

LETHBRIDGE SPORT COUNCIL

FINANCIAL STATEMENTS

For the year ended December 31, 2020

LETHBRIDGE SPORT COUNCIL
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December 31, 2020

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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, 2020, 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, 2020, 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 12, 2021

Chartered Professional Accountants

LETHBRIDGE SPORT COUNCIL
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 189,496	\$ 183,783
Short term investment (note 3)	51,078	50,286
Accounts receivable	21,297	35,621
GST receivable	1,280	246
Prepaid expenses	2,807	2,300
	265,958	272,236
Capital assets (note 4)	14,084	16,228
	\$ 280,042	\$ 288,464

LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 609	\$ 2,332
Payroll remittances payable	1,885	3,838
Deferred revenue (note 5)	116,273	120,238
	118,767	126,408
Net assets		
Unrestricted	-	-
Invested in capital assets	14,084	16,228
Reserves (note 6)	147,191	145,828
	161,275	162,056
	\$ 280,042	\$ 288,464

Approved on behalf of the board:

Director _____

Director _____

LETHBRIDGE SPORT COUNCIL
STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	2020	2019
Revenue		
City of Lethbridge	\$ 229,280	\$ 240,580
Hiring grants	22,375	-
Sponsorships/Contract services	9,850	23,437
Lethbridge Plays	6,232	5,880
Temporary wage subsidy	4,149	-
Rental	2,740	4,069
Pathways to Participation	2,480	2,034
Interest	1,388	1,048
Communities Choosewell - RECreate Grant	1,088	-
Community Foundation - Roving Gyms	675	2,325
SportFest	213	11,567
2012 Alberta Summer Games Legacy	-	14,453
Southern Alberta Summer Games	-	12,835
Canada summer jobs grant	-	4,687
Summer temporary employment program	-	4,050
Miscellaneous	-	105
	280,470	327,070
Expenses		
Wages and benefits	220,514	206,211
Office	21,511	16,466
Special Project expenses	10,118	7,528
Advertising and promotion	8,966	14,497
Professional fees	4,600	4,450
Telephone and utilities	3,543	3,093
Insurance	3,010	3,132
Travel	1,761	5,131
Communities Choosewell - RECreate Grant	1,088	-
GST	1,074	1,479
Interest and bank charges	584	612
Memberships	360	659
SportFest	28	11,870
2012 Alberta Summer Games Legacy	-	14,453
Southern Alberta Summer Games	-	12,829
Champ Chat	-	3,310
Amortization	4,094	4,568
	281,251	310,288
(Deficiency) excess of revenue over expenditures	\$ (781)	\$ 16,782

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2020

	Unrestricted	Invested in capital assets	Reserves	Total 2020	Total 2019
Balance, beginning of year	\$ -	\$ 16,228	\$ 145,828	\$ 162,056	\$ 145,274
(Deficiency) excess of revenue over expenditures	(781)	-	-	(781)	16,782
Purchase of capital assets	(1,950)	1,950	-	-	-
Amortization	4,094	(4,094)	-	-	-
Transfers to reserves	(1,363)	-	1,363	-	-
Balance, end of year	\$ -	\$ 14,084	\$ 147,191	\$ 161,275	\$ 162,056

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

	2020	2019
Cash flows from operating activities		
(Deficiency) excess of revenue over expenditures	\$ (781)	\$ 16,782
Adjustment for item which does not affect cash		
Amortization	4,094	4,568
	3,313	21,350
Change in non-cash working capital items		
Accounts receivable	14,324	(12,825)
GST receivable	(1,034)	990
Prepaid expenses	(507)	(162)
Accounts payable and accrued liabilities	(1,723)	640
Payroll remittances payable	(1,953)	1,534
Deferred revenue	(3,965)	(1,457)
	8,455	10,070
Cash flows from investing activity		
Purchase of capital assets	(1,950)	(2,252)
Net increase in cash and cash equivalents	6,505	7,818
Cash and cash equivalents, beginning of year	234,069	226,251
Cash and cash equivalents, end of year	\$ 240,574	\$ 234,069
 Cash and cash equivalents consist of:		
Cash	\$ 189,496	\$ 183,783
Short term investment	51,078	50,286
	\$ 240,574	\$ 234,069

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

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, 2020

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**

			2020			2019
	Cost	Accumulated amortization	Net	Net	Net	Net
Furniture and fixtures	\$ 32,661	\$ 24,139	\$ 8,522	\$	10,649	\$ 10,649
Computer equipment	15,864	11,246	4,618	\$	4,231	\$ 4,231
Computer software	15,100	14,156	944	\$	1,348	\$ 1,348
	\$ 63,625	\$ 49,541	\$ 14,084	\$	16,228	\$ 16,228

5. **Deferred revenue**

	Balance, beginning of year	Received	Recognized	Balance, end of year
Sport Participation	\$ 36,398	\$ -	\$ -	\$ 36,398
Football Canada Cup	30,956	113	-	31,069
Pathways to Participation	22,268	-	(2,480)	19,788
2012 Alberta Summer Games				
Legacy	18,775	-	-	18,775
SportFest	4,420	-	(28)	4,392
Communities Choosewell -				
RECreate Grant	-	4,300	(1,088)	3,212
Strategy Planning	1,600	-	-	1,600
Lethbridge Plays	5,031	2,125	(6,232)	924
Champ Chat	115	-	-	115
Community Foundation -				
Roving Gyms	675	-	(675)	-
	\$ 120,238	\$ 6,538	\$ (10,503)	\$ 116,273

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

6. Reserves

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

	2020	2019
Administration reserve	\$ 104,419	\$ 105,249
Community room reserve	16,378	14,339
Bidding and hosting reserve	10,959	11,747
SportFest reserve	10,427	10,242
Southern Alberta Summer Games reserve	2,560	2,560
Achievement awards reserve	2,448	1,691
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	\$ 147,191	\$ 145,828

7. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

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 Society's revenues declined from the beginning of the pandemic to year end. Subsequent to year end, revenues have stabilized at the declined levels and management anticipates a slow recovery during the year pending economic conditions. The Society has utilized the temporary wage subsidy and hiring grants to help offset payroll expenses, is following government guidelines and has developed policies to ensure the safety of employees is maintained. Management is not aware of any material impairments that will further impact the financial assets or liabilities of the Society due to the pandemic.

The situation is continually changing 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 2020.