

LETHBRIDGE SPORT COUNCIL

FINANCIAL STATEMENTS

For the year ended December 31, 2021

LETHBRIDGE SPORT COUNCIL
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December 31, 2021

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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, 2021, 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, 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.

Avail LLP

Lethbridge, Alberta

May 31, 2022

Chartered Professional Accountants

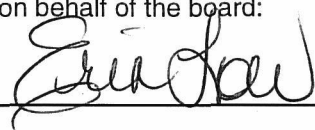
LETHBRIDGE SPORT COUNCIL
STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 223,361	\$ 189,496
Short term investment	-	51,078
Accounts receivable	1,243	21,297
GST receivable	791	1,280
Prepaid expenses	3,183	2,807
	228,578	265,958
Investments (note 3)	51,623	-
Capital assets (note 4)	11,699	14,084
	\$ 291,900	\$ 280,042

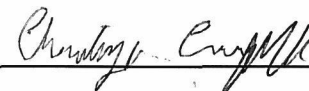
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 2,250	\$ 609
Payroll remittances payable	3,465	1,885
Deferred revenue (note 5)	107,172	116,273
	112,887	118,767
Net assets		
Unrestricted	-	-
Invested in capital assets	11,699	14,084
Reserves (note 6)	167,314	147,191
	179,013	161,275
	\$ 291,900	\$ 280,042

Approved on behalf of the board:

Director



Director



LETHBRIDGE SPORT COUNCIL
STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	2021	2020
Revenue		
City of Lethbridge	\$ 223,780	\$ 229,280
Hiring grants	25,252	22,375
Sponsorships/Contract services	16,300	9,850
Pathways to Participation	6,047	2,480
2012 Alberta Summer Games Legacy	5,498	-
Interest	1,377	1,388
Communities Choosewell - RECreate Grant	1,224	1,088
SportFest	1,200	213
Lethbridge Plays	924	6,232
Rental	193	2,740
2012 Southern Alberta Summer Games Book	125	-
Temporary wage subsidy	-	4,149
Community Foundation - Roving Gyms	-	675
	281,920	280,470
Expenses		
Wages and benefits	210,764	220,514
Office	14,015	21,511
Advertising and promotion	7,715	8,966
Special Project expenses	7,247	10,118
2012 Alberta Summer Games Legacy	5,498	-
Professional fees	5,435	4,600
Insurance	3,161	3,010
Telephone and internet	2,405	3,543
Travel	1,495	1,761
Communities Choosewell - RECreate Grant	1,224	1,088
GST	742	1,074
Interest and bank charges	681	584
Memberships	255	360
SportFest	-	28
Amortization	3,545	4,094
	264,182	281,251
Excess (deficiency) of revenue over expenditures	\$ 17,738	\$ (781)

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2021

	Unrestricted	Invested in capital assets	Reserves	Total 2021	Total 2020
Balance, beginning of year	\$ -	\$ 14,084	\$ 147,191	\$ 161,275	\$ 162,056
Excess (deficiency) of revenue over expenditures	17,738	-	-	17,738	(781)
Purchase of capital assets	(1,160)	1,160	-	-	-
Amortization	3,545	(3,545)	-	-	-
Transfers to reserves	(20,123)	-	20,123	-	-
Balance, end of year	\$ -	\$ 11,699	\$ 167,314	\$ 179,013	\$ 161,275

LETHBRIDGE SPORT COUNCIL
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures	\$ 17,738	\$ (781)
Adjustment for item which does not affect cash		
Amortization	3,545	4,094
	21,283	3,313
Change in non-cash working capital items		
Accounts receivable	20,054	14,324
GST receivable	489	(1,034)
Prepaid expenses	(376)	(507)
Accounts payable and accrued liabilities	1,641	(1,723)
Payroll remittances payable	1,580	(1,953)
Deferred revenue	(9,101)	(3,965)
	35,570	8,455
Cash flows from investing activities		
Purchase of investments	(51,623)	-
Purchase of capital assets	(1,160)	(1,950)
	(52,783)	(1,950)
Net (decrease) increase in cash and cash equivalents	(17,213)	6,505
Cash and cash equivalents, beginning of year	240,574	234,069
Cash and cash equivalents, end of year	\$ 223,361	\$ 240,574
 Cash and cash equivalents consist of:		
Cash	\$ 223,361	\$ 189,496
Short term investment	-	51,078
	\$ 223,361	\$ 240,574

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

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 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, 2021

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. Investments

The investment consists of a 1.1% rewriteable GIC which matures March 25, 2023.

4. Capital assets

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 32,661	\$ 25,842	\$ 6,819	\$ 8,522
Computer equipment	17,024	12,805	4,219	4,618
Computer software	15,100	14,439	661	944
	<u>\$ 64,785</u>	<u>\$ 53,086</u>	<u>\$ 11,699</u>	<u>\$ 14,084</u>

5. Deferred revenue

	Balance, beginning of year	Received	Recognized	Balance, end of year
Sport Participation	\$ 36,398	\$ -	\$ -	\$ 36,398
Football Canada Cup	31,069	63	-	31,132
Pathways to Participation	19,788	1,499	(6,047)	15,240
2012 Alberta Summer Games				
Legacy	18,775	-	(5,498)	13,277
SportFest	4,392	-	-	4,392
Lethbridge Plays	924	3,030	(924)	3,030
Communities Choosewell -				
RECreate Grant	3,212	-	(1,224)	1,988
Strategy Planning	1,600	-	-	1,600
Champ Chat	115	-	-	115
	<u>\$ 116,273</u>	<u>\$ 4,592</u>	<u>\$ (13,693)</u>	<u>\$ 107,172</u>

LETHBRIDGE SPORT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

6. Reserves

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

	2021	2020
Administration reserve	\$ 123,211	\$ 104,419
Community room reserve	16,050	16,378
SportFest reserve	11,628	10,427
Bidding and hosting reserve	8,438	10,959
Achievement awards reserve	5,427	2,448
Southern Alberta Summer Games reserve	2,560	2,560
	<u>\$ 167,314</u>	<u>\$ 147,191</u>

7. COVID-19

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

The Society's revenues declined during the pandemic but have stabilized and management anticipates continued recovery during the year. The Society 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.

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 2021.