

WHEELCHAIR RUGBY CANADA

FINANCIAL STATEMENTS

MARCH 31, 2022



INDEPENDENT AUDITORS' REPORT

To the Members of
Wheelchair Rugby Canada

Qualified Opinion

We have audited the financial statements of Wheelchair Rugby Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 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.

Basis for Qualified Opinion

The Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, net revenue, and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, current assets and net assets - unrestricted as at March 31, 2022 and March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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INDEPENDENT AUDITORS' REPORT (Cont'd.)

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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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 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 Organization's internal control.

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INDEPENDENT AUDITORS' REPORT (Cont'd.)

- Evaluate the appropriateness of accounting policies used 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 Organization'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 Organization 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.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
September 7, 2022.

WHEELCHAIR RUGBY CANADA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	ASSETS		2022	2021
CURRENT				
Cash		\$	1,216,173	\$ 1,193,730
Accounts receivable			208,069	42,910
Inventory			7,491	15,753
Prepaid expenses			<u>54,225</u>	<u>41,918</u>
		\$	<u><u>1,485,958</u></u>	<u><u>1,294,311</u></u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities		\$	262,695	\$ 174,650
Deferred contributions (note 6)			<u>362,451</u>	<u>481,611</u>
			625,146	656,261
NET ASSETS				
UNRESTRICTED			640,812	418,050
INTERNALLY RESTRICTED HUMAN RESOURCES RESERVE FUND (note 4)			20,000	20,000
INTERNALLY RESTRICTED RESERVE FUND (note 4)			<u>200,000</u>	<u>200,000</u>
			<u>860,812</u>	<u>638,050</u>
		\$	<u><u>1,485,958</u></u>	<u><u>1,294,311</u></u>

Impact of COVID-19 (note 9)

Approved on behalf of the Board:

Director

Director

WHEELCHAIR RUGBY CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
NET ASSETS - UNRESTRICTED		
Balance - beginning of year	\$ 418,050	\$ 343,656
Net revenue for the year	222,762	194,394
Transfer to net assets - internally restricted human resources reserve fund	-	(20,000)
Transfer to net assets - internally restricted reserve fund	<u>-</u>	<u>(100,000)</u>
Balance - end of year	\$ <u>640,812</u>	\$ <u>418,050</u>
 NET ASSETS - INTERNALLY RESTRICTED HUMAN RESOURCES RESERVE FUND		
Balance - beginning of year	\$ 20,000	\$ -
Transfer from net assets - unrestricted	<u>-</u>	<u>20,000</u>
Balance - end of year	\$ <u>20,000</u>	\$ <u>20,000</u>
 NET ASSETS - INTERNALLY RESTRICTED RESERVE FUND		
Balance - beginning of year	\$ 200,000	\$ 100,000
Transfer from net assets - unrestricted	<u>-</u>	<u>100,000</u>
Balance - end of year	\$ <u>200,000</u>	\$ <u>200,000</u>

WHEELCHAIR RUGBY CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Sport Canada contributions (note 5)	\$ 661,344	\$ 481,856
Own the Podium (note 5)	1,499,066	993,930
Coaching Association of Canada (note 5)	-	420
Canadian Paralympic Committee (note 5)	102,938	54,969
Fundraising	403,533	372,201
Grants, sponsorships and partnerships	-	4,455
Events	4,500	-
Other (note 8)	<u>5,428</u>	<u>5,130</u>
	2,676,809	1,912,961
EXPENSES		
National office operations	352,980	299,779
Member services	54,785	19,112
International representation	6,021	-
Communications	86,835	93,870
Marketing	188,901	166,607
Bridging The Gap	46,282	30,000
Sport programming	1,497,420	1,050,171
Events	<u>220,823</u>	<u>59,028</u>
	<u>2,454,047</u>	<u>1,718,567</u>
NET REVENUE FOR THE YEAR	<u>\$ 222,762</u>	<u>\$ 194,394</u>

WHEELCHAIR RUGBY CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

1. ORGANIZATION

Wheelchair Rugby Canada is the national sports organization representing wheelchair athletes. The purpose of the Organization is to promote excellence and develop opportunities for Canadians in wheelchair sport.

Wheelchair Rugby Canada is incorporated under the Canada Corporations Act, and is a registered amateur athletic association. As a not-for-profit, the Organization is exempt from income taxes. The Organization filed for continuance under the Canada Not-for-Profit Corporations Act, and on December 4, 2013, continuance was approved.

