

**INMOTION NETWORK  
PROMOTING PHYSICAL ACTIVITY  
FOR GIRLS AND WOMEN ASSOCIATION**

**EDMONTON, ALBERTA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

## INDEPENDENT AUDITORS' REPORT

To the Board of InMotion Network

### *Opinion*

We have audited the financial statements of the InMotion Network - Promoting Physical Activity for Girls and Women Association (the "Association"), which comprise the statement of financial position as at December 31, 2020, 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 financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, 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.



## *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**

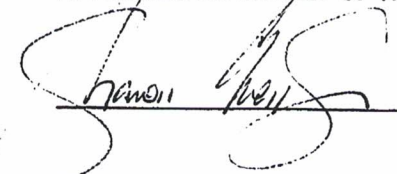
Chartered Professional Accountants


Edmonton, Alberta  
March 24, 2021

**INMOTION NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<b>Current Assets</b>		
Cash (Note 3)	\$ 338,469	\$ 206,412
Accounts receivable	<u>5,000</u>	<u>30,000</u>
	<u>\$ 343,469</u>	<u>\$ 236,412</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 16,537	\$ 14,184
Vacation payable	<u>16,107</u>	<u>10,126</u>
	32,644	24,310
Deferred contributions - operating (Note 5)	149,226	87,469
Long Term Debt (Note 6)	<u>40,000</u>	<u>-</u>
	221,870	111,779
<b>Net Assets</b>		
Unrestricted	<u>121,599</u>	<u>124,633</u>
	<u>\$ 343,469</u>	<u>\$ 236,412</u>

**APPROVED ON BEHALF OF THE BOARD:**

 Director

 Director

The accompanying notes are an integral part of these financial statements.

**INMOTION NETWORK**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Revenue</b>		
Grants (Note 7)	\$ 223,046	\$ 186,402
Canada emergency wage subsidy	26,626	-
Casino	13,709	37,209
Membership dues	586	320
Interest	439	1,333
Donations	<u>345</u>	<u>400</u>
	<u>264,751</u>	<u>225,664</u>
<b>Expenses</b>		
Wages and employee benefits	166,961	121,984
Professional fees	62,972	36,673
Program (Note 8)	16,400	50,366
Office	6,755	11,579
Website	5,332	10,689
Telephone and internet	5,156	2,452
Insurance	2,200	2,100
Travel	852	1,832
Bank charges	827	122
Meetings	330	1,924
Amortization	<u>-</u>	<u>890</u>
	<u>267,785</u>	<u>240,611</u>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<u>\$ (3,034)</u>	<u>\$ (14,947)</u>

**INMOTION NETWORK**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Balance, Beginning of Year</b>	<b>\$ 124,633</b>	<b>\$ 139,580</b>
Excess (Deficiency) of Revenue over Expenses	<u>(3,034)</u>	<u>(14,947)</u>
<b>Balance, End of Year</b>	<b><u>\$ 121,599</u></b>	<b><u>\$ 124,633</u></b>



**INMOTION NETWORK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Operating Activities</b>		
Cash from operations		
Excess (deficiency) of revenue over expenses	\$ (3,034)	\$ (14,947)
Items not affecting cash:		
Amortization of tangible capital assets	<u>-</u>	<u>890</u>
	(3,034)	(14,057)
Change in non-cash working capital:		
Accounts receivable	25,000	30,000
Accounts payable and accrued liabilities	2,353	7,061
Vacation payable	5,981	480
Deferred contributions - operating	<u>61,757</u>	<u>303</u>
	<u>92,057</u>	<u>23,787</u>
<b>Financing Activities</b>		
Proceeds on long-term debt	<u>40,000</u>	<u>-</u>
<b>Change in Cash During the Year</b>	<b>132,057</b>	<b>23,787</b>
<b>Cash, Beginning of Year</b>	<u><b>206,412</b></u>	<u><b>182,625</b></u>
<b>Cash, End of Year</b>	<u><b>\$ 338,469</b></u>	<u><b>\$ 206,412</b></u>

**INMOTION NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. NATURE OF OPERATIONS**

The Association was established to promote physical activity for women and girls in Alberta. The Association is incorporated under the *Societies Act* of Alberta.

**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.

Cash

Cash includes chequing and savings accounts. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

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.

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.

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

Office equipment	20%	Declining balance
Computer equipment	30%	Declining balance
Computer software	100%	Declining balance

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.



**INMOTION NETWORK**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 accounts receivable.

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

*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**

Details of cash balances are as follows:

	<u>2020</u>	<u>2019</u>
Servus Credit Union General Account	\$ 247,379	\$ 102,032
Manulife Savings Account	78,251	77,823
Royal Bank Casino Account	11,313	25,042
Manulife Casino Savings Account	1,133	1,126
Manulife General Savings Account	312	310
Servus Credit Union Common Share Account	<u>81</u>	<u>79</u>
	<u>\$ 338,469</u>	<u>\$ 206,412</u>

Cash includes restricted funds of \$149,226 (2019 - \$87,469). These funds are derived from grant and casino funding and are restricted in their use, subject to the terms and conditions of the related agreements.

**4. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2020</u>	<u>2019</u>
Office equipment	\$ 10,372	\$ 10,372	\$ -	\$ -
Computer equipment	2,133	2,133	-	-
Computer software	<u>464</u>	<u>464</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,969</u>	<u>\$ 12,969</u>	<u>\$ -</u>	<u>\$ -</u>

**INMOTION NETWORK**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**5. DEFERRED CONTRIBUTIONS - OPERATING**

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>2020</u>	<u>2019</u>
Balance, Beginning of Year	\$ 87,469	\$ 87,166
Grant funding received	229,506	163,914
Grant funding spent	(154,041)	(126,402)
Casino funds spent	<u>(13,708)</u>	<u>(37,209)</u>
Balance, End of Year	<u>\$ 149,226</u>	<u>\$ 87,469</u>
Comprised of:		
Federal Government - Women and Gender Equity funding	\$ 41,389	\$ 41,314
Federal Government - Sport Support Program	35,004	-
Canadian Red Cross Society	27,886	-
Makadiff Sports funding	20,000	20,000
Alberta Government - Community Initiatives Program	12,500	-
Casino funding	<u>12,447</u>	<u>26,155</u>
	<u>\$ 149,226</u>	<u>\$ 87,469</u>

**6. LONG TERM DEBT**

	<u>2020</u>	<u>2019</u>
Canadian Emergency Business Account loan bearing interest at 0% if repaid by December 31, 2022. Commencing January 1, 2023 the interest payable on the outstanding principle amount is at a rate of 5%, with any remaining principal and interest due over a three year period.	<u>\$ 40,000</u>	<u>\$ -</u>

The scheduled principal repayments are as follows:

2021	\$ -
2022	<u>40,000</u>

**7. GRANT REVENUE**

	<u>2020</u>	<u>2019</u>
Federal Government - Women and Gender Equity	\$ 152,002	\$ 102,600
Alberta Government - Association Development Program	54,000	60,000
Alberta Government - COVID-19	15,000	-
Canadian Red Cross Society	1,544	-
Federal Government - Sport Support Program	500	-
Indigenous and Northern Affairs - Urban Partnerships Program	<u>-</u>	<u>23,802</u>
	<u>\$ 223,046</u>	<u>\$ 186,402</u>

**INMOTION NETWORK**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**8. PROGRAM EXPENSES**

	<u>2020</u>	<u>2019</u>
Go Girl	\$ 8,450	\$ 15,885
Leadership Grants	5,000	5,198
Girls in Motion	1,250	8,383
Women in Motion	1,200	11,650
Indigenous Sport Grants	<u>500</u>	<u>9,250</u>
	<u>\$ 16,400</u>	<u>\$ 50,366</u>

**9. 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, accounts receivable, accounts payable and accrued liabilities and long term debt.

**10. UNCERTAINTY DUE TO COVID-19**

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the COVID-19 pandemic. The measures implemented to combat the spread of the virus have had an impact on the Association; however, an estimate of the financial impact cannot be made at this time.

The Association is closely monitoring the recommendations from public health agencies and government authorities while implementing its operational plan to reduce any adverse financial impact and continue operations.