

ALBERTA BICYCLE ASSOCIATION

EDMONTON, ALBERTA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of the Alberta Bicycle Association

Opinion

We have audited the financial statements of the Alberta Bicycle Association (the "Association"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 22, 2024

ALBERTA BICYCLE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 341,491	\$ 446,164
Accounts receivable (Note 4)	59,175	39,307
Prepaid expenses	<u>57,922</u>	<u>-</u>
	458,588	485,471
Tangible Capital Assets (Note 5)	<u>1,902</u>	<u>4,563</u>
	<u>\$ 460,490</u>	<u>\$ 490,034</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 20,141	\$ 18,860
Goods and Services Tax payable	13,852	14,334
Deferred contributions (Note 6)	<u>125,418</u>	<u>83,302</u>
	<u>159,411</u>	<u>116,496</u>
Net Assets		
Invested in tangible capital assets	1,902	4,563
Unrestricted	<u>299,177</u>	<u>368,975</u>
	<u>301,079</u>	<u>373,538</u>
	<u>\$ 460,490</u>	<u>\$ 490,034</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

ALBERTA BICYCLE ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
Licenses and memberships	\$ 438,305	\$ 392,183
Grants (Note 7)	127,760	109,819
Casino	58,273	19,401
Races	54,405	39,345
Program fees	38,178	28,038
Sponsorships	10,000	22,547
Trailer and equipment rental	6,238	10,029
Interest	-	2,262
	<u>733,159</u>	<u>623,624</u>
Expenses		
Insurance	181,355	156,392
Salaries and benefits	207,988	232,842
Racing programs (Schedule I)	161,982	105,245
Club remittance	76,942	39,195
Canadian Cycling Association	48,189	27,478
Bank charges	20,281	16,342
Alberta Summer Games	18,914	473
BMX programs (Schedule II)	18,307	32,771
Professional fees	15,605	20,191
Donation fund	11,965	7,600
Office	10,359	16,444
Sport participation	9,973	-
Van	7,332	11,619
Telephone	5,268	5,614
Meetings	4,376	2,928
Amortization	2,661	3,487
Marketing	2,470	196
Rent	1,221	2,871
Safety initiative	280	529
Recreation and transportation programs	150	639
Bad debt (recovery)	-	2,043
	<u>805,618</u>	<u>684,899</u>
Annual Surplus (Deficit)	<u>\$ (72,459)</u>	<u>\$ (61,275)</u>

ALBERTA BICYCLE ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Invested in Tangible Capital <u>Assets</u>	<u>Unrestricted</u>	<u>2023 Total</u>	<u>2022 Total</u>
Balance, Beginning of Year	\$ 4,563	\$ 368,975	\$ 373,538	\$ 434,813
Annual Surplus (Deficit)	-	(72,459)	(72,459)	(61,275)
Amortization of Tangible Capital Assets	<u>(2,661)</u>	<u>2,661</u>	<u>-</u>	<u>-</u>
Balance, End of Year	\$ <u>1,902</u>	\$ <u>299,177</u>	\$ <u>301,079</u>	\$ <u>373,538</u>

ALBERTA BICYCLE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Operating Activities		
Cash and cash equivalents from operations		
Annual surplus (deficit)	\$ (72,459)	\$ (61,275)
Items not affecting cash and cash equivalents:		
Amortization of tangible capital assets	<u>2,661</u>	<u>3,487</u>
	(69,798)	(57,788)
Change in non-cash working capital:		
Accounts receivable	(19,868)	(28,038)
Prepaid expenses	(57,922)	-
Accounts payable and accrued liabilities	1,281	(899)
Goods and Services Tax payable	(482)	4,018
Deferred contributions	<u>42,116</u>	<u>65,284</u>
Change in Cash and Cash Equivalents During the Year	(104,673)	(17,423)
Cash and Cash Equivalents, Beginning of Year	<u>446,164</u>	<u>463,587</u>
Cash and Cash Equivalents, End of Year	<u>\$ 341,491</u>	<u>\$ 446,164</u>

ALBERTA BICYCLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. NATURE OF OPERATIONS

The Association was established to be the organizing body which promotes all aspects of cycling in Alberta. The Association is a not-for-profit organization incorporated under *The Societies Act* of Alberta and is exempt from income tax under section 149(1)(l) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Association 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Licenses, membership dues, program and race fees are recognized as revenue in the year to which they relate.

