

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Saskatchewan Rowing Association Inc.

### **Opinion**

I have audited the accompanying financial statements of Saskatchewan Rowing Association Inc., which comprise the statements of financial position as at March 31, 2019 and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Rowing Association Inc. as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

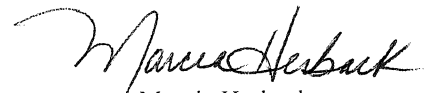
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan  
May 24, 2019

  
Marcia Herback  
CPA, CA

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**  
(with comparative figures for 2018)

	2019	2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short-term deposits	\$ 96,197	\$ 95,822
Accounts receivable	1,100	1,246
Prepaid expenses	<u>18,100</u>	<u>183</u>
	115,397	97,251
<b>Long term assets</b>		
Sport Legacy funds on deposit (Note 4)	<u>30,159</u>	<u>27,765</u>
	<u>\$ 145,556</u>	<u>\$ 125,016</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 5,949	\$ 10,533
Deferred revenue	<u>36,759</u>	<u>27,766</u>
	<u>42,708</u>	<u>38,299</u>
<b>Net Assets</b>		
Appropriated for funding deficiency (Note 5)	28,203	28,203
Unrestricted net assets	<u>74,645</u>	<u>58,514</u>
	<u>102,848</u>	<u>86,717</u>
	<u>\$ 145,556</u>	<u>\$ 125,016</u>

See accompanying notes

Approved on Behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(with comparative figures for 2018)

	<u>Unrestricted</u>	<u>Appropriated</u>	<u>2019</u>	<u>2018</u>
Net Assets, beginning of year	\$ 58,514	28,203	\$ 86,717	\$ 56,438
Excess (deficiency) of revenues over expenses	<u>16,131</u>	<u>-</u>	<u>16,131</u>	<u>30,279</u>
Net Assets, end of year	<u>\$ 74,645</u>	<u>28,203</u>	<u>\$ 102,848</u>	<u>\$ 86,717</u>

See accompanying notes

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**STATEMENT OF OPERATIONS AND CUMULATIVE SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(with comparative figures for 2018)**

	2019	2018
<b>Revenue</b>		
Grants		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 237,224	\$ 220,576
Self Help revenue (Schedule 2)	24,973	30,293
National Sport Governing Body	1,472	1,246
Membership fees (Schedule 3)	<u>5,574</u>	<u>5,870</u>
	<u>269,243</u>	<u>257,985</u>
<b>Expenditure</b>		
Administration (Schedule 4)	54,559	42,271
Capacity/Interaction (Schedule 5)	18,615	9,836
Introduction/Participation (Schedule 6)	21,622	10,868
Excellence (Schedule 7)	144,916	159,933
Categorical grant expense (Schedule 8)	12,700	4,098
Rowing Canada Memberships	<u>700</u>	<u>700</u>
	<u>253,112</u>	<u>227,706</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 16,131</u>	<u>\$ 30,279</u>

See accompanying notes

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(with comparative figures for 2018)**

	2019	2018
<b>Operating activities</b>		
<b>Excess (deficiency) of revenues over expenses</b>	\$ 16,131	\$ 30,279
Net change in non-cash operating working capital balances		
Accounts receivable	146	4,125
Prepaid items	(17,917)	685
Accounts payable	(4,584)	5,724
Deferred revenue	<u>8,993</u>	<u>1,352</u>
Cash provided by operating activities	<u>2,769</u>	<u>42,165</u>
<b>Investing activities</b>		
Invested in Sport Legacy Fund	<u>(2,394)</u>	<u>(1,351)</u>
Cash used in investing activities	<u>(2,394)</u>	<u>(1,351)</u>
<b>Increase in cash</b>	375	40,814
<b>Cash position, beginning of year</b>	<u>95,822</u>	<u>55,008</u>
<b>Cash position, end of year</b>	<u>\$ 96,197</u>	<u>\$ 95,822</u>

See accompanying notes

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

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**1. Status and nature of activities**

Saskatchewan Rowing Association Inc. ("the Association") is a provincial sport governing body dedicated to the promotion of rowing for all and the development of competitive excellence. The Association is incorporated and is continued under The Non-Profit Corporations Act of Saskatchewan. The Association is exempt from income tax under Section 149 (1)(l) of the Income Tax Act.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with the Canadian accounting standards for not-for profit organizations. The most significant accounting policies followed include:

Capital assets

Capital assets are charged to operations in the year they are acquired.

