

KING & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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Daniel W. Roberts, CPA, CA
E-mail: droberts@kingco.ca

May 13, 2024

CONFIDENTIAL

Mr. Jeff Holm, Treasurer
Pickleball Alberta
Box 502
Edmonton, AB T6R 3L6

Dear Jeff:

RE: December 31, 2023 Year-end

Attached are the following:

- A copy of financial statements.
- Engagement letter.
- Independence letter.
- Adjusting entries and trial balance.

Please call me if you have any questions.

Yours truly,

KING & COMPANY



Daniel W. Roberts
ad

PICKLEBALL ALBERTA
Financial Statements
Year Ended December 31, 2023

PICKLEBALL ALBERTA
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Year Ended December 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Pickleball Alberta

We have reviewed the accompanying financial statements of Pickleball Alberta 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 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, 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 for the Financial Statements

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 these financial statements do not present fairly, in all material respects, the financial position of Pickleball Alberta as at December 31, 2023, 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.

King + Company

Edmonton, AB
May 7, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

PICKLEBALL ALBERTA
Statement of Financial Position
As at December 31, 2023

| | 2023 | 2022 |
|--|-------------------|------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 88,938 | \$ 58,641 |
| Accounts receivable | <u>33,119</u> | <u>10,713</u> |
| | \$ 122,057 | \$ 69,354 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 2,500 | \$ 2,500 |
| NET ASSETS | | |
| Unrestricted | <u>119,557</u> | <u>66,854</u> |
| | \$ 122,057 | \$ 69,354 |

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

PICKLEBALL ALBERTA
Statement of Operations
Year Ended December 31, 2023

| | 2023 | 2022 |
|--|------------------|-----------------|
| REVENUE | | |
| Memberships | \$ 85,195 | \$ 38,541 |
| Apparel, accessories, and other | 10,471 | 12,049 |
| Sponsorships | 3,697 | 3,750 |
| Competitions fees | 7,820 | 3,652 |
| Associated club fees | - | 2,000 |
| | <u>107,183</u> | <u>59,992</u> |
| EXPENSES | | |
| Provincials | 18,755 | - |
| Apparel and accessories | 11,753 | 14,440 |
| Junior program | 8,970 | 7,984 |
| Technology | 4,556 | 6,757 |
| Professional fees | 3,796 | 2,500 |
| Officiating program | 3,271 | 1,519 |
| Operations | 1,169 | 2,528 |
| Awards and recognition | 917 | 4,349 |
| Coaching/NCCP Training | 619 | 5,367 |
| Competitions | 596 | 6,128 |
| Office | 78 | 1,089 |
| | <u>54,480</u> | <u>52,661</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 52,703</u> | <u>\$ 7,331</u> |

PICKLEBALL ALBERTA
Statement of Changes in Net Assets
Year Ended December 31, 2023

| | 2023 | 2022 |
|---------------------------------------|--------------------------|-------------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 66,854 | \$ 59,523 |
| Excess of revenues over expenses | <u>52,703</u> | <u>7,331</u> |
| NET ASSETS - END OF YEAR | <u>\$ 119,557</u> | <u>\$ 66,854</u> |

PICKLEBALL ALBERTA
Statement of Cash Flows
Year Ended December 31, 2023

| | 2023 | 2022 |
|--|-------------------------|------------------|
| OPERATING ACTIVITIES | | |
| Cash receipts from memberships, apparel, sponsorships, and other | \$ 84,777 | \$ 58,252 |
| Cash paid to suppliers | <u>(54,480)</u> | <u>(50,161)</u> |
| INCREASE IN CASH | 30,297 | 8,091 |
| CASH - BEGINNING OF YEAR | <u>58,641</u> | <u>50,550</u> |
| CASH - END OF YEAR | <u>\$ 88,938</u> | <u>\$ 58,641</u> |

PICKLEBALL ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

NATURE OF OPERATIONS

The society is incorporated without share capital under the laws of Alberta and is exempt from income taxes under 149(1)(1) of the Income Tax Act. The society's mission is to serve as the provincial governing body to promote and develop pickleball for everyone.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Pickleball Alberta 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.

Membership fees are recognized as revenue as the services and benefits associated with memberships are provided to members.

Revenue from all other sources is included in revenue in the year in which it is received or receivable and collection is reasonably assured.

Financial Instruments

The Society initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The Society subsequently measures all of its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Cash

Cash is comprised of funds held in banks.

