

Financial Statements of

Give Kids A Chance Charity Inc.

Year ended December 31, 2021

Management's Responsibility for Financial Reporting

Management has the responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial statements lies with the Board of Directors. An Audit Committee of Directors is appointed by the Board to review financial statements in detail with management and report to the Board of Directors prior to the approval of the financial statements for publication.

Independent auditors examine the financial statements and meet with both the Audit Committee and management to review their findings. The independent auditors' report follows. The independent auditors have full and free access to the Audit Committee to discuss their findings regarding the integrity of the Corporation's financial reporting and the adequacy of the system of internal controls.



Chief Executive Officer



Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Canadian Council of Provincial and Territorial Sport Federations

Qualified Opinion

We have audited the accompanying financial statements of the **Give Kids a Chance Charity Inc.** which comprise the statement of financial position as at **December 31, 2021** and the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of the Give Kids a Chance Charity Inc. as at December 31, 2021 and its results of 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

In common with many not-for-profit organizations, the Corporation derives a portion of its revenue in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we are not able to determine whether any adjustments might be necessary to revenues, assets or net assets.

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report – Continued

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 Corporation's internal control.
- 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 Corporation'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 Corporation 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 17, 2022
Regina, Saskatchewan, Canada

VIRTUS GROUP LLP
Chartered Professional Accountants

Statement of Financial Position

December 31, 2021 with comparative figures for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 1,518,708	\$ 1,234,378
Short term investments (Note 4)	99,876	127,396
Accounts receivable	12,132	14,461
Inventory	11,122	11,229
Prepaid expenses	1,893	758
	<u>1,643,731</u>	<u>1,388,222</u>
Long term assets:		
Long term investments (Note 4)	28,756	-
Investment in Sport Legacy Fund (Note 4)	5,194,819	4,940,277
	<u>\$ 6,867,306</u>	<u>\$ 6,328,499</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 28,414	\$ 75,171
	<u>28,414</u>	<u>75,171</u>
Net assets:		
Restricted net assets	6,771,831	6,187,777
Unrestricted net assets	67,061	65,551
	<u>6,838,892</u>	<u>6,253,328</u>
	<u>\$ 6,867,306</u>	<u>\$ 6,328,499</u>

See accompanying notes to the financial statements.

On behalf of the Board:

Cornelia J. Calibert Director

Lance Polan Director

Statement of Operations

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
Revenue:		
Donations (receipted)	\$ 129,511	\$ 77,656
Fundraising and unreceipted donations	383,215	399,811
Project grants	362,549	383,908
Interest	256,180	249,284
Operating grants	639,217	607,052
Sponsorship	175,000	131,310
	1,945,672	1,849,021
Expenses:		
Administration expenses:		
Bank and credit card fees	4,251	1,065
GST expense	2,203	1,176
Insurance	7,174	6,205
Marketing	29,273	17,765
National affiliation fees KidSport	1,000	1,000
Office and committee expenses	16,570	16,042
Postage	4,629	3,343
Printing	4,310	2,631
Professional fees	5,883	5,671
Regional Meetings	520	3,371
Salaries and benefits	242,148	235,029
Travel	3,948	3,236
Volunteer Recognition	255	304
	322,164	296,838
Program expenses:		
Dream Brokers program	190,000	195,003
Jumpstart Afterschool Program	-	17,891
KidSport grants distributed	769,990	656,050
Northern Community and School Recreation Coordinator Program	-	52,124
	959,990	921,068
Fundraising expenses:		
Projects	77,721	12,241
Travel	233	-
	77,954	12,241
Total Expenses	1,360,108	1,230,147
Excess of revenue over expenses	\$ 585,564	\$ 618,874

See accompanying notes to the financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2021 with comparative figures for 2020

	KidSport	Unrestricted	2021	2020
Net assets, beginning of year	\$ 6,187,777	\$ 65,551	\$ 6,253,328	\$ 5,634,454
Excess of revenue over expenses	584,054	1,510	585,564	618,874
Net assets, end of year	\$ 6,771,831	\$ 67,061	\$ 6,838,892	\$ 6,253,328

Statement of Cash Flows

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses for the year	\$ 585,564	\$ 618,874
Items not affected by cash:		
Net change in non-cash working capital items:		
Accounts receivable	2,329	(4,396)
Inventory	107	(2,004)
Prepaid expenses	(1,135)	(280)
Accounts payable	(46,757)	28,842
Deferred grant revenue	-	(10,000)
	540,108	631,036
Investing activities:		
Short term investment purchases	(99,876)	(127,396)
Short term investment redemptions	127,396	99,621
Long term investment purchases	(283,298)	(147,108)
Long term investment redemptions	-	27,083
	(255,778)	(147,800)
Increase in cash during the year	284,330	483,236
Cash, beginning of year	1,234,378	751,142
Cash, end of year	\$ 1,518,708	\$ 1,234,378

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2021 with comparative figures for 2020

1. Nature of Operations

Sask Sport Inc. has incorporated Give Kids A Chance Charity Inc. (The Corporation), a volunteer non-profit corporation with charitable status as a private foundation, in order to operate its charitable programs.