The Organization filed Articles of Amendment on March 7, 2022 and was approved to change its operating name from Canadian Wheelchair Sports Association to Wheelchair Rugby Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

(a) Revenue Recognition

The Organization follows the deferral method of accounting for grants and contributions. Restricted grants and contributions are recognized as revenue when the related expenses have been incurred. Unrestricted grants and contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated, and collection is reasonably assured.

The Organization employs the services of a professional fundraising organization to raise funds on its behalf. This Organization collects and accumulates funds and then makes periodic remittances, net of expenses, to the Organization. The Organization's policy is to recognize the gross amount of revenue from fundraising in the period in which it is received.

All other income is recognized when received or receivable, if the amount can be reasonably estimated and collectibility is reasonably assured.

Sport Canada contributions are subject to specific terms and conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

WHEELCHAIR RUGBY CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(b) Inventory

Inventory consists of items for resale and is stated at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling costs.

(c) Financial Instruments

The Organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue.

(d) Use of Estimates

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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

(e) Volunteer Services

The Organization receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

WHEELCHAIR RUGBY CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Organization is not exposed to significant interest rate, liquidity or market risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

Credit Risk

Credit risk arises from the potential that a customer may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk through accounts receivable. The Organization's primary customers are federal and provincial government departments which contain minimal risk. For all other customers, the Organization performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when considered necessary. The Organization also obtains deposits from customers, when required, to mitigate credit risk. There has been no change to the risk exposure from the prior year.

Currency Risk

Currency risk is the exposure of the Organization's earnings that arises from fluctuations in exchange rates. The Organization is exposed to currency risk through an ongoing contract relating to coaching services with a non-resident of Canada and its transactions with other international organizations. The Organization holds foreign currency to minimize the loss exposure on these transactions. There has been no change to the risk exposure from the prior year.

4. NET ASSETS - INTERNALLY RESTRICTED

Reserve Fund

The Board of Directors has established a reserve fund which represents their estimate of six months' operating expenses. This internally restricted fund is to sustain operations in the event of interruptions in funding or other unusual circumstances. There has been no change from the prior year.

Human Resources Fund

During the fiscal year 2021, the Board approved for a human resources fund to be established in the amount of \$20,000. This internally restricted fund is to sustain human resources related expenses in the event of interruptions in funding or other unusual circumstances. There has been no change from the prior year.

WHEELCHAIR RUGBY CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

5. SPONSORSHIPS AND FINANCIAL SUPPORT

The Wheelchair Rugby Canada gratefully acknowledges the support of Sport Canada, Own the Podium, Coaching Association of Canada, Canadian Paralympic Committee, and 49 Bespoke Inc.

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent resources restricted for the funding of a program to be delivered in future periods.

	<u>Balance - Beginning of Year</u>	<u>Less: Revenue Recognized</u>	<u>Plus: Amounts Received</u>	<u>Balance - End of Year</u>
Sports Canada contributions	\$ 109,644	\$ 661,344	\$ 666,500	\$ 114,800
Own the Podium	<u>371,967</u>	<u>1,499,066</u>	<u>1,374,750</u>	<u>247,651</u>
	<u>\$ 481,611</u>	<u>\$ 2,160,410</u>	<u>\$ 2,041,250</u>	<u>\$ 362,451</u>

Subsequent to year end, Sports Canada deferred contributions at March 31, 2022 were fully utilized in accordance with the Organization's funding agreement and as coordinated with the funder.

7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as all of the relevant information is apparent from the other financial statements.

8. OTHER REVENUE

	<u>2022</u>	<u>2021</u>
Interest - investments	\$ 1,817	\$ 2,074
Clinic fees	600	-
Sales	2,961	50
Miscellaneous revenue	-	2,734
Officials development fees	<u>50</u>	<u>272</u>
	<u>\$ 5,428</u>	<u>\$ 5,130</u>

WHEELCHAIR RUGBY CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

9. IMPACT OF COVID-19

The impact of COVID-19 to the public since its outbreak in mid-March 2020 has been extensive. In response to ongoing health concerns, the Organization has been adhering to government guidelines as they relate to states of emergency, social distancing measures and mandated closures. The Canadian government has continued to implement financial easing policies to mitigate the financial impact on the economy in which the Organization operates, however, its effectiveness is yet to be determined. The financial impact on the Organization as a result of COVID-19 is unknown as the potential impact on future operations cannot be determined. No amounts have been recognized in the audited financial statements relating to the potential impact of future events on the Organization as a result of COVID-19.