

Lindsay Park Sports Society

Financial Statements
December 31, 2022



Independent auditor's report

To the Board of Governors of Lindsay Park Sports Society

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lindsay Park Sports Society (the Society) as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Society's financial statements comprise:

- the statement of financial position as at December 31, 2022;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 27, 2023

Lindsay Park Sports Society

Statement of Financial Position

As at December 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	15,923,498	8,058,963
Short-term investments (note 4)	3,064,713	4,858,331
Accounts receivable	540,198	441,665
Inventory	71,702	39,935
Prepaid expenses	396,348	97,427
	<u>19,996,459</u>	<u>13,496,321</u>
Capital assets (note 3)	611,481	597,606
Investments (note 4)	2,748,721	-
Donations on deposit with Parks Foundation, Calgary (note 9)	901,593	720,699
	<u>24,258,254</u>	<u>14,814,626</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	1,578,754	770,004
Deferred revenue and grants (note 14)	8,279,416	889,204
Deferred sponsorship – MNP LLP (note 1)	146,000	-
	<u>10,004,170</u>	<u>1,659,208</u>
Deposits from tenants	24,640	24,640
Deferred contributions (note 5)	68,767	118,767
	<u>10,097,577</u>	<u>1,802,615</u>
Net Assets		
Endowments (note 11)	50,000	50,000
Internally restricted (note 7)	9,461,316	249,316
Unrestricted net assets	4,649,361	12,712,695
	<u>14,160,677</u>	<u>13,012,011</u>
	<u>24,258,254</u>	<u>14,814,626</u>
Commitments (note 10)		

Approved by the Board of Governors

 27-APR-2023 Governor  27-APR-2023 Governor

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

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Statement of Operations

For the year ended December 31, 2022

	2022 \$	2021 \$
Facility revenues		
Admissions, memberships, and programs	7,924,010	3,376,388
Facility bookings and rental income	2,585,405	1,812,454
Operating contributions (note 6)	1,441,010	1,421,307
Operating contributions and government subsidies – COVID-19 (note 6)	2,000	1,693,439
	<u>11,952,425</u>	<u>8,303,588</u>
Facility expenses		
Facility operations (note 8)	4,122,077	3,080,890
Experience providers	3,065,944	1,894,971
Human resources, finance, and administration	1,999,760	1,789,310
Sales and marketing	1,097,197	704,265
	<u>10,284,978</u>	<u>7,469,436</u>
Excess of revenue over expenses before the following	<u>1,667,447</u>	<u>834,152</u>
Other revenues		
Investment income (notes 4 and 9)	501,585	437,565
Naming rights and other sponsorships	254,520	550,192
Repsol rebranding recovery	78,044	-
Gain on disposal of capital assets	2,103	3,393
	<u>836,252</u>	<u>991,150</u>
	2,503,699	1,825,302
Other expense		
Amortization of capital assets	290,467	310,615
Resiliency fund repayment (note 6(e))	572,000	-
Repsol rebranding expense	272,613	-
	<u>1,135,080</u>	<u>310,615</u>
Excess of revenue over expenses for the year before the following	<u>1,368,619</u>	<u>1,514,687</u>
Capital contributions – capital contribution from City of Calgary (notes 2(b) and (g))	196,089	90,724
Capital contributions – from other sources	-	1,282
Capital expenses – building improvements and capital expenditures (notes 2(b) and (g))	<u>(416,042)</u>	<u>(397,741)</u>
	<u>(219,953)</u>	<u>(305,735)</u>
Net excess of revenue over expenses for the year	<u>1,148,666</u>	<u>1,208,952</u>

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

Lindsay Park Sports Society

Statement of Changes in Net Assets

For the year ended December 31, 2022

	<u>2022</u>			<u>2021</u>	
	Unrestricted \$	Internally restricted \$	Endowment \$	Total \$	
Net assets – Beginning of year	12,712,695	249,316	50,000	13,012,011	11,803,059
Internal restriction (note 7)	(9,212,000)	9,212,000	-	-	-
Net excess of revenue over expenses for the year	1,148,666	-	-	1,148,666	1,208,952
Net assets – End of year	4,649,361	9,461,316	50,000	14,160,677	13,012,011

