

**THE ALBERTA CHAPTER, CANADIAN FOUNDATION FOR POLIOMYELITIS AND  
REHABILITATION**

**Financial Statements**

**Year Ended December 31, 2022**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Board of Directors of The Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

We have reviewed the accompanying financial statements of The Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation (the Foundation) that comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

### *Other Matter*

The financial statements of The Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation for the year ended December 31, 2021 were compiled and are presented for comparative purposes only.

Calgary, Alberta  
April 13, 2023

*ALW Partners LLP*  
Chartered Professional Accountants

**THE ALBERTA CHAPTER, CANADIAN FOUNDATION FOR POLIOMYELITIS AND  
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**Statement of Financial Position**

**December 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 15,269	\$ 840
Restricted cash	100,890	97,953
Marketable securities	212,681	227,291
Goods and services tax recoverable	123	19
Prepaid expenses	2,427	2,089
	331,390	328,192
<b>MINERAL RIGHTS</b> <i>(Note 2)</i>	1	1
	\$ 331,391	\$ 328,193
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities <i>(Notes 3, 5)</i>	\$ 18,825	\$ 2,000
Deferred contributions <i>(Note 4)</i>	100,890	97,953
Due to Alberta-NWT Command, The Royal Canadian Legion <i>(Note 5)</i>	10,042	84
	129,757	100,037
<b>NET ASSETS</b>		
Unrestricted	201,634	228,156
	\$ 331,391	\$ 328,193

**THE ALBERTA CHAPTER, CANADIAN FOUNDATION FOR POLIOMYELITIS AND  
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**Statement of Revenues and Expenditures**

**Year Ended December 31, 2022**

	2022	2021
<b>REVENUES</b>		
Pull ticket contributions <i>(Note 5)</i>	\$ 19,763	\$ 10,199
Casino revenue	9,562	28,974
Donations	6,939	200
	<b>36,264</b>	<b>39,373</b>
<b>EXPENSES</b>		
Special assistance grants	16,920	16,920
Administration fees <i>(Note 5)</i>	12,000	12,800
Equipment purchases	8,857	23,611
Professional fees	7,875	100
Office and general	1,075	975
Medical	1,031	1,031
Equipment repairs and maintenance	537	1,196
	<b>48,295</b>	<b>56,633</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(12,031)</b>	<b>(17,260)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized loss on marketable securities	(18,673)	(4,774)
Interest income	4,182	3,492
	<b>(14,491)</b>	<b>(1,282)</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (26,522)</b>	<b>\$ (18,542)</b>

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**Statement of Changes in Net Assets**

**Year Ended December 31, 2022**

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 228,156</b>	\$ 246,698
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(26,522)</b>	(18,542)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 201,634</b>	\$ 228,156

**THE ALBERTA CHAPTER, CANADIAN FOUNDATION FOR POLIOMYELITIS AND  
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**Statement of Cash Flows**

**Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (26,522)	\$ (18,542)
Changes in non-cash working capital:		
Accounts payable	16,825	(4)
Deferred contributions	2,938	47,214
Prepaid expenses	(338)	(55)
Goods and services tax payable	(104)	(19)
Due from related parties	9,957	203
	29,278	47,339
Cash flow from operating activities	2,756	28,797
<b>INVESTING ACTIVITY</b>		
Change in marketable securities	14,610	(13,438)
<b>INCREASE IN CASH FLOW</b>	17,366	15,359
<b>CASH - BEGINNING OF YEAR</b>	98,793	83,434
<b>CASH - END OF YEAR</b>	\$ 116,159	\$ 98,793
<b>CASH CONSISTS OF:</b>		
Cash	\$ 15,269	\$ 840
Restricted cash	100,890	97,953
	\$ 116,159	\$ 98,793

# THE ALBERTA CHAPTER, CANADIAN FOUNDATION FOR POLIOMYELITIS AND REHABILITATION

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. NATURE OF THE ORGANIZATION

The Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation (the "Foundation") is a not-for-profit organization incorporated federally under the Canadian Not-for-profit Corporations Act. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Foundation provides specialized equipment, services, and grants to victims of poliomyelitis.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

#### Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Refer to Note 4 for identification and parameters of restricted cash..

#### Revenue recognition

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

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Mineral rights

Mineral rights were donated by a member of the Foundation. The rights were recorded at a nominal \$1 on the statement of financial position.

#### Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess (deficiency) of revenues over expenses.

#### 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 amounts of assets and liabilities and 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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

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**Year Ended December 31, 2022**

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

Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions (refer to Note 5).

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

**3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2022</u>	<u>2021</u>
Accrued liabilities	\$ 6,825	\$ -
Due to Alberta-NWT Command, The Royal Canadian Legion Poppy Fund	<u>12,000</u>	<u>2,000</u>
	<u>\$ 18,825</u>	<u>\$ 2,000</u>



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**Year Ended December 31, 2022**

**4. DEFERRED CONTRIBUTIONS**

Deferred contributions consist of unspent contributions externally restricted by the Alberta Gaming, Liquor and Cannabis Commission. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	<u>2022</u>		<u>2021</u>
Balance, beginning of year	\$ 97,953	\$	50,739
Amount received during the year	14,705		76,187
Less: Amount recognized as revenue during the year	<u>(11,768)</u>		<u>(28,973)</u>
	<u>\$ 100,890</u>	\$	<u>97,953</u>

**5. RELATED PARTY TRANSACTIONS**

During the year, the Foundation received contributions of \$19,763 (2021 - \$10,199) from Alberta-NWT Command, The Royal Canadian Legion ("Command"), related through common management, which was 2% to 4% (increased in September of 2022) of the charitable portion of pull tickets operations of Royal Canadian Legion Branches in Alberta and the Northwest Territories. As at December 31, 2022, \$10,042 (2021 - \$84) was payable to Command. This payable resulted from transactions when Command paid for expenditures of the Foundation.

During the year, the Foundation paid an administrative fee of \$12,000 (2021 - \$12,000) to Alberta-NWT Command, The Royal Canadian Legion Poppy Fund ("Poppy Fund"), related through common management, for the Service Bureau personnel to process the Foundation's related requests and enquiries. As at December 31, 2022, \$12,000 (2021 - \$2,000) was payable to Poppy Fund.

**6. FINANCIAL INSTRUMENTS**

All significant financial assets, financial liabilities and equity instruments of the Foundation are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate risk with respect to portfolio investments which are subject to floating interest rates ranging from 1.67% to 4.859% (2021 - 1.65% to 4.859%).

**7. INCOME TAXES**

The Foundation is registered as a charitable organization under the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

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**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year presentation.