(continues)

PICKLEBALL ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

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

Property and equipment

The society is classified as a small organization in accordance with the provisions of Section 4433 of the CPA Canada Handbook. As a result, the society records property and equipment purchases as an expense in the year of purchase. There is no property and equipment items held by the society, and there were no property and equipment purchases during the year.

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.

2. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Management believes the society is not exposed to material risks in its financial instruments as of December 31, 2023.

PICKLEBALL ALBERTA

Box 502
Edmonton, Alberta
T6R 3L6

May 7, 2024
Confidential

King & Company, Chartered Professional Accountants
103 Street Centre, Suite 1400
10130 - 103 Street NW
Edmonton AB T5J 3N9

Attention: Daniel W. Roberts

Dear Sirs:

Re: Management representations letter

This representation letter is provided in connection with your review of the financial statements of Pickleball Alberta for the year ended December 31, 2023, for the purpose of expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Pickleball Alberta do not present fairly, in all material respects, the financial position of Pickleball Alberta as at December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

Certain representations in this letter are described as being limited to matters that are material. Misstatements (including omissions) are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of organization personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

- a. We have fulfilled our responsibilities, as set out in the terms of the review engagement dated January 4, 2024 for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.
- b. We reviewed, approved and recorded all of your proposed adjustments (except for uncorrected misstatements, which are addressed in the next bullet point) to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.
- c. The effects of uncorrected misstatement are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this representation letter.
- d. Management or other appropriate persons (such as those charged with governance) have accepted responsibility for the financial statements, including the related notes.

Information Provided

- a. We have provided you with:
 - i. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii. Additional information that you have requested from us for the purpose of the review; and
 - iii. Unrestricted access to persons within the organization from whom you determined it necessary to obtain evidence.

(continued)

- b. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- c. We have disclosed to you:
 - i. The identity of the organization's related parties and all the related-party relationships and transactions of which we are aware;
 - ii. Significant facts relating to any fraud or suspected fraud known to us that may have affected the organization;
 - iii. Known actual or possible non-compliance with laws and regulations for which the effects of non-compliance impact the financial statements of Pickleball Alberta;
 - iv. All information relevant to use of the going concern assumption in the financial statements;
 - v. All events occurring subsequent to the date of the financial statements that may require adjustment or disclosure;
 - vi. Material commitments, contractual obligations or contingencies that have affected or may affect the organization's financial statements, including disclosures; and
 - vii. Material non-monetary transactions or transactions for no consideration undertaken by the organization in the financial reporting period under consideration.

Other Representations

- a. The significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.
- b. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- c. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- d. All related-party transactions have been appropriately measured and disclosed in the financial statements.
- e. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term.
- f. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
- g. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- h. The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets.
- i. We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Approved the accounting prepared by the firm

We have reviewed, approved and recorded all of the following:

- a. Adjusting journal entries you prepared or changed;
- b. Account codes you determined or changed;
- c. Transactions you classified; and
- d. Accounting records you prepared or changed.

Disclosure of significant customers and / or suppliers

We have disclosed to you all significant customers and/or suppliers of the organization who individually represent a significant volume of transactions with our organization. We are of the opinion that the volume of transactions (e.g., sales, services, purchases, borrowing and lending) done by the organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.

(continued)

No material unrecorded assets or contingent assets

There are no material unrecorded assets or contingent assets (such as claims relating to patent infringements or unfulfilled contracts whose value depends on satisfying conditions regarded as uncertain), that have not been disclosed to you.

Disclosure of all significant estimates and fair value measurements

We have disclosed to you all significant estimates and fair value measurements. We are of the opinion that:

- a. The measurement methods used are permitted under Canadian accounting standards for not-for-profit organizations and appropriate in the circumstances;
- b. The underlying assumptions are reasonable and reflect management's best estimates considering existing market information;
- c. The method of valuation has been applied consistently;
- d. The assumptions are consistent with management's intended courses of action; and
- e. Financial statement disclosures are in accordance with Canadian accounting standards for not-for-profit organizations.

Applicable privacy legislation

We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

Environmental representations

We are aware of the environmental laws and regulations that have an impact on our organization and we are in compliance. There are no known environmental liabilities that have not been accrued for or disclosed in the financial statements.

