

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Financial Statements

Year Ended June 30, 2022

SPECIAL OLYMPICS ALBERTA ASSOCIATION
Index to Financial Statements
Year Ended June 30, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Revenues (<i>Schedule 1</i>)	7
Expenses (<i>Schedule 2</i>)	8 - 9
Notes to Financial Statements	10 - 16

INDEPENDENT AUDITOR'S REPORT

To the Members of Special Olympics Alberta Association

Qualified Opinion

We have audited the financial statements of Special Olympics Alberta Association (the Association), which comprise the statement of financial position as at June 30, 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, 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 Association as at June 30, 2022, and the results of its operations and 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 Association derives a portion of its revenue from donations, fundraising and events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Association in accordance with 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 audit opinion.

Other Matter

The financial statements for the year ended June 30, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on September 13, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the To the Members of Special Olympics Alberta Association
(continued)

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

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 Association'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 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 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 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.

Edmonton, Alberta
October 15, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS



SPECIAL OLYMPICS ALBERTA ASSOCIATION

Statement of Financial Position

June 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 1,590,822	\$ 1,768,402
Investments (Note 3)	1,968,901	1,238,893
Accounts receivable (Note 4)	330,013	577,507
Goods and services tax recoverable	4,324	4,568
Prepaid expenses	8,846	6,483
	3,902,906	3,595,853
CAPITAL ASSETS (Note 5)	28,310	34,947
	\$ 3,931,216	\$ 3,630,800
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 242,719	\$ 119,752
DEFERRED CONTRIBUTIONS (Note 7)	1,104,344	963,466
	1,347,063	1,083,218
NET ASSETS		
INTERNALLY FUNDED CAPITAL ASSETS	10,200	34,947
CONTINGENCY FUND (Note 8)	1,196,759	1,280,988
UNRESTRICTED	1,377,194	1,231,647
	2,584,153	2,547,582
	\$ 3,931,216	\$ 3,630,800

ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes are an integral part of these financial statements

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Statement of Operations

Year Ended June 30, 2022

	2022	2021
REVENUES (schedule 1)		
National sponsors	\$ 345,978	\$ 555,339
General donations	104,915	98,327
Government funding	492,269	635,549
Events	80,631	116,964
Alberta Gaming, Liquor and Cannabis Commission	194,243	38,431
Foundations	161,456	80,155
Other income	5,150	10,550
	1,384,642	1,535,315
EXPENSES (schedule 2)		
Sport programs and events	259,064	160,445
Unified sports programs	103,381	128,170
Provincial games	54,969	29,939
Team Alberta (national games)	-	(438)
Affiliate services	408,789	283,895
Communications	110,097	77,192
Fund development	248,121	334,986
Law Enforcement Torch Run	63,485	99,094
Alberta Gaming, Liquor & Cannabis Commission	2,371	138
Administration	17,966	102,909
	1,268,243	1,216,330
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	116,399	318,985
OTHER INCOME (EXPENSES)		
Dividend income	34,040	32,425
Interest income	4,400	2,624
Investment management fees	(11,873)	(11,589)
Realized and unrealized gains (losses) on investments	(106,395)	100,067
	(79,828)	123,527
EXCESS OF REVENUES OVER EXPENSES	\$ 36,571	\$ 442,512

The accompanying notes are an integral part of these financial statements

SPECIAL OLYMPICS ALBERTA ASSOCIATION
Statement of Changes in Net Assets
Year Ended June 30, 2022

	Internally funded capital assets	Contingency fund (Note 8)	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR					
As previously reported	\$ 34,947	\$ 1,280,988	\$ 1,231,647	\$ 2,547,582	\$ 2,105,070
Excess of revenues over expenses (Note 9)	5,201	-	(5,201)	-	-
Net investment in capital assets (Note 9)	(33,303)	-	33,303	-	-
As restated	6,845	1,280,988	1,259,749	2,547,582	2,105,070
Excess of revenues over expenses	(3,089)	-	39,660	36,571	442,512
Net investment in capital assets	6,444	-	(6,444)	-	-
Transfer to unrestricted fund	-	(84,229)	84,229	-	-
NET ASSETS - END OF YEAR	\$ 10,200	\$ 1,196,759	\$ 1,377,194	\$ 2,584,153	\$ 2,547,582