2. Summary of Significant Accounting Policies

Restricted net assets:

The Corporation has internally restricted the net assets for the KidSport program. These funds are for the exclusive use of this program.

Income taxes:

The Corporation is incorporated under the *Non-profit Corporations Act of Saskatchewan*. Under present legislation no income taxes are payable on reported income of the Corporation.

Revenue recognition:

The Corporation 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.

Inventory:

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the specific identification method.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accounts receivable are stated after evaluation of their collectibility and appropriate allowance for doubtful accounts is provided where considered necessary. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Financial instruments - recognition and measurement:

Financial assets and financial liabilities are recorded on the statement of financial position when the Corporation becomes a party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Notes to the Financial Statements

December 31, 2021 with comparative figures for 2020

3. Inventory

Inventory consists entirely of promotional materials.

4. Investments

Short term investments consist of:		2021	2020
Royal Bank Cashable GIC due March 22, 2021	0.50%	-	21,377
Royal Bank Cashable GIC due March 29, 2021	0.50%	-	75,000
Royal Bank Cashable GIC due June 13, 2021	0.50%	-	3,366
Unity Credit Union Harvest Premium Term due October 16, 2021	4.00%	-	27,653
Royal Bank Cashable GIC due March 22, 2022	0.10%	21,484	-
Royal Bank Cashable GIC due March 29, 2022	0.10%	75,000	-
Royal Bank Cashable GIC due June 13, 2022	0.10%	3,392	-
		\$ 99,876	\$ 127,396

Long term investments consist of:		2021	2020
Unity Credit Union Harvest Term Deposit #002 due October 16, 2026	0.65%	28,756	-
		\$ 28,756	\$ -

	2021	2020
Sport Legacy Fund	\$5,194,819	\$ 4,940,277

The Sport Legacy Fund is a fundraising program established by the National Sport Trust Fund - Saskatchewan Division for future sustainability of sport programs in Saskatchewan. The Fund is segregated by participating organization. The Fund offers 5% annual growth on fund balances and organizations that contribute are required to leave the original amount of contributions in the Legacy Fund for a minimum of 5 years in order to qualify. A draw down of the funds is made by application and subject to the approval of the National Sport Trust Fund - Saskatchewan Division.

5. Related Party Transactions

In 2021, the Corporation received \$683,176 (2020 - \$658,268) in grants from Sask Sport Inc.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Notes to the Financial Statements

December 31, 2021 with comparative figures for 2020

6. Financial Instruments and Risks

Fair Value:

The recorded value of short term investments, accounts receivable and payable approximate fair value.

Credit and interest rate risk:

The Corporation is not subject to significant credit or interest rate risk.

7. Economic Dependence

Give Kids A Chance Charity Inc. currently receives significant revenue in grants from Sask Sport Inc. and is therefore dependent upon the continuance of these grants to maintain operations at their current level.

8. In Kind Transactions

In 2021, \$2,639 (2020 - \$3,211) of in-kind revenue was recorded as revenue from a stock donation that was converted to cash.

9. Project Grants

In 2021, Give Kids A Chance Charity Inc received \$190,000 (2020 - \$190,000) from the Community Initiatives Fund for the Dream Broker program.

10. Significant Event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Corporation is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The future impact of the pandemic on the Corporation's operations and finances, if any, is unknown at this time.

Schedule of KidSport™ Saskatchewan Operations

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
Revenue:		
Donations (receipted)	\$ 128,834	\$ 77,656
Fundraising and unreceipted donations	382,105	392,640
Project grants	172,549	124,316
Interest	255,760	248,563
Operating grants	631,590	602,800
Sponsorship	175,000	131,310
	<u>1,745,838</u>	<u>1,577,285</u>
Expenses:		
Administration expenses:		
Bank and credit card fees	3,924	973
Conference	520	3,371
GST expense	2,035	1,080
Insurance	7,174	6,205
Marketing	25,339	17,765
National affiliation fees	1,000	1,000
Office and committee expenses	16,570	16,042
Postage	4,562	3,297
Printing	3,423	1,448
Professional fees	2,942	2,836
Salaries and benefits	242,148	235,029
Travel	3,948	3,236
Volunteer recognition	255	304
Program expenses:		
Grants distributed	769,990	656,050
Fundraising expenses:		
Projects	77,721	12,241
Travel	233	-
	<u>1,161,784</u>	<u>960,877</u>
Excess of revenue over expenses	\$ 584,054	\$ 616,408

See accompanying notes to the financial statements.