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

Lindsay Park Sports Society

Statement of Cash Flows

For the year ended December 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Net excess of revenue over expenses for the year	1,148,666	1,208,952
Items not affecting cash		
Amortization of capital assets	290,467	310,615
Amortization of deferred contribution	(50,000)	(50,000)
Gain on disposal of capital assets	(2,103)	(3,393)
	<hr/>	<hr/>
	1,387,030	1,466,174
Changes in non-cash working capital items (note 13)	7,915,741	(17,435)
	<hr/>	<hr/>
	9,302,771	1,448,739
Investing activities		
Additions to capital assets	(305,713)	(309,516)
Proceeds on sale of capital assets	3,474	3,393
Redemption of investments	4,769,297	9,362,897
Purchase of investments	(5,724,400)	(4,524,400)
Net increase in donations on deposit with Parks Foundation, Calgary	(180,894)	(76,525)
	<hr/>	<hr/>
	(1,438,236)	4,455,849
Increase in cash and cash equivalents during the year	7,864,535	5,904,588
Cash and cash equivalents – Beginning of year	8,058,963	2,154,375
	<hr/>	<hr/>
Cash and cash equivalents – End of year	15,923,498	8,058,963
Cash and cash equivalents consist of		
Cash	5,242,932	2,694,513
Cash equivalents	10,680,566	5,364,450
	<hr/>	<hr/>
	15,923,498	8,058,963
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The accompanying notes are an integral part of these financial statements.

Lindsay Park Sports Society

Notes to Financial Statements

December 31, 2022

1 Nature and purpose of the Society

Lindsay Park Sports Society (the Society) is a not-for-profit, non-taxable organization incorporated under the Societies Act of the Province of Alberta.

The purpose of the Society is to oversee and direct the management and operation of MNP Community & Sport Centre (the Centre) in accordance with its bylaws and a lease agreement between the Society and the City of Calgary. As part of this agreement, the City of Calgary provides the Society with annual operating and capital grants. The capital grant is provided through an Infrastructure Program and is provided on a reimbursement basis up to a maximum pre-approved amount. Reimbursement is awarded for 50% of the completed costs. The Centre was recently advised this will change to 75% for 2023 should funding be available. The City of Calgary is the owner of the building and the land upon which the Centre is located. The Centre provides training, competition facilities and services for the development of Calgary's high-performance athletes in dryland and aquatic sports in addition to providing facilities, programs and services for the fitness and recreational sporting needs of the citizens of Calgary.

On May 18, 2022, the Repsol Sport Centre was renamed to MNP Community & Sport Centre as per a new naming rights agreement between the Society and MNP LLP (the Sponsor). The agreement was approved by the City of Calgary Council on March 8, 2022, as the City of Calgary owns the facility. The agreement is effective June 1, 2022. Prior to the end of the initial ten-year term, the Society and the Sponsor agree to enter negotiations for a potential ten-year extension. As contemplated in the agreement, the Sponsor shall pay the Society annually for certain exclusive rights in respect of the Centre, including the right to rename the Centre and the right to display the facility name and logo in specified locations and on social media.

2 Summary of significant accounting policies

a) Basis of presentation

The Society's financial statements have been prepared in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

b) Capital assets

Movable capital assets that are purchased by the Society are recorded at cost less accumulated amortization and any provision for impairment. Movable capital assets that are donated to the Society are recorded at their fair value at the date of contribution. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practical and significant and when estimates can be made of the estimated useful lives of the separate components.

The Society amortizes its capital assets on a straight-line basis over their estimated useful lives as follows:

Athletic equipment	3 – 10 years
Furniture and equipment	5 – 10 years
Computer equipment and software	3 – 10 years

Lindsay Park Sports Society

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Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations. Write-downs are not subsequently reversed.

Immovable capital assets that do not become the property of the Society are expensed in the year of acquisition.

c) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with initial terms to maturity of 90 days or less.

d) Financial instruments

The Society initially measures financial assets and financial liabilities at their fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost except for investments, which are measured at fair value. The financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable and donations on deposit with Parks Foundation, Calgary. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deposits from tenants.

Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayments terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Society in the transaction.

The Society is not exposed to undue credit risk. Further, the Society is not exposed to any significant foreign currency, interest rate, price, or liquidity risk.

e) Inventory

Inventory is recorded at the lower of cost and net realizable value.

f) Investments

Investments include guaranteed investment certificates, and other investment instruments with initial terms to maturity of over 90 days. Investments are carried at fair value with unrealized gains or losses recognized directly in the statement of operations as investment income. Investments with terms to maturity of under one year are classified as short-term investments.