Acknowledged and agreed on behalf of Pickleball Alberta by:

May 7, 2024

Date signed

Suite 1400
10130 - 103 Street, NW
Edmonton, AB T5J 3N9

Tel : (780) 423-2437
Fax : (780) 426-5861
www.kingco.ca

Daniel W. Roberts, CPA, CA
E-mail: droberts@kingco.ca

January 4, 2024

Mr. Jeff Holm, Treasurer
Pickleball Alberta
Box 502
Edmonton, AB T6R 3L6

Dear Jeff:

RE: Independence

We have been engaged to review the financial statements of Pickleball Alberta for the year ending December 31, 2023.

Canadian generally accepted review standards (GARS) require that we communicate at least annually with you regarding all relationships between the organization and us that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Alberta and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly, in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the review engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are not aware of any relationships between the organization and us that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from September 25, 2023 to January 4, 2024.

GARS requires that we confirm our independence to the board of directors in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. We hereby confirm that we are independent with respect to organization within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta as of January 4, 2024.

This report is intended solely for the use of the board of directors, management, and others within the organization and should not be used for any other purposes.

Yours truly,

KING & COMPANY

A handwritten signature in black ink, appearing to read 'Daniel W. Roberts', with a stylized flourish extending to the right.

Daniel W. Roberts

ad

Suite 1400
10130 - 103 Street, NW
Edmonton, AB T5J 3N9

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Daniel W. Roberts, CPA, CA
E-mail: droberts@kingco.ca

May 8, 2024

Mr. Jeff Holm, Treasurer
Pickleball Alberta
Box 502
Edmonton, AB T6R 3L6

Dear Jeff:

You have requested that we review the general purpose financial statements of Pickleball Alberta which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. We are pleased to confirm our acceptance and our understanding of this review engagement by means of this letter.

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Pickleball Alberta as at December 31, 2024 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."

Our Responsibilities

We will conduct 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. We will perform procedures, primarily consisting of making inquiries of management and others within the entity (as appropriate) and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary in applying our professional judgment, based on our understanding of Pickleball Alberta and its environment, and our understanding of Canadian accounting standards for not-for profit organizations and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- a) There is a commensurate higher risk than there would be in an audit that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements.
- b) In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

Reporting

Unless unanticipated difficulties are encountered, our report will be as follows:

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Council of Pickleball Alberta

We have reviewed the accompanying financial statements of Pickleball Alberta that comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flow 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, 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 these financial statements do not present fairly, in all material respects, the financial position of Pickleball Alberta as at December 31, 2024, 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.

Edmonton, AB

Chartered Professional Accountants

If we determine that a modification to our conclusion on the financial statements is necessary, we will discuss the reasons with you in advance.

Management's Responsibilities

Our review will be conducted on the basis that management acknowledge and understand that they are responsible for:

- a) The preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b) 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; and
- c) Providing us with:
 - i) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii) Additional information that we may request from management for the purpose of the review;
 - iii) Copies of all minutes of meetings of shareholders, directors and committees of directors;
 - iv) Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
 - v) Information relating to any illegal or possibly illegal acts, and all facts related thereto;
 - vi) A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;
 - vii) An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
 - viii) Any plans or intentions that may affect the carrying value or classification of assets or liabilities;
 - ix) An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with MEASUREMENT UNCERTAINTY, Section 1508 of the CPA Canada Handbook - Accounting, Part II;
 - x) Information relating to claims and possible claims, whether or not they have been discussed with Pickleball Alberta's legal counsel;
 - xi) Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Pickleball Alberta is contingently liable;
 - xii) Information on whether Pickleball Alberta has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;
 - xiii) Information relating to compliance with Canadian accounting standards for not-for-profit organizations of contractual agreements that may affect the financial statements; and
 - xiv) Information concerning subsequent events.
 - xv) Unrestricted access to persons within Pickleball Alberta from whom we determine it necessary to obtain evidence.
 - xvi)

Management's Responsibilities (Continued)

As part of our review, we will request from management written confirmation concerning representations made to us in connection with the review.

We will communicate any misstatements identified during the engagement other than those that are clearly trivial. We will request that management correct all the misstatements communicated.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Pickleball Alberta unless:

- We have been specifically authorized with prior consent;
- We have been ordered or expressly authorized by law or by the Rules of Professional Conduct; or
- The information requested is (or enters into) public domain.

In performing our services, we will send messages and documents electronically. You acknowledge that electronic communication carries the possibility of inadvertent misdirection, interception or non-delivery of confidential material, or infection by a virus. If you do not consent to our use of electronic communications, please notify us in writing.

