

# **FINANCIAL REVIEW COMMITTEE (FRC) REPORT Final Copy May 20, 2025**

## **REPORT SUMMARY**

### **1. Review Scope**

The FRC reviewed WWPB financial records for the the 12 month period, January 1 to December 31, 2024, the WWPB fiscal year.

Also, WWPB was assessed for compliance with the requirements of the Canada Not-For Profit Corporations Act, Part 11, Financial Disclosure and Part 12, Public Accountant, the WWPB By-law and the WWPB Governance Manual.

(See Background for full rationale of this time period and list of all documents reviewed).

### **2. Key Comments and Recommendations**

a) In WWPB fiscal 2024 there was a low risk that inappropriate financial activity occurred.

b) Based on the above comment, it is recommended that the engagement of a Public Accountant, at cost to WWPB, to examine its 2024 financial records represents a duplication of effort. (see B Review Findings, 2 for full discussion of this matter).

c) On a go forward basis, to enhance the transparency and full disclosure of financial information to WWPB members, it is recommended that WWPB:

- i) establish the FRC as a standing committee with the mandate for ongoing review of its financial records (in essence an internal control group);
- ii) implement and use an automated accounting soft ware system for financial record keeping; and
- iii) adopt accepted good governance practices associated with timely reporting of financial (and other) information to members as required by both the Canada Not For Profit Corporations Act and the WWPB By-law.

d) That a time based plan, indicating the the purpose and utilization of the monies accumulating in the the capital fund account, be completed and communicated to members.

December 31, 2025 is the recommended completion date for items noted in 2 (c) and 2 (d) above.

For full details on Key Comments and Recommendations see sections titled Review Findings and Go Forward Recommendations

## **A. BACKGROUND**

1. The draft minutes of the Annual General Meeting (AGM), held November 12, 2024 note, "A request was made of the membership for volunteers to review the 2024 Financial Statement for any inconsistencies". The Financial Statement referenced was titled, Financial Operations Summary and it covered the nine month period January 1 to September 30, 2024. This time period was consistent with the timing for the November 12, 2024 AGM, but not the full twelve month WWPB fiscal year.

To resynchronize the timing of the fiscal year end with that of an AGM, the WPB Board of Directors planned an AGM to be held before June 30, 2025.

As such, the FRC deemed it prudent to expand the requested review period to the full fiscal year rather than confine it to the period of January 1 to September 31, 2024. Also, as the FRC's began its work on April 11, 2025, financial information for the entire 2024 fiscal year was available for review.

2. Committee Members Kevin Harrison, President Ex Officio, and members-at-large, Gareth Mills, Claude Fortier, Carol Falkenberg and Doug Cable.

3. Meeting dates (all 2025): April 11, April 21, April 28. At the last meeting it was agreed Claude Fortier would review selected transactions and prepare notes for further action by the FRC as he would be unable to participate in further discussions due to absence on a family matter.

4 Documents reviewed: WWPB By-law, WWPB Governance Manual, the Canada Not-For-Profit Corporations Act (CNFPCA), Part 11, Financial Disclosure and Part 12, Public Accountant, Financial Operations Summary (fiscal year ending September 30, 2024 - as presented at the AGM), Financial Operations Summary as at December 31, 2024), "General Ledger" (untitled excel spread sheet listing and describing WWPB daily receipts and expenditures and draft Minutes of WWPB AGM, November 12, 2024.

6. For fiscal 2024, expenditures, not revenues, were the focus of the examination based on the risk of inappropriate use of funds.

7. There were 95 expenditure transactions for the WWPB fiscal year 2024. Fourteen (14) expenditures, or 15%, were examined by the FRC with a focus on expenditures of more than \$100. A sampling from most of the expenditure categories was considered for review.