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g) Non-recording of City property

The original building complex and its major equipment components were provided from the City of Calgary's capital fund and are the property of the City of Calgary and operated under the terms of a lease and operating agreement; therefore, they are not recorded in these financial statements. Under the terms of this agreement, all building additions, improvements, and immovable capital assets become the property of the City of Calgary and are expensed in the year incurred.

h) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets when received.

Admissions, memberships, and programs fees as well as facility booking fees and rental income are recorded as revenue over the period that the services are rendered, with the prepaid portion recorded as deferred revenue.

Sponsorships and grants, including naming rights, are recognized as revenue over the periods that they relate to in accordance with the terms of the sponsorship or grant agreement.

Capital contributions used for building expansion and improvements and to acquire immovable capital assets that do not become the property of the Society are recorded as revenue in the same year as the expansion, improvement or acquisition is expensed.

Restricted investment income is reported as deferred revenue and recognized as investment income in the year in which related expenditures are incurred. Unrestricted investment income is recorded as investment income revenue when it is earned.

The Society may receive government subsidies that provide immediate financial assistance as compensation for costs or expenditures incurred. The Society recognizes government subsidies as revenue when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

i) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Significant estimates include amortization of capital assets, accrued liabilities and allowance for doubtful accounts.

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j) Expenses

Facility operations expenses include the costs of the facility operations, facility services and occupational health and safety departments. Experience provider expenses include the costs of programs and services conducted by the aquatics, fitness, and sport services departments. Human resources and administration expenses include the costs of the human resources, finance, and administration departments. Sales and marketing expenses include the costs of the sales, marketing, and customer service departments.

3 Capital assets

			2022	2021
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Athletic equipment	2,273,715	1,970,066	303,649	309,528
Office furniture and equipment	499,500	475,512	23,988	38,592
Computer equipment	1,033,441	749,597	283,844	249,486
Café furniture and equipment	12,388	12,388	-	-
	3,819,044	3,207,563	611,481	597,606

The Society disposed of capital assets with an original cost of \$75,392 (2021– \$51,336).

4 Investments

Investments consist of guaranteed investment certificates with various financial institutions. Some of the guaranteed investment certificates are cashable prior to their maturity date and, in some instances, are subject to an interest penalty. The Society currently holds investments with effective interest rates ranging from 1.35% to 4.54% (2021 – 0.5% to 2.03%).

5 Deferred contributions

In 2005, the Society received an anonymous contribution of \$1,000,000 in exchange for the right to name the 50-meter pool complex constructed in 2003 “The Calgary Foundation Aquaplex”. The naming rights are for a term of 20 years. The Society has recorded a portion of the contribution of \$50,000 (2021 – \$50,000) as revenue for the year and deferred the balance of \$68,767 (2021 – \$118,767), which will be recognized as revenue on a pro rata basis over the remaining term of the naming rights.

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6 Operating contributions and Government Subsidies

Included in operating contributions are the following grants and contributions set out in the following table and described below:

	2022 \$	2021 \$
Operating contribution from the City of Calgary	1,426,018	1,389,596
Calgary Adapted Hub grant (a)	11,074	-
Government summer job grants (b)	3,918	31,711
Government subsidies – COVID-19 (c)(d)(e)(f)	2,000	1,693,439
	<u>1,443,010</u>	<u>3,114,746</u>

As part of the Government of Canada's and the City of Calgary's COVID-19 Economic Response Plan, the Society received funding through the following programs:

- a) In 2021, the Society agreed to participate in a \$60,000 grant program with Canadian Tire Jumpstart Charities and Sport Calgary. This program will see the Society receive three \$20,000 payments in each of the years 2021, 2022 and 2023. This grant money will be used to support existing or new adapted/inclusive sport and recreational programming or initiatives for children/youth living with a disability in Calgary. The Society recognized \$11,074 (2021 – \$nil) of the Calgary Adapted Hub grant.
- b) The Society was awarded government summer job grants of \$3,918 (2021 – \$31,711).
- c) Canada Emergency Wage Subsidy (CEWS)

Due to the decrease in revenue as a result of COVID-19, the Society received CEWS to cover a portion of its employee wages from January 2021 to October 2021 in the amount of \$1,101,439, of which \$83,325 was receivable as at December 31, 2021. This program ended in 2021.

