

LETHBRIDGE SPORT COUNCIL

FINANCIAL STATEMENTS

For the year ended December 31, 2019

LETHBRIDGE SPORT COUNCIL
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December 31, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To: The Board of Directors of
Lethbridge Sport Council

We have reviewed the accompanying financial statements of Lethbridge Sport Council that comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Lethbridge Sport Council as at December 31, 2019, 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.



Lethbridge, Alberta

May 21, 2020

Chartered Professional Accountants

LETHBRIDGE SPORT COUNCIL
STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 183,783	\$ 226,251
Short term investment (note 3)	50,286	-
Accounts receivable	35,621	22,796
GST receivable	246	1,236
Prepaid expenses	2,300	2,138
	272,236	252,421
Capital assets (note 4)	16,228	18,544
	\$ 288,464	\$ 270,965

LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 2,332	\$ 1,692
Payroll remittances payable	3,838	2,304
Deferred revenue (note 5)	120,238	121,695
	126,408	125,691
Net assets		
Unrestricted	-	-
Invested in capital assets	16,228	18,544
Reserves (note 6)	145,828	126,730
	162,056	145,274
	\$ 288,464	\$ 270,965

Approved on behalf of the board:

Director _____

Director _____

LETHBRIDGE SPORT COUNCIL
STATEMENT OF OPERATIONS
For the year ended December 31, 2019

	2019	2018
Revenue		
City of Lethbridge	\$ 240,580	\$ 171,100
Sponsorships	23,437	10,817
2012 Alberta Summer Games Legacy	14,453	-
Southern Alberta Summer Games	12,835	12,010
SportFest	11,567	13,481
Lethbridge Plays	5,880	-
Canada summer jobs grant	4,687	3,264
Special Project revenue	4,359	-
Rental	4,069	3,300
Summer temporary employment program	4,050	4,200
Interest	1,048	364
Miscellaneous	105	135
Canada Sport for Life	-	8,790
Football Canada Cup	-	2,250
	327,070	229,711
Expenses		
Wages and benefits	209,182	144,584
Advertising and promotion	14,497	11,764
2012 Alberta Summer Games Legacy	14,453	-
Southern Alberta Summer Games	12,829	10,612
SportFest	11,870	13,953
Office	11,666	7,793
Special Project expenses	7,528	-
Travel	5,131	4,345
Professional fees	4,450	4,300
Champ Chat	3,310	2,541
Insurance	3,132	2,780
Telephone and utilities	3,093	3,416
Furniture and equipment	1,829	61
GST	1,479	1,236
Memberships	659	1,010
Interest and bank charges	612	1,029
Canada Sport for Life	-	8,790
Football Canada Cup	-	2,250
Consulting fees	-	456
Lethbridge 2017	-	323
Amortization	4,568	5,014
	310,288	226,257
Excess of revenue over expenditures	\$ 16,782	\$ 3,454

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2019

	Unrestricted	Invested in capital assets	Reserves	Total 2019	Total 2018
Balance, beginning of year	\$ -	\$ 18,544	\$ 126,730	\$ 145,274	\$ 141,820
Excess of revenue over expenditures	16,782	-	-	16,782	3,454
Purchase of capital assets	(2,252)	2,252	-	-	-
Amortization	4,568	(4,568)	-	-	-
Transfers to reserves	(19,098)	-	19,098	-	-
Balance, end of year	\$ -	\$ 16,228	\$ 145,828	\$ 162,056	\$ 145,274

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	2019	2018
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 16,782	\$ 3,454
Adjustment for item which does not affect cash		
Amortization	4,568	5,014
	21,350	8,468
Change in non-cash working capital items		
Accounts receivable	(12,825)	(15,443)
GST receivable	990	2,810
Prepaid expenses	(162)	(71)
Accounts payable and accrued liabilities	640	(4,558)
Payroll remittances payable	1,534	37
Deferred revenue	(1,457)	11,146
	10,070	2,389
Cash flows from investing activity		
Purchase of capital assets	(2,252)	(2,612)
Net increase (decrease) in cash and cash equivalents	7,818	(223)
Cash and cash equivalents, beginning of year	226,251	226,474
Cash and cash equivalents, end of year	\$ 234,069	\$ 226,251
 Cash and cash equivalents consist of:		
Cash	\$ 183,783	\$ 226,251
Short term investment	50,286	-
	\$ 234,069	\$ 226,251

1. Nature of operations

Lethbridge Sport Council is a not-for-profit organization incorporated under the Societies Act of Alberta. The purpose of the Society is to support the enhancement and development of sport within the Lethbridge community.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

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

(b) Cash and cash equivalents

The Society includes cash on hand and amounts held by financial institutions in operating accounts in the determination of cash and cash equivalents.

(c) Capital assets

Capital assets are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	30%
Computer software	30%

(d) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

(e) 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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(f) Income taxes

Under Section 149(1)(l) of the Income Tax Act, the Society is exempt from income taxes on income earned in the normal course of business.

(g) Net assets invested in capital assets

The Society has chosen to continue to treat net assets invested in capital assets as a separate component of net assets.

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

2. **Significant accounting policies, continued**

(h) Contributed services

Volunteers contributed time to assist the Society in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. **Short term investment**

The investment consists of a 2.15% rewriteable GIC which matures March 25, 2021.

4. **Capital assets**

			2019			2018
	Cost	Accumulated amortization	Net	Net	Net	Net
Furniture and fixtures	\$ 32,661	\$ 22,012	\$ 10,649	\$	\$	13,310
Computer equipment	13,914	9,683	4,231			3,308
Computer software	15,100	13,752	1,348			1,926
	\$ 61,675	\$ 45,447	\$ 16,228	\$	\$	18,544

5. **Deferred revenue**

	Balance, beginning of year	Received	Recognized	Balance, end of year
2012 Alberta				
Summer Games Legacy	\$ 33,228	\$ -	\$ (14,453)	\$ 18,775
Football Canada Cup	30,726	230	-	30,956
Canada Sport				
for Life	36,398	-	-	36,398
Strategy Planning	1,600	-	-	1,600
Lethbridge Plays	9,981	930	(5,880)	5,031
SportFest	9,762	6,225	(11,567)	4,420
Minister of Culture and Tourism	-	24,302	(2,034)	22,268
Community Foundation	-			
Roving Gyms	-	3,000	(2,325)	675
Champ Chat	-	4,072	(3,957)	115
	\$ 121,695	\$ 38,759	\$ (40,216)	\$ 120,238

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2019

6. Reserves

The Society has set up the following reserves for future expenditures:

	2019	2018
Administration reserve	\$ 105,249	\$ 89,390
Bidding and hosting reserve	11,747	11,971
SportFest reserve	10,242	10,545
Community room reserve	14,339	10,252
Southern Alberta Summer Games reserve	2,560	2,694
Achievement awards reserve	1,691	1,878
	<u>\$ 145,828</u>	<u>\$ 126,730</u>

7. Subsequent events

COVID-19

The global coronavirus pandemic has had a significant impact on global financial markets and will have significant accounting, disclosure, and internal control implications for many entities.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The situation is changing rapidly and the future impact on the Society is not readily determinable at this time.

8. Economic dependence

The Society is economically dependent on the City of Lethbridge for operating funds. In addition, the City has leased the premises at 401 Laval Blvd West Lethbridge to the Society at no charge for the period from May 2011 to December 2019.