## **B. REVIEW FINDINGS**

1. That the document entitled Winnipeg West Pickleball, Financial Operations Summary, Fiscal Year ending September 30, 2024, as presented at the AGM, be accepted.
2. The engagement of a Public Accountant for an examination of WWPB financial records relating to the fiscal 2024 year (January 1 to December 31) is not recommended, for the following reasons:

- a) A relatively low number of total financial transactions were conducted during the reporting period (95);
- b) Of the low number of financial transactions, many occur regularly and are of a relatively minor dollar value. Credit Union service charges (\$1) are an example of this category of transaction. As well, many expenditures are under \$100 in value. Expenditures for pickleballs, the corporations Annual Return filing fee and expenditures for court maintenance ("zip ties", for securing the windscreens to the courts exterior fencing) are examples of this category of transaction.

Given the relatively low dollar value of these two categories of expenditures they are considered to be low risk.

- c) Fourteen (14) randomly selected expenditures is considered to be a representative sample size for examination and reporting.

Combined, the above three factors, in the unanimous opinion of the FRC, represent a low risk that financial improprieties occurred within the November 12, 2024 AGM financial reporting period or the WWPB fiscal year.

## **C. GO FOWARD RECOMMENDATIONS (not priority listed)**

The phrase "to review the 2024 Financial Statement for any inconsistencies" was interpreted to include assessment of the 2024 Financial Statement with respect to requirements under the CNFPCA, Parts 11, Financial Disclosure and Part 12, Public Accountant. The CNFPCA, along with the WWPB By-law are the legal documents that govern the actions of the corporation. Collectively, go forward recommendations are meant to provide WWPB members with "a second set of eyes", assurance that sufficient financial oversight exists with respect to the conduct of the financial affairs of their corporation.

1. The FRC become a standing committee of the WWPB Board of Directors (the Board). Membership on the FRC should be rotated annually, with a request for volunteers to serve on the FRC issued at the same time as are

details regarding the holding of the forthcoming Annual General Meeting.

The FRC should meet, at a minimum, semi annually.

2. In the spirit of transparency and full disclosure, the Board implement and use an automated accounting software system not later than the end of fiscal 2025 (December 31).

This will improve the “timely reporting of financial information” to the Board and WWPB members, and in turn, contribute to evidenced based discussion by both groups.

3. “Timely reporting” is a requirement of the WWPB By law.

Article 4, Meetings, 4.1 General Provisions, sub section 4.14 notes that:

“All Members Meeting are called by the President. The President shall send notice of the time and place of Members Meetings to each Director and to each Member. Such notice shall be sent by electronic other other communication facility not less than thirty (30) days before the meeting is to be held and shall be accompanied by a meeting agenda and **reasonable information to permit Members to make informed decisions** (authors emphasis).

The inclusion of fiscal year documents is considered to be reasonable information required for members informed decision making.

Providing members with annual general meeting information and financial documents, at the same time, is widely followed and generally considered to be a good governance practice.

As well, another good governance practice, is the posting of annual general meeting information and the fiscal year documents on the WWPB website at the same time this information is disseminated to individual members.

Consistent with the concepts of transparency and full disclosure, It is recommended that the the WWPB adopt both of these good governance practices beginning with the 2025 Annual General Meeting.

4. Consistent with recommendation 2 above, that within a month of the completion of an accounting quarterly period:

- a) a financial report, using a standardized reporting format, for the completed accounting period and the year-to-date, be completed and submitted to the Board for examination;
- b) that the Board, by an approved motion, accept or reject the presented quarterly report; and

c) that accepted quarterly reports be posted on the WWPB website and members be notified, in a timely manner, that such quarterly reports are available for their review.

4. That by December 31, 2025 the Board complete a time based plan indicating the purpose and utilization of the monies accumulating in the capital fund account and, such plan be communicated to WWPB members in a meaningful and timely manner.

5. That by September 31, 2025, the Board of Directors amend, its policy in the WWPB Governance Manual, to clarify what types of expenditures, in excess of \$1,000.00. require, and do not require, Board approval prior to being incurred.

6. That the Board develop a policy with respect to WWPB events or services which are to be free of charge to members and those WWPB events or services for which a user fee will be charged.

7. That if club records can not confirm the financial year dates of January 1 to December 31, the Board, as per WWPB By-law sub section 1.7, Financial Year, pass a resolution designating the corporations financial year.