We do not accept responsibility and will not be liable for any damage or loss caused in connection with the interception or corruption of an electronic communication.

Use of Information

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
- b) We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Report

Our review engagement report on the financial statements has been issued solely for the use of Pickleball Alberta and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements, and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us.

Reproduction of Review Engagement Report

If reproduction or publication of our review engagement report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the review engagement report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have reviewed.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

We understand that you or your employees will prepare certain schedules and locate specified documents for our use before our engagement is planned to commence.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the engagement.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any damage or loss incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, this engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement.

Other Services

In addition to the review services referred to above, we will, as allowed by the Rules of Professional Conduct, prepare your federal and provincial income tax returns and other special reports as required. Management will provide the information necessary to complete these returns/reports and will file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Alberta. The Province of Alberta will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that:

- a) Any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation; and
- b) You will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated as a result of this engagement shall be administered within the Province of Alberta according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Indemnity

Pickleball Alberta hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of (or in consequence of):

The breach by Pickleball Alberta, or its directors, officers, agents, or employees, of any of the covenants made by Pickleball Alberta herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.

- a) The services performed by us pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your company.

Time Frames

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Pickleball Alberta of its obligations.

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner. We will listen to your concerns and investigate any complaint on a timely basis.

Fees at Regular Billing Rates

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST/HST, and are due when rendered. Fees for any additional services will be established separately.

If significant additional time is likely to be incurred, we will discuss the reasons with you and agree on a revised fee estimate before we incur the additional costs.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.5% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST/HST) incurred.

Communications

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and email transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, Pickleball Alberta shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the engagement or are unable to come to a conclusion on the financial statements, we may withdraw from the engagement before issuing the review engagement report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

Conclusion

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements of our review of the financial statements, including our respective responsibilities. We appreciate the opportunity of continuing to be of service to your company.

Yours truly,

KING AND COMPANY



Daniel W. Roberts

ad

Acknowledged and agreed on behalf of Pickleball Alberta by:

Signed _____

Date _____

Pickleball Alberta

Year End: December 31, 2023

Adjusting journal entries

Date: 2023-01-01 To 2023-12-31

| | |
|------------------|-------------|
| Prepared by | Reviewed by |
| DR 2024-03-23 | |

AE

| Number | Date | Name | Account No | Reference | Debit | Credit | Recurrence | Misstatement |
|---|------------|-----------------------------------|------------------|-----------|------------------|------------------|------------|--------------|
| 1 | 2023-12-31 | Accounts Receivable | 1200 | | 9,213.75 | | | |
| 1 | 2023-12-31 | Accounts Payable | 2200 | | | 2,500.00 | | |
| 1 | 2023-12-31 | Opening Balance Equity | 3000 | | | 8,973.75 | | |
| 1 | 2023-12-31 | Unrestricted Net Assets | 3100 | | 2,260.00 | | | |
| To post prior year adjustments | | | | | | | | |
| 2 | 2023-12-31 | Servus High Yield Savings | 1010 | | 347.06 | | | |
| 2 | 2023-12-31 | Interest - Savings, Short-term CD | 4900 | | | 347.06 | | |
| To adjust for interest on high interest savings account | | | | | | | | |
| 3 | 2023-12-31 | Accounts Receivable | 1200 | | 22,345.00 | | | |
| 3 | 2023-12-31 | Program Income - Membership Dues | 4210 | | | 22,345.00 | | |
| To adjust receivables | | | | | | | | |
| | | | | | 34,165.81 | 34,165.81 | | |
| Net Income (Loss) | | | 52,702.59 | | | | | |

Pickleball Alberta
Year End: December 31, 2023
Trial balance

| | |
|--------------------|--------------------|
| Prepared by | Reviewed by |
| DR 2024-03-23 | |

