<u>\$ 662,318</u>	<u>\$ 464,206</u>

Restricted casino funds include amounts on deposit with financial institutions that is restricted for use by the Alberta Gaming and Liquor Commission.

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

4. TERM DEPOSITS

	2021	2020
<u>GIC Investments Maturing Within One year</u>		
Term deposit, 0.50% maturing March 4, 2022	\$ 8,000	\$ 8,000
Term deposit, 0.50% maturing March 4, 2022	5,000	5,000
Term deposit, matured during the year	-	8,121
Term deposit, matured during the year	-	20,302
Term deposit, matured during the year	-	20,302
Term deposit, matured during the year	-	40,603
	<u>\$ 13,000</u>	<u>\$ 102,328</u>

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 95,449	\$ 39,401	\$ 56,048	\$ 71,010

6. DEFERRED CONTRIBUTIONS

The deferred contributions amounts relate to funding received in the current period for future period operations and are externally restricted by the grantor.

	Opening	Amounts Received	Recognized as Revenue	Closing
Cana Post Community Foundation	\$ 20,000	\$ -	\$ 16,640	\$ 3,360
Casino	33,218	-	5,264	27,954
Alberta Sport Connection	-	87,071	87,071	-
Canada Games Team Training	-	48,600	14,592	34,008
ASRPWF Support Grant	-	35,000	-	35,000
2023 Canada Games Team Training	-	25,000	-	25,000
Canadian Paralympic Committee Grant	-	20,047	20,047	-
Bridging the Gap	-	6,500	6,500	-
Community Spirit Donation Grant	-	3,000	360	2,640
	<u>\$ 53,218</u>	<u>\$ 225,218</u>	<u>\$ 150,474</u>	<u>\$ 127,962</u>

7. RELATED PARTY TRANSACTIONS

Board of Director members are in charge of the Alberta sledge team. The Association has incurred expenses of \$13,442 (2020 - \$5,692) related to facility rentals, travel and accomodation of the team for tournaments and camps. These transactions were in the ordinary course of business and transacted at fair market value.

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

8. GOVERNMENT ASSISTANCE

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy program in April 2020 ("CEWS"). CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria.

During the December 31, 2021 fiscal year, the association assessed its eligibility related to the CEWS and determined it has qualified for this subsidy from the January 1, 2021 effective date through to October 23, 2021. The association has received \$17,876 in subsidies from the CEWS program. This subsidy has been recognized in other income.

9. CHARITABLE FUNDRAISING ACT AND REGULATION DISCLOSURE

During the year fundraising costs of \$145,912 (2020 - \$146,276) were incurred. Fundraising costs of \$55,002 (2020 - \$75,469) are reported as a reduction to Door to Door revenue. Fundraising costs of \$90,910 (2020 - \$70,807) are reported as a reduction to Telemarketing revenue.

10. COMPARATIVE FIGURES

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

11. FINANCIAL INSTRUMENTS

The association 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 association's risk exposure and concentration as of December 31, 2021.

Fair Value

The associations carrying value of cash, accounts receivable, deferred contributions, deferred revenue and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments

Interest rate risk

The associations carrying values of cash, accounts receivables and accounts payable approximates their fair values due to the immediate or short term maturity of these instruments.

12. COVID-19

During the fiscal period, the Government of Alberta declared a public health emergency requiring, among other restrictions, the closure of non-essential businesses in the Province of Alberta. Emergency measures have also been enacted by the other Provinces, the Federal Government and other governments worldwide. The restrictions have caused a material disruption to business and the situation is ongoing. The economic impact of these restrictions on the Association, if any, is unknown.

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

**Grant Income
(Schedule 1)**

Year Ended December 31, 2021

	2021	2020
Grant income		
Government of Alberta	\$ 87,071	\$ 107,071
Canadian Tire Jumpstart grant	20,047	-
Canada Post Community Foundation Grant	16,640	5,000
Canada Games Team Training	14,592	-
Bridging the Gap	6,500	1,000
Community Spirit Donation Grant	360	-
Grant income total	\$ 145,210	\$ 113,071

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

**Fundraising Income
(Schedule 2)**

Year Ended December 31, 2021

	2021	2020
Door to Door		
Revenue	\$ 153,548	\$ 162,562
Costs / fees	<u>(55,002)</u>	<u>(75,469)</u>
Net	<u>98,546</u>	<u>87,093</u>
Telemarketing		
Revenue	167,164	150,879
Costs / fees	<u>(90,910)</u>	<u>(70,807)</u>
Net	<u>76,254</u>	<u>80,072</u>
Net	<u>\$ 174,800</u>	<u>\$ 167,165</u>

WHEELCHAIR SPORTS ALBERTA ASSOCIATION

**Travel and Accommodation Expenses
(Schedule 3)**

Year Ended December 31, 2021

	2021	2020
Travel expenses		
Provincial Basketball teams	\$ 8,612	\$ 285
Bridging the Gap	2,028	6,123
Tennis	671	-
Meals- Sledge	320	1,256
Meals - basketball	316	-
Provincial Rugby team	-	10,856
	<u>11,947</u>	<u>18,520</u>
Accommodation expenses		
Provincial Basketball Teams	3,252	-
Staff	1,028	733
Sledge hockey	861	2,812
Accommodations - Tennis	705	-
Provincial Rugby Team	-	9,703
	<u>5,846</u>	<u>13,248</u>
	<u>\$ 17,793</u>	<u>\$ 31,768</u>