

Two Wheel View - Calgary Ltd.

Financial Statements

December 31, 2023

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, 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 Organization as at December 31, 2023, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Grant revenue received in the year is initially recorded as deferred revenue and then recognized as earned revenue as expenditures are incurred in relation to the grant. Grant revenue is the most significant element on the statement of financial position and subject to management discretion with respect to the application of expenses towards recognizing this revenue. The recognition of revenue and expenses related to each grant was evaluated based on time spent by staff delivering on the purpose of the grant.

In-kind donation of bikes is recognized using a flat rate per bike and included as earned revenue in the year. An inventory count is completed each year to confirm the number of bikes on hand at the end of the year. This amount is reclassified to inventory from earned revenue for any bikes not yet sold. This is a significant part of the business and the most susceptible to fraud or theft. We have reviewed inventory count procedures as well as security measures and corroborated the value allocated per bike with external sources.



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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 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



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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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kristen Poitevien.

Mar 31, 2024
Calgary Alberta

Affirm LLP

Affirm LLP
Chartered Professional Accountants

Two Wheel View - Calgary Ltd.

Statement of Financial Position

December 31, 2023

	Note	2023	2022
Assets			
Current Assets			
Cash on hand - domestic currency		\$ 499,564	\$ 751,660
Restricted cash	2.	82,271	-
GIC investment		227,600	125,000
Trade accounts receivable		-	221
GST receivable		-	14,036
Inventory	1.g.	34,350	22,550
Prepaid insurance		16,556	11,946
Total Current Assets		860,341	925,413
Property and equipment, net of accumulated amortization	3.	19,277	20,793
Total Assets		\$ 879,618	\$ 946,206

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

Two Wheel View - Calgary Ltd.

Statement of Financial Position

December 31, 2023

Liabilities and Shareholders' Equity


Current Liabilities

Credit card payable	\$ 8,624	\$ 11,191
Accounts payable and accrued liabilities	27,029	19,772
GST payable	2,980	-
Deferred contributions	82,271	-
Total Current Liabilities	120,904	30,963

Equity

Net assets - ending	758,714	915,243
Total Liabilities and Net Assets	\$ 879,618	\$ 946,206

Approved on Behalf of the Board:



James M. McMoran (Mar 30, 2024 15:29 MDT)

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, 2023

	2023	2022
Revenue		
Grants & subsidies	\$ 461,264	\$ 476,840
Donations	223,798	331,807
Program fees & Other Earned revenue	110,708	58,074
In kind donations	84,800	32,432
Fundraising and special events	27,127	13,065
Interest and other income	16,331	-
Total revenue	924,028	912,218
Operating expenses		
Salaries and wages	658,063	510,190
Other direct costs	192,882	97,772
Rental	111,034	59,404
Other operating expenses	43,519	74,532
Office expenses	34,457	15,478
Professional fees	23,203	23,438
Travel expenses	11,048	8,854
Amortization of tangible assets	6,351	10,722
Total operating expenses	1,080,557	800,390
Excess of expenses over revenues for the year	(156,529)	111,828
Excess expenses over revenues in the year	(156,529)	111,828
Surplus in net assets - beginning of year	915,243	803,415
Surplus in net assets - end of year	\$ 758,714	\$ 915,243

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, 2023

	Restricted	Unrestricted	2023	2022
Balance, beginning of year	\$ -	\$ 915,243	\$ 915,243	\$ 803,415
Earned Grants / revenue received	562,038	361,990	924,028	912,218
Grants recognized / expenses incurred	(562,038)	(518,519)	(1,080,557)	(800,390)
Additional grants received in the year	82,271	-	82,271	-
Grants held as deferred revenue	(82,271)	-	(82,271)	-
Balance, end of year	\$ -	\$ 758,714	\$ 758,714	\$ 915,243

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, 2023

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss) for the period		\$ (156,528)	\$ 111,828
Depreciation, depletion and amortization		6,351	10,722
Increase (decrease) in receivables		220	373
Increase (decrease) in inventories		(11,800)	(5,050)
Increase (decrease) in prepaid expense and other assets		(4,610)	(662)
Increase (decrease) in accounts payable and accrued expenses		7,257	3,689
Increase (decrease) in deferred revenue and customer advances and deposits		82,271	(17,500)
Increase (decrease) in excise tax (GST) payable		17,016	(5,029)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		(59,823)	98,371
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property, plant, and equipment		(4,835)	(3,050)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Change in credit card payable		(2,567)	8,512
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		(67,225)	103,833
Cash and cash equivalents at beginning of period		876,660	772,827
Cash and cash equivalents at end of period		\$ 809,435	\$ 876,660

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, 2023

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 mission is to use bicycles as a vehicle of change in the lives of youth, helping them build confidence, life and Employability skills through their participation in a variety of experiences including Earn-a-Bike, GAP, Employability, local rides and educational programs.

b. Change in accounting estimate

i. Accounting estimate - change in useful life - applied prospectively

During the year, the organization reviewed the estimated value of bikes received in-kind from public donations. It was noted that the organization attached a value of the bikes received and held at year end but that the bikes received and sold in the year were not allocated a similar value. As a result of this change in estimate, the organization has recorded an increase to in-kind donations as well as cost of goods sold. This change in policy has been applied prospectively as a change in accounting estimate and has resulted in an increase to in-kind revenue and cost of goods sold of \$ 73,000.

c. 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.

d. 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%

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2023

1. Significant Accounting Policies

d. Property, plant and equipment
ii. Capitalization

Expenditures for repairs and maintenance are charged to income as incurred. Additions and betterments are capitalized. The cost and related accumulated depreciation on property, plant and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current year's revenue or expense.

e. Revenue recognition

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.

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.

f. 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.

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, 2023

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 estimates 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. Cash

a. Restricted donations received yet not utilized

As at December 31, 2023, cash balances amounting to \$ 82,271 (2022 - \$ NIL) were received immediately before year end. These receipts were recorded as restricted cash representing funds received from donors/ or grantors for expenses not yet incurred and that will be spent in the following year.

3. Property, plant and equipment

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

Property, plant and equipment consist of the following:

			2023	2022
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Automotive	\$ 38,780	\$ (28,630)	\$ 10,150	\$ 14,499
Bicycles	20,538	(19,481)	1,057	1,321
Computers & Equipment	17,287	(12,321)	4,966	3,612
Leasehold Improvements	5,289	(2,185)	3,104	1,361
Tools	5,374	(5,374)	-	-
Total	\$ 87,268	\$ (67,991)	\$ 19,277	\$ 20,793

Two Wheel View - Calgary Ltd.

Notes to the Compiled Financial Information

For the Year Ended December 31, 2023

4. Family and Community Support Service (The City of Calgary)

a. Funding

	2023	2022
Total funds received for Earn-A-Bike CAS Program	\$ 263,027	\$ 263,027
Prior year deferred amount realized	-	-
Amount deferred for future period	-	-
Total revenue earned per financial statements	\$ 263,027	\$ 263,027

5. 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.

6. Related party transactions

a. Transactions with management and directors

During the year the organization purchased products on behalf of its management and employees as part of an employee retention program offered to all employees. All purchases are reimbursed by the respective employees during the year.