The accompanying notes are an integral part of these financial statements

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Statement of Cash Flows

Year Ended June 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 36,571	\$ 442,512
Item not affecting cash:		
Amortization of capital assets	13,080	6,400
	49,651	448,912
Changes in non-cash working capital:		
Accounts receivable	247,494	(103,868)
Goods and services tax payable	244	3,134
Prepaid expenses	(2,363)	1,589
Accounts payable and accrued liabilities	122,967	(51,935)
Deferred contributions	140,878	265,223
	509,220	114,143
Cash flow from operating activities	558,871	563,055
INVESTING ACTIVITIES		
Purchase of capital assets	(6,443)	(37,785)
Change in fair value of investments	(730,008)	(121,453)
Cash flow used by investing activities	(736,451)	(159,238)
INCREASE (DECREASE) IN CASH FLOW	(177,580)	403,817
Cash - beginning of year	1,768,402	1,364,585
CASH - END OF YEAR	\$ 1,590,822	\$ 1,768,402

The accompanying notes are an integral part of these financial statements

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Revenues (Schedule 1)

Year Ended June 30, 2022

	2022	2021
National sponsors		
Sobeys	\$ 235,446	\$ 475,115
Tim Horton's	59,022	18,500
Signature Authentics	32,192	32,969
Home Hardware	14,000	14,000
Wolseley	4,250	4,250
Other	1,068	10,505
	345,978	555,339
General donations		
Other	98,610	68,877
Community program revenue	6,305	800
Provincial games	-	28,650
	104,915	98,327
Government funding		
Government of Canada	368,994	533,911
Alberta Government - Ministry of Culture, Multiculturalism & Status of Women - Core	83,275	41,638
Alberta Government - Ministry of Culture, Multiculturalism & Status of Women - Other	40,000	40,000
Government of Alberta - Covid emergency relief funds for sport organizations	-	20,000
	492,269	635,549
Events		
Law Enforcement Torch Run	70,054	97,479
Bull Bustin	10,577	-
Titanium Man	-	19,485
	80,631	116,964
Albeta Gaming, Liquor and Cannabis Commission		
Casino	179,732	4,579
Raffles	14,511	33,852
	194,243	38,431
Foundations		
Special Olympics Canada Inc. Foundation - Motionball	96,893	53,160
Golisano Foundation	36,018	-
Special Olympics Canada Inc. Foundation	28,545	24,495
Harry Red Foster	-	2,500
	161,456	80,155
Other income		
Canadian Tire Jumpstart Grant	5,000	10,000
Miscellaneous	150	550
	5,150	10,550
TOTAL REVENUES	\$ 1,384,642	\$ 1,535,315

The accompanying notes are an integral part of these financial statements

SPECIAL OLYMPICS ALBERTA ASSOCIATION

**Expenses (Schedule 2)
Year Ended June 30, 2022**

	2022	2021
Sport programs and events		
Direct sport programs and events expenses	\$ 78,398	\$ 45,668
Sport programs and events salaries and benefits	126,150	93,458
Allocated costs	54,516	21,319
	259,064	160,445
Unified sport programs		
Direct unified sport programs expenses	75,000	84,372
Unified sport programs salaries and benefits	28,381	43,798
	103,381	128,170
Provincial games		
Direct provincial games expenses	25,000	-
Provincial games salaries and benefits	19,066	25,675
Allocated costs	10,903	4,264
	54,969	29,939
Team Alberta (national games)		
Team Alberta salaries and benefits	-	(438)
	-	(438)
Affiliate services		
Direct affiliate services expenses	177,057	46,222
Affiliate services salaries and benefits	155,410	207,827
Allocated costs	76,322	29,846
	408,789	283,895
Communications		
Direct communications expenses	5,296	5,699
Communications salaries and benefits	72,092	58,702
Allocated costs	32,709	12,791
	110,097	77,192
Fund development		
Direct fund development expenses	107,639	178,477
Fund development salaries and benefits	107,773	143,718
Allocated costs	32,709	12,791
	248,121	334,986
Law Enforcement Torch Run		
Direct law enforcement torch run expenses	908	714
Law Enforcement Torch Run salaries and benefits	51,674	94,117
Allocated costs	10,903	4,263
	63,485	99,094
Alberta, Gaming, Liquor and Cannabis Commission		
Direct Alberta Gaming, Liquor & Cannabis Commission expenses	2,371	138
	2,371	138

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SPECIAL OLYMPICS ALBERTA ASSOCIATION

Expenses (continued) (Schedule 2)

Year Ended June 30, 2022

	2022	2021
Administration		
Direct administration expenses	179,686	122,960
Administration salaries and benefits	43,262	58,823
Amortization on tangible assets	13,080	6,400
Allocated costs (Note 10)	(218,062)	(85,274)
	17,966	102,909
TOTAL EXPENSES	\$ 1,268,243	\$ 1,216,330

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

1. PURPOSE OF THE ASSOCIATION

Special Olympics Alberta Association (the "Association") operates to provide year-round athletic and sports training programs and competitions for persons with an intellectual disability.