CTB

| Account | Prelim | Adj's | Reclass | Rep | Rep 12/22 | %Chg |
|---|-------------------|-------------------|----------------|-------------------|-------------------|-------------|
| 1000 Servus Community Plan | 13,168.16 | 0.00 | 0.00 | 13,168.16 | 7,599.12 | 73 |
| 1010 Servus High Yield Savings | 75,068.35 | 347.06 | 0.00 | 75,415.41 | 50,692.79 | 49 |
| 1020 Servus Rewards #1 | 354.55 | 0.00 | 0.00 | 354.55 | 348.62 | 2 |
| 111.1000 Cash | 88,591.06 | 347.06 | 0.00 | 88,938.12 | 58,640.53 | 52 |
| 1200 Accounts Receivable | 1,560.00 | 31,558.75 | 0.00 | 33,118.75 | 10,713.75 | 209 |
| 115.1060 Accounts receivable | 1,560.00 | 31,558.75 | 0.00 | 33,118.75 | 10,713.75 | 209 |
| 2200 Accounts Payable | 0.00 | -2,500.00 | 0.00 | -2,500.00 | -2,500.00 | 0 |
| 215.2620 Accounts payable and acci | 0.00 | -2,500.00 | 0.00 | -2,500.00 | -2,500.00 | 0 |
| 3000 Opening Balance Equity | -13,393.51 | -8,973.75 | 0.00 | -22,367.26 | -22,367.26 | 0 |
| 3100 Unrestricted Net Assets | -46,747.02 | 2,260.00 | 0.00 | -44,487.02 | -37,156.05 | 20 |
| 274.3660 Retained earnings (Deficit) | -60,140.53 | -6,713.75 | 0.00 | -66,854.28 | -59,523.31 | 12 |
| 4210 Program Income - Membership Due | -65,850.00 | -22,345.00 | 0.00 | -88,195.00 | -41,541.25 | 112 |
| 5200 Pickleball Canada - PCNS | 3,000.00 | 0.00 | 0.00 | 3,000.00 | 3,000.00 | 0 |
| 311.8000.01 Memberships | -62,850.00 | -22,345.00 | 0.00 | -85,195.00 | -38,541.25 | 121 |
| 4000 Corporate Contributions | -2,125.00 | 0.00 | 0.00 | -2,125.00 | -3,750.00 | -43 |
| 4250 Sponsorship | -1,572.00 | 0.00 | 0.00 | -1,572.00 | 0.00 | 0 |
| 311.8000.02 Sponsorships | -3,697.00 | 0.00 | 0.00 | -3,697.00 | -3,750.00 | -1 |
| 4200 Program Income - Apparel | -10,464.93 | 0.00 | 0.00 | -10,464.93 | -9,644.37 | 9 |
| 4220 Program Income - Other | 0.00 | 0.00 | 0.00 | 0.00 | -2,140.00 | -100 |
| 4950 Miscellaneous Revenue | -5.93 | 0.00 | 0.00 | -5.93 | -264.63 | -98 |
| 311.8000.03 Apparel, accessories, ai | -10,470.86 | 0.00 | 0.00 | -10,470.86 | -12,049.00 | -13 |
| 4230 Competition Revenue | -7,820.00 | 0.00 | 0.00 | -7,820.00 | -3,652.00 | 114 |
| 311.8000.04 Competitions fees | -7,820.00 | 0.00 | 0.00 | -7,820.00 | -3,652.00 | 114 |
| 4240 Associated Club Fees | 0.00 | 0.00 | 0.00 | 0.00 | -2,000.00 | -100 |
| 311.8000.05 Associated club fees | 0.00 | 0.00 | 0.00 | 0.00 | -2,000.00 | -100 |
| 5120 Technology: PA Website | 2,650.00 | 0.00 | 0.00 | 2,650.00 | 0.00 | 0 |
| 5300 Technology | 1,906.06 | 0.00 | 0.00 | 1,906.06 | 6,756.62 | -72 |
| 511.8520 Technology | 4,556.06 | 0.00 | 0.00 | 4,556.06 | 6,756.62 | -33 |
| 4900 Interest - Savings, Short-term CD | -1,323.98 | -347.06 | 0.00 | -1,671.04 | -12.05 | 13768 |
| 5025 Business expenses | 120.00 | 0.00 | 0.00 | 120.00 | 0.00 | 0 |
| 5027 Computer | 1,052.62 | 0.00 | 0.00 | 1,052.62 | 0.00 | 0 |
| 5028 Telephone | 206.59 | 0.00 | 0.00 | 206.59 | 0.00 | 0 |
| 5050 Office Supplies | 103.49 | 0.00 | 0.00 | 103.49 | 682.42 | -85 |
| 5080 Postage, Mailing Service | 251.87 | 0.00 | 0.00 | 251.87 | 386.86 | -35 |
| 5900 Bank Fees | 0.00 | 0.00 | 0.00 | 0.00 | 3.00 | -100 |

Pickleball Alberta
Year End: December 31, 2023
Trial balance

| | |
|--------------------|--------------------|
| Prepared by | Reviewed by |
| DR 2024-03-23 | |

