

Two Wheel View - Calgary Ltd.

Financial Statements

December 31, 2022

Two Wheel View - Calgary Ltd.

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AFFIRM LLP

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the members of Two Wheel View

Opinion

We have audited the financial statements of *Two Wheel View* (the Organization), which comprise the statement of financial position as at December 31, 2022, 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 Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Accounting Standards for Not-for-profit Organizations (ASNPO).

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 *Auditor's 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 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 ASNPO, 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.

Auditor's 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 auditor's 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



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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.
- 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 auditor's 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 auditor's 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.

Other matters

The financial statements of Two Wheel View for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2022.

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.

Calgary Alberta

Mar 31, 2023

Affirm LLP

Affirm LLP

Chartered Professional Accountants

Two Wheel View - Calgary Ltd.

Statement of Financial Position

December 31, 2022

	Note	2022	2021
Assets			
Current Assets			
Cash		\$ 751,660	\$ 647,827
GIC investment		125,000	125,000
Trade accounts receivable		221	1,000
GST receivable		14,036	8,601
Inventory	1.g.	22,550	17,500
Prepaid insurance		11,946	11,284
Total Current Assets		925,413	811,212
Property and equipment, net of accumulated amortization	2.	20,793	28,465
Total Assets		\$ 946,206	\$ 839,677
Liabilities and Shareholders' Equity			
Current Liabilities			
Credit card payable		\$ 11,191	\$ 2,679
Accounts payable and accrued liabilities		19,772	1,151
Deferred income/revenue		-	17,500
Deferred capital contributions		-	14,932
Total Current Liabilities		30,963	36,262
Equity			
Net assets - ending		915,243	803,415
Total Liabilities and Net Assets		\$ 946,206	\$ 839,677

Approved on Behalf of the Board:


Jasreet Badyal (Mar 31, 2023 17:37 MDT)


Anus (Mar 31, 2023 16:33 PDT)

The accompanying notes are an integral part of the compiled financial information.

Two Wheel View - Calgary Ltd.

Statement of Operations

For the Year Ended December 31, 2022

	2022	2021
Revenue		
Family & Community Support Services (City of Calgary)	\$ 263,027	\$ 290,498
Crime Prevention and Investment Plan	97,000	97,000
Donations	331,807	178,832
Program fee, interest and other	58,074	97,333
Foundation and trust grants	96,827	52,500
Government grants & subsidies	19,986	216,593
Raffle revenue	3,222	11,075
Fundraising and special events	9,843	5,431
In kind donations	32,432	-
Total revenue	912,218	949,262
Operating expenses		
Salaries and wages	510,190	459,485
Other direct costs	97,772	72,449
Other operating expenses	74,532	29,079
Rental	59,404	82,061
Professional fees	23,438	3,360
Office expenses	15,478	57,184
Amortization of tangible assets	10,722	7,328
Travel expenses	8,854	4,623
Total operating expenses	800,390	715,569
Excess of revenue over expenses for the year	111,828	233,693
Excess revenue over expenses in the year	111,828	233,693
Surplus in net assets - beginning of year	803,415	569,722
Surplus in net assets - end of year	\$ 915,243	\$ 803,415

The accompanying notes are an integral part of the compiled financial information.

Two Wheel View - Calgary Ltd.

Statement of Changes in Net Assets

For the Year Ended December 31, 2022

	Restricted for FCSS	Restricted for CPIP	Restricted for AB Eco Trust	Restricted for Silver Gummy Foundation	Donnelly Foundation	Unrestricted	2022	2021
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,415	\$ 569,722
Excess of revenues over expenses	(47,383)	(102,550)	(7,281)	(6,594)	(9,563)	285,199	111,828	233,693
Transfer between funds	47,383	102,550	7,281	6,594	9,563	(173,371)	-	-
Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,828	\$ 915,243	\$ 803,415

The accompanying notes are an integral part of the compiled financial information.

Two Wheel View - Calgary Ltd.

