

**LETHBRIDGE SPORT COUNCIL**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2022**

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**LETHBRIDGE SPORT COUNCIL**  
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**December 31, 2022**

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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, 2022, 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, 2022, 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

March 14, 2023

Chartered Professional Accountants

**LETHBRIDGE SPORT COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 223,846	\$ 223,361
Short term investment (note 3)	52,190	-
Accounts receivable	996	1,243
GST receivable	1,325	791
Prepaid expenses	3,760	3,183
	282,117	228,578
<b>Investment (note 3)</b>	-	51,623
<b>Capital assets (note 4)</b>	11,134	11,699
	\$ 293,251	\$ 291,900

<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,977	\$ 2,250
Payroll remittances payable	3,676	3,465
Deferred revenue (note 5)	94,058	107,172
	101,711	112,887
<b>Net assets</b>		
Unrestricted	-	-
Invested in capital assets	11,134	11,699
Reserves (note 6)	180,406	167,314
	191,540	179,013
	\$ 293,251	\$ 291,900

Approved on behalf of the board:

Director \_\_\_\_\_

Director \_\_\_\_\_

**LETHBRIDGE SPORT COUNCIL**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2022

	2022	2021
<b>Revenue</b>		
City of Lethbridge	\$ 223,780	\$ 223,780
Project grants	16,628	8,195
Hiring grants	12,854	25,252
Southern Alberta Summer Games	12,389	-
SportFest	8,062	1,200
LSC Achievement Awards	7,078	4,300
Sponsorships/Contract services	6,732	12,000
LSC Community room rental	3,872	193
2012 Alberta Summer Games Legacy	2,161	5,498
Interest	1,971	1,377
Strategic planning	226	-
Programs	125	125
	295,878	281,920
<b>Expenses</b>		
Wages and benefits	207,155	210,764
Project grants	18,781	13,700
Office	13,602	12,268
SportFest	8,378	-
Professional fees	5,100	5,435
LSC Achievement awards	4,754	1,320
Southern Alberta Summer Games	4,550	-
Advertising and promotion	3,964	3,874
Insurance	3,847	3,161
Telephone and internet	2,850	2,405
Interest and bank charges	1,783	681
Programs	1,388	4,016
Travel	1,241	1,495
GST	1,233	742
LSC Community room	791	521
Memberships	403	255
Strategic planning	226	-
Amortization	3,212	3,545
	283,258	264,182
<b>Excess of revenue over expenditures from operations</b>	12,620	17,738
<b>Other expense</b>		
Loss on disposal of capital assets	93	-
<b>Excess of revenue over expenditures</b>	\$ 12,527	\$ 17,738

**LETHBRIDGE SPORT COUNCIL**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended December 31, 2022

	Unrestricted	Invested in capital assets	Reserves	Total 2022	Total 2021
<b>Balance, beginning of year</b>	\$ -	\$ 11,699	\$ 167,314	\$ 179,013	\$ 161,275
<b>Excess of revenue over expenditures</b>	12,527	-	-	12,527	17,738
<b>Purchase of capital assets</b>	(2,740)	2,740	-	-	-
<b>Disposal of capital assets</b>	93	(93)	-	-	-
<b>Amortization</b>	3,212	(3,212)	-	-	-
<b>Transfers to reserves</b>	(13,092)	-	13,092	-	-
<b>Balance, end of year</b>	\$ -	\$ 11,134	\$ 180,406	\$ 191,540	\$ 179,013

**LETHBRIDGE SPORT COUNCIL**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2022

	2022	2021
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures	\$ 12,527	\$ 17,738
Adjustments for items which do not affect cash		
Amortization	3,212	3,545
Loss on disposal of capital assets	93	-
	15,832	21,283
Change in non-cash working capital items		
Accounts receivable	247	20,054
GST receivable	(534)	489
Prepaid expenses	(577)	(376)
Accounts payable and accrued liabilities	1,727	1,641
Payroll remittances payable	211	1,580
Deferred revenue	(13,114)	(9,101)
	3,792	35,570
<b>Cash flows from investing activities</b>		
Purchase of investment	51,623	(51,623)
Purchase of capital assets	(2,740)	(1,160)
	48,883	(52,783)
<b>Net increase (decrease) in cash and cash equivalents</b>	52,675	(17,213)
<b>Cash and cash equivalents, beginning of year</b>	223,361	240,574
<b>Cash and cash equivalents, end of year</b>	\$ 276,036	\$ 223,361
 <b>Cash and cash equivalents consist of:</b>		
Cash	\$ 223,846	\$ 223,361
Short term investment	52,190	-
	\$ 276,036	\$ 223,361

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**LETHBRIDGE SPORT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2022**

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**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, 2022

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 1.1% rewriteable GIC which matures March 25, 2023.

4. **Capital assets**

			2022			2021
	Cost	Accumulated amortization	Net		Net	
Furniture and fixtures	\$ 32,661	\$ 27,207	\$ 5,454		\$ 6,819	
Computer equipment	14,709	9,492	5,217		4,219	
Computer software	15,100	14,637	463		661	
	<b>\$ 62,470</b>	<b>\$ 51,336</b>	<b>\$ 11,134</b>		<b>\$ 11,699</b>	

5. **Deferred revenue**

	Balance, beginning of year	Received	Recognized	Balance, end of year
Sport Participation	\$ 36,398	\$ -	\$ -	\$ 36,398
Football Canada Cup	31,132	315	-	31,447
2012 Alberta Summer Games				
Legacy	13,277	-	(2,160)	11,117
Return to Play	-	9,300	(112)	9,188
Lethbridge Plays	3,030	-	(450)	2,580
Communities Choosewell -				
RECreate Grant	1,988	-	(148)	1,840
Strategy Planning	1,600	-	(227)	1,373
Champ Chat	115	-	-	115
Pathways to Participation	15,240	-	(15,240)	-
SportFest	4,392	-	(4,392)	-
	<b>\$ 107,172</b>	<b>\$ 9,615</b>	<b>\$ (22,729)</b>	<b>\$ 94,058</b>

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**LETHBRIDGE SPORT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2022**

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6. **Reserves**

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

	2022	2021
Administration reserve	\$ 124,324	\$ 123,211
Community room reserve	17,415	16,050
SportFest reserve	11,311	11,628
Bidding and hosting reserve	9,205	8,438
Achievement awards reserve	7,752	5,427
Southern Alberta Summer Games reserve	10,399	2,560
	<u>\$ 180,406</u>	<u>\$ 167,314</u>

7. **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 2022.