- d) Small and Medium Enterprise Relaunch Grant

In order to help offset expenses related to reopening after COVID-19, the Society was awarded a relaunch grant of \$nil (2021 – \$20,000) by the Alberta Government. This program ended in 2021.

- e) City of Calgary Emergency Resilience Fund (ERF)

The Society was awarded funding from the City of Calgary's ERF grant to mitigate the significant impact of COVID-19 public health orders on the Society in the amount of \$nil (2021 – \$572,000). The full amount was utilized in the prior year in accordance with the requirements of the funding agreement.

On or before April 30, 2022, the Society was required to report to the City of Calgary how the funds were used, whether they were fully spent, and areas positively impacted by the grant. The city reserved the right of repayment or carry forward of any surplus that was not utilized for the stipulated purposes. At the date

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of the approval of the 2021 audited financial statements, no decision had been communicated to the Society.

On September 20, 2022, the City of Calgary notified the Society of the requirement to repay the full amount of the ERF grant that was awarded in 2021. This amount is reflected in other expense on the statement of operations. As per the ERF grant agreement and notwithstanding that the dollars were used for the intended purpose the ERF grant agreement allowed for full repayment if the Society generated an annual surplus.

- f) In 2022, the Society was awarded \$2,000 (2021 – \$nil) for the Restrictions Exemption Program grant.

7 Internally restricted assets

In 2022, management adopted a new reserve policy. The purpose of the reserves policy is to ensure the financial and operating sustainability of the mission, employment, and ongoing operations of the Society. The reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, an unanticipated loss in funding or to fund cash flow shortfalls in meeting normal operational needs or uninsured losses. The reserves may also be used for one-time, non-recurring expenses that will build long-term capacity or investment in infrastructure. Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the reserves to be used and replenished within a reasonably short period of time. The reserves policy will be implemented in concert with the other governance and financial policies of the Society and is intended to support the goals and strategies contained in strategic and operational plans.

	2022	2021
	\$	\$
Operating reserve (a)	2,600,000	-
Endowment cost reserve (b)	12,000	-
Asset management reserve (c)	600,000	-
Expansion reserve (d)	5,000,000	-
City of Calgary reserve (e)	1,000,000	-
Athlete bursary (f)	249,316	249,316
	<u>9,461,316</u>	<u>249,316</u>

- a) The operating reserve is calculated as 25% of the Board-approved annual budgeted operating expenses. Operating expenses in the Board-approved 2022 budget total \$10.5 million, 25% of which is \$2.6 million.
- b) The endowment cost reserve is calculated as 25% of the Board-approved annual budgeted endowment cost. Annual endowment expenses in the Board-approved 2022 budget total \$47,000, 25% of which is \$12,000.
- c) The asset management reserve is intended to cover 50% of the current infrastructure capital budget plus 50% of the following year's estimated infrastructure capital. 50% of the current (2022) and subsequent year (2023) annual expenditures approximates \$600,000.

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- d) The Board has internally restricted \$5.0 million to fund the Leisure Expansion Aquatics Project (LEAP) if and as required.
- e) The Board has internally restricted up to \$1.0 million to fund financial commitments made to the City of Calgary for projects affecting the Centre such as flood mitigation, etc.
- f) The Lindsay Park Development Foundation (the Foundation) was dissolved on January 1, 2003 and the assets, liabilities and net assets were transferred to the Society. The purpose of the Foundation was to act as a trustee to administer the funds from the Western Canada Summer Games Foundation, together with any other funds received, for the purposes of improving the quality of the services offered at the Centre and assisting the development of athletes training at the Centre.

The Society has agreed to continue the work of the Foundation and, accordingly, has restricted the net assets received from the Foundation for the purpose of providing bursaries and grants to athletes and sport partners training at the Centre.

8 Facility operations

Included in facility operations expense are the following utility expenses:

	2022 \$	2021 \$
Electricity	934,172	711,568
Natural gas	328,868	249,258
	<u>1,263,040</u>	<u>960,826</u>

9 Donations on deposit with Parks Foundation, Calgary

Access Advantage endowment agreement

In 2004, an endowment fund named Access Advantage was established at Parks Foundation, Calgary. The income from the endowment allows the Society to provide subsidies and fee assistance to patrons of limited economic means to improve their access to the Centre. In 2004, the endowment fund received from an anonymous donor a donation of \$1,250,000. The Society agreed to increase the endowment fund to \$3,000,000 by way of contributing at least 15% of its annual excess of revenues over expenses before internal allocations to the endowment fund. The Society's commitment was fulfilled in 2021. In 2022, endowment income of \$nil (2021 – \$218,670) was received.