CTB-1

| Account | Prelim | Adj's | Reclass | Rep | Rep 12/22 | %Chg |
|---|------------------|----------------|----------------|------------------|------------------|-------------|
| 5910 Servus Bank Fee | 15.00 | 0.00 | 0.00 | 15.00 | 28.80 | -48 |
| 529.8810 Office | 425.59 | -347.06 | 0.00 | 78.53 | 1,089.03 | -93 |
| 5800 Accounting Fees | 2,887.50 | 0.00 | 0.00 | 2,887.50 | 2,500.00 | 16 |
| 5810 Legal | 908.78 | 0.00 | 0.00 | 908.78 | 0.00 | 0 |
| 531.8862 Professional fees | 3,796.28 | 0.00 | 0.00 | 3,796.28 | 2,500.00 | 52 |
| 5040 Junior Program | 340.33 | 0.00 | 0.00 | 340.33 | 1,178.09 | -71 |
| 5070 Junior Paddles | 0.00 | 0.00 | 0.00 | 0.00 | 6,806.00 | -100 |
| 5071 Paddles | 8,629.43 | 0.00 | 0.00 | 8,629.43 | 0.00 | 0 |
| 541.9130 Junior program | 8,969.76 | 0.00 | 0.00 | 8,969.76 | 7,984.09 | 12 |
| 5010 Awards and Recognition | 747.27 | 0.00 | 0.00 | 747.27 | 4,348.94 | -83 |
| 5015 Entertainment | 169.98 | 0.00 | 0.00 | 169.98 | 0.00 | 0 |
| 581.9270.01 Awards and recognition | 917.25 | 0.00 | 0.00 | 917.25 | 4,348.94 | -79 |
| 5020 Coaching/NCCP Training | 418.95 | 0.00 | 0.00 | 418.95 | 5,366.55 | -92 |
| 5021 Coaching/NCCP Training: Teach th | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0 |
| 581.9270.02 Coaching/NCCP Trainin | 618.95 | 0.00 | 0.00 | 618.95 | 5,366.55 | -88 |
| 5030 Competitions | 259.88 | 0.00 | 0.00 | 259.88 | 5,928.24 | -96 |
| 5090 Supplies | 335.83 | 0.00 | 0.00 | 335.83 | 200.00 | 68 |
| 581.9270.03 Competitions | 595.71 | 0.00 | 0.00 | 595.71 | 6,128.24 | -90 |
| 5110 Operations - Other | 1,168.55 | 0.00 | 0.00 | 1,168.55 | 2,527.98 | -54 |
| 581.9270.04 Operations | 1,168.55 | 0.00 | 0.00 | 1,168.55 | 2,527.98 | -54 |
| 5060 Officiating Program | 208.68 | 0.00 | 0.00 | 208.68 | 844.40 | -75 |
| 5061 Officiating Program: Referee Assess | 71.37 | 0.00 | 0.00 | 71.37 | 0.00 | 0 |
| 5062 Officiating Program: Referee Travel | 375.36 | 0.00 | 0.00 | 375.36 | 0.00 | 0 |
| 5100 Travel/Mileage | 2,616.07 | 0.00 | 0.00 | 2,616.07 | 675.09 | 288 |
| 581.9270.05 Officiating program | 3,271.48 | 0.00 | 0.00 | 3,271.48 | 1,519.49 | 115 |
| 5250 Provincials | 18,679.71 | 0.00 | 0.00 | 18,679.71 | 0.00 | 0 |
| 5255 Provincials: Tickets PA Night | 75.00 | 0.00 | 0.00 | 75.00 | 0.00 | 0 |
| 581.9270.08 Provincials | 18,754.71 | 0.00 | 0.00 | 18,754.71 | 0.00 | 0 |
| 5000 Apparel & Accessories | 9,464.44 | 0.00 | 0.00 | 9,464.44 | 14,440.34 | -34 |
| 5001 Apparel & Accessories: Shipping | 755.55 | 0.00 | 0.00 | 755.55 | 0.00 | 0 |
| 5002 Promotions | 1,533.00 | 0.00 | 0.00 | 1,533.00 | 0.00 | 0 |
| 581.9270.09 Apparel and accessorie | 11,752.99 | 0.00 | 0.00 | 11,752.99 | 14,440.34 | -19 |
| | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0</u> |
| Net Income (Loss) | 30,010.53 | | | 52,702.59 | 7,330.97 | 619 |