

CALGARY SPORT COUNCIL SOCIETY

FINANCIAL STATEMENTS (Audited)

December 31, 2023

Member of the



CALGARY SPORT COUNCIL SOCIETY

December 31, 2023

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MICHAEL IHEKUNA CPA

Chartered Professional Accountant

Independent Auditor's Report

To the Members of:
Calgary Sport Council Society

Report on the Audit of the Financial Statements

Opinion

I have audited the Statement of Financial Position of the Calgary Sport Council Society as at December 31, 2023 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2023.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Calgary Sport Council Society as at December 31, 2023 and the results of its operations and cash flows for the year ended December 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I am independent of the Calgary Sport Council Society in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility

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 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 Calgary Sport Council Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
March 19, 2024



Michael Ihekuna CPA
Chartered Professional Accountant

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CALGARY SPORT COUNCIL SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents, unrestricted (Note 3)	\$ 378,069	\$ 469,854
Held in trust (Note 10)	33,312	200,043
Cash and cash equivalent, externally restricted (Note 4)	511,229	-
Cash and cash equivalents, internally restricted (Note 6)	174,000	125,000
Accounts receivable	-	10,389
GST receivable	2,084	2,004
Inventory (Note 8)	36,867	21,123
Prepaid expense and deposit	2,933	-
	1,138,494	828,413
PROPERTY AND EQUIPMENT (Note 7)	6,154	1,496
	\$ 1,144,648	\$ 829,909
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	18,491	8,370
Deferred cash contributions (Note 4)	511,229	-
Held in trust (Note 10)	33,312	200,043
	563,032	208,413
Bank loan (Note 5)	-	60,000
	\$ 563,032	\$ 268,413
NET ASSETS		
Unrestricted	401,462	435,000
Internally restricted (Note 6)	174,000	125,000
Invested in property and equipment	6,154	1,496
	581,616	561,496
	\$ 1,144,648	\$ 829,909

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

See Notes to the Financial Statements

CALGARY SPORT COUNCIL SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2023

	Unrestricted	Internally restricted (Note 6)	Invested in property and equipment	2023 Totals	2022 Totals
Net assets, beginning of the year	\$ 435,000	125,000	1,496	561,496	495,340
Transfers (Note 6)	(49,000)	49,000	-	-	-
Excess of revenues over expenses	15,462	-	4,658	20,120	66,156
Net assets, end of the year	<u>\$ 401,462</u>	<u>174,000</u>	<u>6,154</u>	<u>581,616</u>	<u>561,496</u>

See Notes to Financial Statements

CALGARY SPORT COUNCIL SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Grants (Note 4)	\$ 666,465	\$ 524,379
Events and programs	41,465	55,912
Interest	28,010	9,619
CEBA loan funding (Note 5)	20,000	-
Project management fees (Note 10)	10,735	16,244
Donations	100	10,000
Miscellaneous revenue	20	82
Marketing and consulting	-	24,000
	<u>766,795</u>	<u>640,236</u>
EXPENSES		
Wages and benefits	436,478	347,394
Administration (Schedule 1)	134,691	142,475
All Sport Event Series	86,768	2,880
Celebration of sports	64,891	46,543
Contracts and agreements	14,565	29,167
Amortization	3,317	1,766
Insurance	2,949	2,949
Community engagement	2,600	69
Affiliation, memberships, special events	200	650
Sports Conference	185	-
Sport for calgary legacy fund expenses	31	187
	<u>\$ 746,675</u>	<u>574,080</u>
EXCESS OF REVENUE	<u>\$ 20,120</u>	<u>\$ 66,156</u>

See Notes to Financial Statements

CALGARY SPORT COUNCIL SOCIETY
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2023

