**Bike Winnipeg**

**Measurement, Audit and Compliance (MAC) Committee**

**2021 Financial Statement Analysis**

**Purpose:** To document the procedures performed by the MAC committee and the conclusions noted in a analysis of Bike Winnipeg’s 2021 balance sheet and income statement.

**Disclaimer:** The analysis performed by the MAC Committee does not constitute a review of historical financial information in accordance with CSRS 2400 nor does it a constitute an audit of financial statements in accordance with the Canadian Auditing Standards. The analysis performed by the MAC Committee consisted primarily of analytical procedures and inquiries. Inquiries were made of Misty Bromley, Bike Winnipeg Treasurer.

**Procedures performed:**

1. We determined materiality for the analysis using a range of financial statement benchmarks selected and applied a percentage against the benchmark and calculated an average from these figures to arrive at a materiality amount. This amount would represent the level of sensitivity a financial statement user would have.
   1. 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
   2. Materiality was determined to be $3,000
2. We performed a year-over-year balance sheet variance analysis investigating all changes greater than materiality and 10%. We also selected additional balance sheet variances on an ad-hoc basis.
3. We performed a year-over-year income statement variance analysis investigating all changes greater than materiality and 10%. We also selected additional balance sheet variances on an ad-hoc basis.
4. We performed ratio analysis using more commonly used financial statement ratios in the not-for-profit industry.
5. We used Quickbooks Accountant to review journal entries to corroborate explanations provided by the Treasurer.

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| **As at December 31** | **2021** | **2020** | **Change** |
| **Current Ratio** | 2.65 | 0.96 | 1.69 (176%) |
| **Days Cash on Hand** | 36 | 64 | -28 (-43%) |

**Findings:** Nothing came to our attention as part of the analysis that determined the balance sheet and income statement to contain material misstatements or omissions. Refer to observations for additional information.

**Observations & Adjustments**:

* Bike Valet Equipment Contingency – based on inquiry, it was determined that the real value of the liability isn’t entirely known and likely portions of this contingency have been used in the capital expenditures relating to the bike valet. Finance committee to resolve (any unused contingency to be reclassed to equity)
* Operating Expense Reserve – This $8.3K liability relates to the Manitoba Bridge Grant of $20K which was received during the year. This grant was a provincial government grant to provide relief for organizations impacted by the COVID-19 pandemic. There appears to be uncertainty over whether Bike Winnipeg was eligible for the grant and whether they would have to repay the grant. Based on our review of the Manitoba Bridge Grant requirements, it appears that we likely met the eligible criteria. $11.6K has been recognized into income in 2021, and the remainder will be kept as a provision in case the grant is audited by the Province (to be recognized into income in 2022).
* OCB Grant Exp – o/s inquiry over $3,159 prior year transactions