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Interest related to this endowment amounted to \$230,365 (2021 – \$343,113) and has been included in donations on deposit with Parks Foundation, Calgary and was recognized as investment income. Administration fees of \$49,098 (2021 – \$47,204) related to the endowment fund were paid to Parks Foundation, Calgary and were recorded as human resources and administration expenses. The following is a continuity of the donations on deposit related to the investment income with Parks Foundation, Calgary:

	2022 \$	2021 \$
Balance – Beginning of year	720,699	644,175
Interest	520	191
Administration charges	(893)	(906)
Endowment interest	230,365	343,113
Administration charges on endowment	(49,098)	(47,204)
Endowment funds used for subsidies and assistance	-	(218,670)
Balance – End of year	<u>901,593</u>	<u>720,699</u>

10 Commitments

a) Gas contract

The Society has a natural gas services agreement with ENMAX for the period from January 1, 2020 to December 31, 2023 to purchase predetermined amounts of gigajoules at a predetermined price.

b) Electrical contract

The Society has an electricity services agreement with ENMAX for the period from January 1, 2023 to December 2025 to purchase predetermined amounts of kilowatts per hour at predetermined prices.

c) Flood mitigation

In 2018, the City of Calgary approached the Society about potential flood mitigation work that may be done in and around the river neighbouring the facility to protect it from future flooding. The Society advised the City that it is willing to fund up to \$1,000,000 with the remainder to be funded by the City of Calgary. The flood mitigation approach, timing and exact cost is unknown.

d) Expansion

The Society has committed up to \$5,000,000 towards the LEAP and the Legacy Enhancement and Expansion Project (LEEP) (note 14).

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Notes to Financial Statements

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11 Endowments

In fiscal 2013, Talisman Energy Inc. entered into an agreement with the Society whereby Talisman Energy Inc. committed to provide \$50,000 to establish the Talisman Energy Amateur Sport Bursary Award, which will be awarded in conjunction with the John Currie Amateur Sport Legacy Fund that is managed by Parks Foundation, Calgary. In 2022, \$nil (2021 – \$nil) was recorded by the Society as an endowment contribution. Pursuant to this agreement, earned income on this endowment is required to be awarded as a bursary to amateur athletes with financial needs who are training in Calgary. The agreement terminated with the expiration of the naming rights sponsorship agreement with Repsol Energy. The amount did not have to be repaid. It will remain internally restricted and combined with the Athlete bursary in 2023.

12 Government remittance payable

As at December 31, 2022, the amount of government remittance payable included in accounts payable and accrued liabilities was \$nil (2021 – \$nil).

13 Changes in non-cash working capital items

	2022 \$	2021 \$
Accounts receivable	(98,533)	187,084
Inventory	(31,767)	13,124
Prepaid expenses	(298,921)	141,103
Accounts payable and accrued liabilities	808,750	(201,348)
Deferred revenue and grants	7,390,212	342,602
Deferred sponsorship	146,000	(500,000)
	<u>7,915,741</u>	<u>(17,435)</u>

14 Leisure Expansion Aquatics Project (LEAP) and Legacy Enhancement and Expansion Project (LEEP)

In May 2021, the City of Calgary Council approved \$45,000,000 in funding for the Centre. The funding is to support renovations to amenities and an expansion that will add leisure aquatic facilities and associated amenities. Management is in the process of completing architectural design followed by preparation of a development permit. The construction start date is unknown.

	2022 \$	2021 \$
Deferred expansion funding (receivable) – Beginning of year	(9,000)	-
Government funding received – provincial	5,000,000	-
Government funding received – municipal	3,416,846	-
Amount expended in the year	(1,095,815)	(9,000)
	<u>7,312,031</u>	<u>(9,000)</u>

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December 31, 2022

In 2022, the Society secured a \$20,000,000 investment in the LEEP primarily for the expansion of its competition pool spaces and related amenities. The funding is expected to be provided to the Society as follows:

	\$
2022-23	5,000,000
2023-24	9,000,000
2024-25	6,000,000