	2023	2022
Cash generated from (used in):		
Operating Activities		
Excess of revenue	\$ 20,120	\$ 66,156
Changes not affecting cash:		
Amortization	3,317	1,766
Changes in non-cash operating working capital:		
Accounts receivable	10,388	32,162
GST	(81)	(1,215)
Prepaid expenses	(2,933)	-
Accounts payable	10,122	2,063
Held in trust (Note 10)	(166,731)	(604)
Inventory	(15,744)	(6,465)
Deferred revenue	-	(38,959)
	(141,542)	54,904
INVESTING ACTIVITIES		
Computer equipment	(7,974)	-
	(7,974)	-
FINANCING ACTIVITIES		
Deferred cash contributions	511,229	-
Bank loan (Note 5)	(60,000)	-
	451,229	-
Increase in cash and cash equivalents	301,713	54,904
Cash and cash equivalents, beginning of the year	794,897	739,993
Cash and cash equivalents, end of the year	\$ 1,096,610	\$ 794,897
Consisting of:		
Unrestricted cash and cash equivalents	\$ 378,069	\$ 469,854
Externally restricted cash and cash equivalents (Note 4)	511,229	-
Internally restricted cash and cash equivalents (Note 6)	174,000	125,000
Held in trust (Note 10)	33,312	200,043
	\$ 1,096,610	\$ 794,897

See Notes to Financial Statements

CALGARY SPORT COUNCIL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

1. THE ASSOCIATION

The Calgary Sport Council Society (Society) was registered with the Province of Alberta on February 28, 2001 as a not for profit association and as such is exempt from income tax under section 149 of the Canadian Income Tax Act.

The Society's objects are to:

- Develop a vision and strategies to deal with growth of sport in Calgary.
- Act as a resource for sport organizations in Calgary.
- Provide a unified voice for amateur sport in Calgary.
- Increase the profile of sport in Calgary.
- Provide educational opportunities and events to experience sport and/or learn about sport and all its facets.

2. SIGNIFICANT ACCOUNTING POLICIES

The Society follows the deferral method of accounting for contributions. Externally restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred. Gaming revenues are restricted to certain categories of expenditure. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions including donations, fundraising, operating grants, and other revenues are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Operating revenue and expenses are recorded on the accrual basis.

Property and Equipment:

The original assets of a capital nature had been set up as start-up expenses in the grant budget, no property & equipment have been set up for them. From 2007 forward, assets of a capital nature over \$1,500 are set up at cost and amortized over their estimated life on a straight line basis.

The amortization rate is:

Electronic Equipment	3 years
Furniture and Fixtures	10 years

Basis of Accounting:

Management has concluded that the going concern basis of accounting is appropriate for the Society.

Inventory:

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method.

CALGARY SPORT COUNCIL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Financial Instruments:

Measurement of 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 cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk

It is management's opinion that the Society is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

Use of Estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered.

The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

3. CASH AND CASH EQUIVALENTS, UNRESTRICTED

	2023	2022
Chequing accounts, general	\$ 58,767	\$ 170,894
Savings account	1,037,843	624,004
	1,096,610	794,898
Less: Cash held in trust	(33,312)	(200,044)
Less: Restricted grant funds (Note 4)	(511,229)	-
Less: Internally restricted cash (Note 6)	(174,000)	(125,000)
	\$ 378,069	\$ 469,854

CALGARY SPORT COUNCIL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

4. GRANT CONTRIBUTIONS

Externally restricted assets include cash received from government grants. Unspent grant funding is restricted to approved objectives of the grant provider. During the fiscal year, the Society received the following grants:

	<u>2023</u>	<u>2022</u>
The City of Calgary - Operating Grant		
Received during this year	\$ 490,517	\$ 471,651
Return of grant funds	(33,923)	(50,000)
Spent to operations	(456,594)	(421,651)
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
The City of Calgary - Emergency Resiliency Funding		
Received during this year	\$ -	\$ 33,923
Spent on operations	-	(33,923)
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
The City of Calgary - Sport Festival Funding		
Received during this year	\$ -	\$ 50,000
Spent on operations	-	(50,000)
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
The City of Calgary - One-Time Funding		
Received during the year	\$ 627,532	\$ -
Spent on operations	(116,303)	-
Deferred to next year	<u>\$ 511,229</u>	<u>\$ -</u>
Government of Canada - Summer Job Grant		
Received during the year	\$ 28,282	\$ 23,519
Spent on Jumpstart Project	(4,714)	(4,714)
Spent on operations	\$ (23,568)	\$ (18,805)
Deferred to next year	<u>-</u>	<u>-</u>
Canadian Parks and Recreation Funding		
Received during the year	\$ 40,000	\$ -
Spent on operations	(40,000)	-
Deferred to next year	<u>\$ -</u>	<u>\$ -</u>
Canadian Tire Jumpstart Charities Funding		
Received during the year	30,000	-
Spent on operations	(30,000)	-
Deferred to next year	<u>-</u>	<u>-</u>
Total grants spent on operations	<u>\$ (666,465)</u>	<u>\$ (524,379)</u>
Externally restricted cash - deferred to next year	<u>\$ 511,229</u>	<u>\$ -</u>

CALGARY SPORT COUNCIL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

5. BANK LOAN

Due to the uncertainty caused by the COVID-19 pandemic and the relief programs offered by the Canadian Government in response, the Society initially applied for and received the Canada Emergency Business Account ("CEBA") of \$40,000. In 2021, the society applied and was approved for an additional \$20,000 increasing the CEBA loan from \$40,000 to \$60,000.

During the year, the \$60,000 CEBA loan was paid and \$20,000 was forgiven which has now been recognised into income.

6. INTERNALLY RESTRICTED CASH

As per the September 2009 board meeting, the Board passed the motion to set up an operating reserve. This was increased during the 2023 fiscal year to \$174,000.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2023	Net 2022
Computer and Equipment	<u>\$ 35,386</u>	<u>29,232</u>	<u>6,154</u>	<u>1,496</u>

8. INVENTORY

Inventory consist of promotional items held for use. At year end inventory balance was \$36,867 (2022 : \$21,123).

9. CONTRIBUTED GOODS AND SERVICES

Contributed goods are recorded at fair value, if fair value can be reasonably estimated and when the donated goods are used in the normal course of the Association's operations and would otherwise have been purchased.

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs. The value of this contributed time is not reflected in these financial statements.

CALGARY SPORT COUNCIL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

10. HELD IN TRUST

The Calgary Adaptive Hub powered by Jumpstart brings together a consortium of municipal recreation, sport programming and academic stakeholders, collectively supported by Canadian Tire Jumpstart Charities, to collaborate on designing and offering better adapted programs throughout the City of Calgary. The partners include: The University of Calgary, Mount Royal University, City of Calgary Recreation, Calgary Sport Council Society, Vivo for Healthier Generations, Repsol Sport Centre and WinSport.

Calgary Sport Council Society would provide financial administration of the financial resources allocated to the Calgary Adapted Hub project for a fee of \$5,000. During the fiscal year, a dedicated salaried employee was hired to administer the Calgary Adaptive Hub. This individual was paid \$10,735.

The Calgary Sport Council Society received 2023 sport relief funds of \$187,500 from Canadian Tire - Jumpstart Charities subsequent to year end and at year end, held cash in trust of \$19,849 (2022: \$200,043).

During the year, the Calgary Sport Council Society received \$26,017 from Sport for Life and at year end, held cash in trust of \$13,463 (2022: \$0).

CALGARY SPORT COUNCIL SOCIETY
SCHEDULE 1 - ADMINISTRATION EXPENSES

For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Office rent	\$ 39,184	\$ 39,184
Office supplies	21,434	8,652
Employee benefits - insurance	14,201	9,862
Bookkeeping fees	8,170	7,030
Audit fees	7,157	6,500
Board expenses	6,359	32,140
Advertising and promotions	6,036	13,113
IT Support	5,958	2,780
Employee training, recruitment, workshops, conferences	5,593	7,789
Telephone	4,203	3,806
GST Unclaimable	3,570	3,878
AGM & Communications	3,504	-
Printing	3,400	2,762
Meetings	2,105	2,365
Bank charges	1,799	1,491
Website	1,764	1,123
Courier and postage	254	-
	<u>\$ 134,691</u>	<u>\$ 142,475</u>