Revenue Recognition

The Association 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.

Financial instruments

Financial assets and financial liabilities are recorded on the statement of financial position when the Association becomes party to the contractual providing of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expensed life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measure at fair value are recognized in excess of revenue over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Management estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from managements best estimates as additional information becomes available in the future. As adjustments become necessary, they are reported in income in the period in which they become known.

**3. Economic dependence**

Saskatchewan Rowing Association Inc. receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the Association is dependent upon the continuance of these grants to maintain operations at current levels.

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**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

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**4. Sport Legacy Fund**

The funds on deposit and the offsetting deferred revenue from the Sport Legacy Fund consists of donations based on various programs and top-up contributions made by Sask Sport Inc. To qualify for the additional top-up contributions by Sask Sport Inc. the Association is required to leave the original amount of donation in the Legacy Fund for a minimum 5 years.

**5. Appropriated surplus**

The Board of the Association has appropriated funds for future funding deficiencies. No transfers were made to or from appropriated funds in 2019. (2018- nil)

**6. Financial instruments and risk management**

Saskatchewan Rowing Association Inc. is exposed to various risks through its financial instruments. The financial risks the Association could be exposed to include; credit, currency, interest rate, liquidity and price risk. The Association is not subject to significant risk in any of these areas due to the short term nature of its financial instruments.

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**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(with comparative figures for 2018)

	<b>2019</b>	<b>2018</b>
<b>Saskatchewan Lotteries Trust Fund, Sports Division</b>		<b>Schedule 1</b>
Annual funding	\$ 175,900	\$ 169,532
High Performance Coach Capacity	46,400	45,000
Future Best	8,700	-
Hosting Grant	2,224	1,944
Membership Assistance Program	4,000	4,100
	<u>\$ 237,224</u>	<u>\$ 220,576</u>
<b>Self Help</b>		<b>Schedule 2</b>
Award night ticket sales	\$ 3,250	\$ 2,694
Canada Games Fees	-	16,231
Clinics Camps and Competitions	13,781	5,865
Federal employment grants	-	1,250
Fundraising and other	7,935	4,250
Interest	7	3
	<u>\$ 24,973</u>	<u>\$ 30,293</u>
<b>Membership fees</b>		<b>Schedule 3</b>
Clubs	\$ 400	\$ 400
Competitive	914	3,792
Sport	4,260	1,678
	<u>\$ 5,574</u>	<u>\$ 5,870</u>

**SASKATCHEWAN ROWING ASSOCIATION INC.**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
(with comparative figures for 2018)

	2019	2018
<b>Administration</b>		
	<b>Schedule 4</b>	
Audit	\$ 3,274	\$ 3,255
Insurance	757	740
Office administration	6,321	6,951
Salaries and benefits	44,207	31,325
	<u>\$ 54,559</u>	<u>\$ 42,271</u>
<b>Capacity/Interaction</b>		
	<b>Schedule 5</b>	
Hosting	\$ 2,224	\$ 1,944
Marketing	214	50
Meetings		
AGM	697	80
Board and Committee	1,379	729
National	3,625	3,688
Membership affiliates	141	161
Newsletters	493	391
Planning	485	119
Volunteer and staff recognition	9,357	2,674
	<u>\$ 18,615</u>	<u>\$ 9,836</u>
<b>Participation</b>		
	<b>Schedule 6</b>	
Coaching development	\$ 14,389	\$ 5,092
Competitions	653	1,376
Officials development	3,151	2,500
Participation programs	2,587	1,900
Under Represented Populations	842	-
	<u>\$ 21,622</u>	<u>\$ 10,868</u>
<b>Excellence</b>		
	<b>Schedule 7</b>	
Coaching development		
Administration	\$ -	\$ 876
Professional development	669	1,602
Salary and benefits	109,852	124,470
Travel & recruitment	4,172	2,207
Competitions	14,325	26,586
Talent identification	4,132	3,073
Training	11,766	1,119
	<u>\$ 144,916</u>	<u>\$ 159,933</u>
<b>Categorical grant expense</b>		
	<b>Schedule 8</b>	
Future Best	\$ 8,700	\$ -
Membership Assistance Program		
Lloydminster Rowing Club	1,038	1,025
Prince Albert Rowing Club	885	795
Regina Rowing Club	1,039	1,139
Saskatoon Rowing Club	1,038	1,139
	<u>4,000</u>	<u>4,098</u>
	<u>\$ 12,700</u>	<u>\$ 4,098</u>