The Association is affiliated with Special Olympics Canada Inc. as well as provincial affiliates operating as accredited chapters under the authority of the Board of Special Olympics Alberta Association. The provincial affiliates have similar objectives to the Association and operate independently under the auspices of local volunteer management committees.

The Association is a not-for-profit organization of Alberta. As a registered charity the Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Basis of accounting

The Association excludes the programs and events administered by provincial affiliates from consolidation. These financial statements include only those assets, liabilities, revenues and expenses of the Association and do not include the accounts or operating results of any provincial affiliates. Separate financial statements are prepared by the provincial affiliates.

Cash

Cash consists of funds held on deposit at Canadian financial institutions.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Capital assets

Purchased tangible and intangible capital assets are recorded at acquisition cost. Contributed tangible and intangible capital assets are recorded at fair value at the date of contribution.

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30% declining balance method
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Leases

Leases that transfer substantially all of the risks and benefits of ownership of assets to the Association are accounted for as capital leases. Assets under capital leases are recorded at inception of the lease together with the related long-term obligation to reflect the purchase and financing thereof. Rental payments under operating leases are expensed as incurred.

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SPECIAL OLYMPICS ALBERTA ASSOCIATION
Notes to Financial Statements
Year Ended June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Special Olympics Alberta Association follows the deferral method of accounting for contributions, which include grants and donations. Grants are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, as pledges are not legally enforceable claims. Unrestricted contributions from events and other activities are recognized as revenue when initially recorded in the accounts as the event or activities occur. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Contributions specifically designated for capital purposes are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Investment income, which consists of interest and dividends including income distributions from pooled funds, and realized and unrealized gains and losses, is recorded in the statement of operations.

Contributed goods and services

Contributed goods and services are reflected in the financial statements at fair value if fair value can be reasonably determined. Volunteer hours and services are not recognized in the financial statements due to the difficulty in determining their fair value.

Government assistance

Amounts received or receivable resulting from government assistance are reflected as revenue when the Association becomes eligible to receive assistance in accordance with the eligibility criteria of the respective funding programs, provided that there is reasonable assurance the benefits will be realized.

Employee benefit plans

The Association contributes to retirement savings plans based on the amount of employee contributions, subject to maximum limits per employee. The Association accounts for such contributions as an expense on an accrual basis. For the year ended June 30, 2022, an amount of \$19,364 (2021 - \$23,470) was recognized as an expense.

Allocation of expenses

The costs of each department include the costs of personnel and other expenses that are directly related to the department. The Association also incurs general support expenses that are common to the administration of the Association and are allocated to each of its departments. These allocated expenses include salaries and benefits, travel, accreditation fees, insurance and other administration costs. These expenses are allocated to departments proportionately based on the direct expenses incurred by each department.

Financial instruments

The Association initially records a financial instrument at its fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances. The Association recognizes its transaction costs in the statement of operations in the period incurred.

Subsequently, the Association measures financial instruments as follows:

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SPECIAL OLYMPICS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- financial assets including cash and cash equivalents, accounts receivable, and goods and services tax receivable, at amortized cost;
- investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expenses as incurred; and
- all financial liabilities, which includes accounts payable and accrued liabilities and deferred contributions, at amortized cost.

Impairment of financial assets

When there are indications of possible impairment, the Association determines if there has been a significant adverse change to the expected timing or amount of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- The present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset;
- The amount that could be realized by selling the asset at the statement of financial position date; and
- The amount the Association expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. INVESTMENTS

	2022	2021
Cash held in investments	\$ 17,367	\$ 16,119
Guaranteed investment certificates	847,431	32,905
Fixed income		
Canada	689,971	732,924
Equities		
Canada	247,642	231,385
United States	44,638	56,062
Other international	121,852	169,498
	\$ 1,968,901	\$ 1,238,893

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

4. ACCOUNTS RECEIVABLE

Accounts receivable includes the amounts owing from Special Olympics Canada Inc. and provincial affiliates related to program expenses the Association has incurred on their behalf.