Statement of Cash Flows

For the Year Ended December 31, 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss) for the period	\$	82,355	\$ 233,693
Depreciation, depletion and amortization		10,722	7,328
Increase (decrease) in receivables		(7,615)	(4,466)
Increase (decrease) in inventories		(5,050)	(2,500)
Increase (decrease) in prepaid expense and other assets		(662)	488
Increase (decrease) in accounts payable and accrued expenses		18,621	555
Increase (decrease) in deferred revenue and customer advances and deposits		-	(46,971)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		98,371	188,127
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property, plant, and equipment		(3,050)	(2,115)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from (repayments of) bank overdrafts and loans		8,512	(1,444)
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		103,833	184,568
Cash and cash equivalents at beginning of period		772,827	588,321
Cash and cash equivalents at end of period	\$	876,660	\$ 772,889

The accompanying notes are an integral part of the compiled financial information.

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2022

1. Significant Accounting Policies

a. Status and purpose of the organization

i. Date and place of incorporation, commencement of operations

Two Wheel View - Calgary Ltd. (the organization) is a not-for-profit organization incorporated under the Alberta Companies Act on August 29, 2005 and is a registered charity under the Income Tax Act. Its purposes is to educate youth on the environment and local culture of areas in Canada and abroad through their participation in educational bicycle trips and to do all things incidental and ancillary to the attainment of the above objectives. Specific projects include Earn-a-Bike, Grow & Prosper, and local expeditions.

b. Cash and cash equivalents

i. Cash and short-term investments

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of twelve months or less from the acquisition date. These are valued at cost which approximates market value.

c. Property, plant and equipment

i. Valuation, method and amount

Property, plant and equipment is carried at cost. Donated property plant and equipment are recorded at the estimated fair value at the date the contribution is received. These assets are depreciated over their estimated useful life. Amortization is charged on an annual basis using the declining balance method over their estimated useful life as follows:

Automotive	30%
Bicycles	30%
Tools	20%
Old computers	45%
New computers	55%

d. Revenue recognition

i. Accordance with industry practice

The organization 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 measured and collection is reasonably assured.

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2022

1. Significant Accounting Policies

d. Revenue recognition

i. Accordance with industry practice

Program fees are recognized in revenue once the program events are held.

Fundraising revenues are recognized in revenue when proceeds are received, and the fundraising event has been completed.

Interest and miscellaneous revenue is recognized in the year it is earned.

e. Allocation of expenses

i. Allocation of expenses

Two Wheel View records a number of its expenses by function: direct program costs, office expenses, professional fees, Occupancy costs, salaries and wages, travel expenses, other program costs.

These expenses are then allocated to the respective fund based on time spent delivering each program that has received restricted funding.

f. Deferred revenue

i. Operating

Deferred revenue shall be recognized as earned revenue either over the term of the contract or as certain terms of the grant agreement are met.

ii. Capital

Deferred revenue associated with a capital asset shall be amortized according to useful life of the capital asset for which the grant relates.

g. Inventory

i. In kind donation

Inventory represents in kind donations of bicycles valued at their estimated net realizable value by management. No conditions exist that indicate impairment is required.

h. Measurement uncertainty

The preparation of the financial statements in accordance with Canadian Accounting Principles for Not-for-Profit Organization requires management to make estimates and assumptions that affect the

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2022

1. Significant Accounting Policies

h. Measurement uncertainty

reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Specifically, some in-kind donations, including inventory are recorded at fair market value using estimated prepared by management. Actual results could differ from and affect the results reported in these financial statements..

i. Financial instruments

i. Fair values not materially different from book values

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

Financial assets subsequently measured at amortized cost include cash, term deposits, accounts receivable and prepaid expenses. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

2. Property, plant and equipment

a. Cost less accumulated depreciation/impairment - net book value by period

Property, plant and equipment consist of the following:

			2022	2021
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Automotive	\$ 38,780	\$ (24,281)	\$ 14,499	\$ 20,713
Bicycles	20,538	(19,217)	1,321	1,651
Tools	5,374	(5,374)	-	1,586
Computers & Equipment	14,691	(11,079)	3,612	4,515
Leasehold Improvements	3,050	(1,689)	1,361	-
Total	\$ 82,433	\$ (61,640)	\$ 20,793	\$ 28,465

Bicycles reported in property and equipment above are fleet bicycles used for trips. Bicycles reported in inventory, not included in the statement of financial position above, are those donated to the organization for program use.

3. Financial instruments

a. Financial risks

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2022

3. Financial instruments

a. Financial risks

Two Wheel View is not exposed to any credit, liquidity or market risk as it does not offer any sales on credit, nor does the organization hold any debt.