Cash and Cash Equivalents

Cash and cash equivalents include cash and guaranteed investment certificates that are readily converted into known amounts of cash and are subject to an insignificant change in value. The guaranteed investment certificates are held for the purpose of meeting short-term cash commitments rather than for investing.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value. Any net write-downs are accounted for as expenses in the statement of operations.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Office equipment	3 years	Straight-line basis
Trailers	10 years	Straight-line basis
Vehicles	10 years	Straight-line basis
Timing equipment	3 years	Straight-line basis
BMX equipment	3 years	Straight-line basis
Computer software	3 years	Straight-line basis

ALBERTA BICYCLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

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 recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

Financial Instruments

Measurement of financial instruments

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

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include restricted funds of \$110,482 (2022 - \$66,962). These funds are derived from the Association's casino activities and grants and are restricted in their use, subject to the terms and conditions of the Association's casino license and grant funding agreements.

Cash and cash equivalents include one prime linked cashable guaranteed investment certificate for \$121,323 (2022 \$121,323), maturing in January 2024.

4. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Trade receivables	\$ 63,313	\$ 43,445
Allowance for doubtful accounts	<u>(4,138)</u>	<u>(4,138)</u>
	<u>\$ 59,175</u>	<u>\$ 39,307</u>

ALBERTA BICYCLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2023

5. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2023</u>	<u>2022</u>
Trailers	\$ 42,670	\$ 40,768	\$ 1,902	\$ 1,902
Vehicles	26,608	26,608	-	2,661
Timing equipment	29,779	29,779	-	-
Office equipment	43,781	43,781	-	-
BMX equipment	1,386	1,386	-	-
Computer software	<u>1,054</u>	<u>1,054</u>	<u>-</u>	<u>-</u>
	\$ <u>145,278</u>	\$ <u>143,376</u>	\$ <u>1,902</u>	\$ <u>4,563</u>

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted operating funding received or receivable in the current year for which the corresponding expenses have not yet been incurred. Changes in the deferred contributions balance are as follows:

	<u>2022</u>	<u>Contributions received during year</u>	<u>Amounts recognized as revenue</u>	<u>2023</u>
Casino funding	\$ 66,962	\$ 82,278	\$ (58,273)	\$ 90,967
Sport Participation grant	-	20,000	(9,973)	10,027
Canada Summer Games grant	-	28,000	(18,512)	9,488
Memberships	6,340	8,387	(6,340)	8,387
Club affiliation	-	6,549	-	6,549
Sponsorships	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
	\$ <u>83,302</u>	\$ <u>145,214</u>	\$ <u>(103,098)</u>	\$ <u>125,418</u>

7. GRANT REVENUE

	<u>2023</u>	<u>2022</u>
Alberta Government:		
Annual Association Grant	\$ 80,400	\$ 80,319
Canada Summer Games	18,512	20,500
Donation Fund	13,000	9,000
Sport Participation	9,973	-
Alberta Summer Games	<u>5,875</u>	<u>-</u>
	\$ <u>127,760</u>	\$ <u>109,819</u>

8. FINANCIAL INSTRUMENTS

It is management's opinion that the Association is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk through its financial instruments which include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

ALBERTA BICYCLE ASSOCIATION**SCHEDULE I****RACING PROGRAM EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
Provincial team	\$ 72,369	\$ 60,498
Events	51,255	27,676
Commissaire	24,172	9,863
Medals and awards	6,880	-
Coaching development	3,736	4,067
Committee meetings	2,030	-
Equipment and supplies	940	2,111
Courses, camps and clinics	<u>600</u>	<u>1,030</u>
	<u>\$ 161,982</u>	<u>\$ 105,245</u>

ALBERTA BICYCLE ASSOCIATION

SCHEDULE II

BMX PROGRAM EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Provincial team	\$ 13,601	\$ 25,632
Technical delegate	1,393	1,318
Medals and awards	1,291	1,053
Events	1,000	2,262
Committee meetings	522	809
Development	500	-
Miscellaneous	-	1,412
Commissaire	-	285
	<u>\$ 18,307</u>	<u>\$ 32,771</u>