	2022	2021
Special Olympics Canada Inc.	\$ 221,540	\$ 375,954
Speical Olympics Edmonton	43,517	42,345
Speical Olympics Calgary	23,442	38,106
Other affiliates	46	250
Other receivables	41,468	120,852
	\$ 330,013	\$ 577,507

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 88,488	\$ 60,178	\$ 28,310	\$ 34,947

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

Accounts payable and accrued liabilities include amounts owing to Special Olympics Canada Inc. and provincial affiliates related to program revenues the Association received on their behalf.

	2022	2021
Special Olympics Canada Inc.	\$ 14,964	\$ -
Provincial affiliates	139,019	1,515
Vacation pay payable	25,467	25,553
Other payables and accrued liabilities	63,269	92,684
	\$ 242,719	\$ 119,752

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent contributions externally restricted for various purposes and contributions received in the current year that are related to events of the subsequent year.

	2022	2021
Alberta Gaming, Liquor and Cannabis Commission	\$ 817,435	\$ 526,945
Special Olympics Canada Inc.	137,734	136,488
Community Programs	76,781	72,475
Medicine Hat Summer Games	62,853	62,853
Skate Canada	6,341	6,341
Bull Bustin	3,200	-
Harley Raffle	-	118,364
Government of Alberta	-	40,000
	\$ 1,104,344	\$ 963,466

Deferred contributions include \$76,781 (2021 - \$72,475) of amounts held on behalf of provincial affiliates, and \$18,111 (2021 - \$28,102) of unamortized amounts that were spent on capital items.

8. CONTINGENCY FUND

In 2008, the Association's Board of Directors internally restricted \$75,000 of net assets to be used as a contingency fund.

During the year ended June 30, 2014, the Association received an unrestricted contribution of \$600,000 from a personal estate, and during the year ended June 30, 2017, received an additional unrestricted contribution of \$347,904 from a personal estate. The Board of Directors has resolved to internally restrict these contributions, plus income earned on the investment of the funds, in the contingency fund.

9. PRIOR PERIOD ADJUSTMENT

Last year's excess of revenues over expenses for internally funded capital assets is corrected to include \$5,201 of revenue realized from deferred contributions related to capital items.

Last year's net investment in capital assets for internally funded capital assets is corrected to include \$33,303 addition of deferred contribution related to computer equipment purchase.

10. ALLOCATED COSTS

	2022	2021
Administration salaries and benefits	\$ 43,262	\$ 58,823
Administrative expenses and telephone and technology	159,836	16,220
Accreditation fees	14,964	10,231
	\$ 218,062	\$ 85,274

SPECIAL OLYMPICS ALBERTA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

11. GOVERNMENT ASSISTANCE

During the year, the Association applied for the related Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS") in the amounts of \$21,345 (2021 - \$255,776) and \$1,155 (2021 - \$9,015), respectively. These programs were implemented by the Canadian government to assist Canadian organizations that were negatively impacted by the coronavirus disease ("COVID-19"). These amounts have been included in the Government of Canada funding revenue.

12. RELATED PARTY TRANSACTIONS

During the year, the Association normally has transactions with the following related parties:

- Provincial affiliates
- Special Olympics Canada Inc., the national governing body

All related party transactions have been recorded at their agreed upon exchange amounts. Grants, revenue sharing and eligible program expenses are recorded as affiliate development expenses. Accreditation fees and insurance expenses are allocated to expense categories as outlined in Schedule 2.

Transactions during the year were as follows:

Provincial affiliates

	2022	2021
Expenses		
Sport and programs and events expenses	\$ 41,774	\$ 7,603
Grants, revenue sharing and eligible program expenses	153,109	173,448
Affiliate support	367,303	247,151
	\$ 562,186	\$ 428,202

Special Olympics Canada Inc.

	2022	2021
Expenses		
Accreditation fees	\$ 14,964	\$ 10,231
Insurance	8,038	1,170
	\$ 23,002	\$ 11,401

13. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2022.

(a) Credit risk

The Association is exposed to credit risk in connection with its accounts receivable because of risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Association monitors outstanding balances regularly and allows for uncollectible amounts when determined.

(b) Liquidity risk

The Association is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities.

(c) Interest rate risk

The Association is subject to interest rate risk with respect to its short-term and fixed income investments because the fair value will fluctuate due to changes in market interest rates.

(d) Other price risk

The Association is exposed to other price risk through changes in market prices (other than changes arising from interest rate risk or currency risk) in connection with its investments in equity securities.

14. COVID-19

The outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to businesses and organizations globally, resulting in an economic slowdown. During the year, the Association, in response to public health restrictions, deferred a number of events and fundraising activities, which resulted in a reduction in certain revenues and expenses. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Association in future periods.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors.