

SASKATCHEWAN ROWING ASSOCIATION INC.
FINANCIAL STATEMENTS
MARCH 31, 2020

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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, 2020 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, 2020 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
June 10, 2020



Marcia Herback
CPA, CA

SASKATCHEWAN ROWING ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020
(with comparative figures for 2019)

	2020	2019
ASSETS		
Current assets		
Cash and short-term deposits	\$ 98,399	\$ 96,197
Accounts receivable	3,643	1,100
Prepaid expenses	<u>822</u>	<u>18,100</u>
	102,864	115,397
Long term assets		
Sport Legacy funds on deposit (Note 4)	<u>32,885</u>	<u>30,158</u>
	<u>\$ 135,749</u>	<u>\$ 145,555</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,096	\$ 5,948
Deferred revenue	<u>32,885</u>	<u>36,759</u>
	<u>40,981</u>	<u>42,707</u>
Net Assets		
Appropriated for funding deficiency (Note 5)	28,203	28,203
Unrestricted net assets	<u>66,565</u>	<u>74,645</u>
	<u>94,768</u>	<u>102,848</u>
	<u>\$ 135,749</u>	<u>\$ 145,555</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, 2020
 (with comparative figures for 2019)

	<u>Unrestricted</u>	<u>Appropriated</u>	<u>2020</u>	<u>2019</u>
Net Assets, beginning of year	\$ 74,645	28,203	\$ 102,848	\$ 86,717
Excess (deficiency) of revenues over expenses	<u>(8,080)</u>	<u>-</u>	<u>(8,080)</u>	<u>16,131</u>
Net Assets, end of year	<u>\$ 66,565</u>	<u>28,203</u>	<u>\$ 94,768</u>	<u>\$ 102,848</u>

See accompanying notes

SASKATCHEWAN ROWING ASSOCIATION INC.
STATEMENT OF OPERATIONS AND CUMULATIVE SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for 2019)

	2020	2019
Revenue		
Grants		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 237,472	\$ 237,224
Self Help revenue (Schedule 2)	32,357	24,973
National Sport Governing Body	-	1,472
Membership fees (Schedule 3)	<u>6,536</u>	<u>5,574</u>
	<u>276,365</u>	<u>269,243</u>
Expenditure		
Administration (Schedule 4)	55,302	54,559
Capacity/Interaction (Schedule 5)	12,655	16,391
Introduction/Participation (Schedule 6)	98,092	21,622
Excellence (Schedule 7)	103,924	144,916
Categorical grant expense (Schedule 8)	13,772	14,924
Rowing Canada Memberships	<u>700</u>	<u>700</u>
	<u>284,445</u>	<u>253,112</u>
Excess (deficiency) of revenues over expenses	<u>\$ (8,080)</u>	<u>\$ 16,131</u>

See accompanying notes

SASKATCHEWAN ROWING ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for 2019)

	2020	2019
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (8,080)	\$ 16,131
Net change in non-cash operating working capital balances		
Accounts receivable	(2,543)	146
Prepaid items	17,278	(17,917)
Accounts payable	2,148	(4,584)
Deferred revenue	<u>(3,874)</u>	<u>8,993</u>
Cash provided by operating activities	<u>4,929</u>	<u>2,769</u>
Investing activities		
Invested in Sport Legacy Fund	<u>(2,727)</u>	<u>(2,394)</u>
Cash used in investing activities	<u>(2,727)</u>	<u>(2,394)</u>
Increase in cash	2,202	375
Cash position, beginning of year	<u>96,197</u>	<u>95,822</u>
Cash position, end of year	<u>\$ 98,399</u>	<u>\$ 96,197</u>

See accompanying notes

SASKATCHEWAN ROWING ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

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.

SASKATCHEWAN ROWING ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

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 2020 (2019- 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.

7. Subsequent event

Prior and subsequent to March 31, 2020, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and the Association is monitoring its operations and assessing the impact COVID-19 will have on its activities. Accordingly it is difficult to reliably measure the potential impact of this uncertainty on the Association.

SASKATCHEWAN ROWING ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020
 (with comparative figures for 2019)

	2020	2019
Saskatchewan Lotteries Trust Fund, Sports Division		Schedule 1
Annual funding	\$ 175,900	\$ 175,900
High Performance Coach Capacity	47,800	46,400
Future Best	6,600	8,700
Hosting Grant	1,872	2,224
Membership Assistance Program	5,300	4,000
	<u>\$ 237,472</u>	<u>\$ 237,224</u>
Self Help		Schedule 2
Award night ticket sales	\$ 3,400	\$ 3,250
Canada Games Fees	3,200	-
Clinics Camps and Competitions	15,580	13,781
Federal employment grants	4,097	-
Fundraising and other	6,073	7,935
Interest	7	7
	<u>\$ 32,357</u>	<u>\$ 24,973</u>
Membership fees		Schedule 3
Clubs	\$ 400	\$ 400
Competitive	1,776	914
Sport	4,360	4,260
	<u>\$ 6,536</u>	<u>\$ 5,574</u>

SASKATCHEWAN ROWING ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020
(with comparative figures for 2019)

	2020	2019
Administration		
Audit	\$ 3,284	\$ 3,274
Insurance	2,159	757
Office administration	7,712	6,321
Salaries and benefits	<u>42,147</u>	<u>44,207</u>
	<u>\$ 55,302</u>	<u>\$ 54,559</u>
Capacity/Interaction		
Marketing	\$ 226	\$ 214
Meetings		
AGM	988	697
Board and Committee	676	1,379
National	2,298	3,625
Membership affiliates	96	141
Newsletters	568	493
Planning	1,142	485
Professional development - Administration Staff	50	-
Volunteer and staff recognition	<u>6,611</u>	<u>9,357</u>
	<u>\$ 12,655</u>	<u>\$ 16,391</u>
Participation		
Coaching development	\$ 59,505	\$ 14,389
Competitions	12,187	653
Officials development	2,552	3,151
Participation programs	23,364	2,587
Under Represented Populations	<u>484</u>	<u>842</u>
	<u>\$ 98,092</u>	<u>\$ 21,622</u>
Excellence		
Coaching development		
Administration	\$ 51	\$ -
Professional development	-	669
Salary and benefits	79,628	109,852
Travel & recruitment	1,053	4,172
Competitions	19,847	14,325
Talent identification	3,087	4,132
Training	<u>258</u>	<u>11,766</u>
	<u>\$ 103,924</u>	<u>\$ 144,916</u>
Categorical grant expense		
Future Best	\$ 6,600	\$ 8,700
Hosting grant	<u>1,872</u>	<u>2,224</u>
Membership Assistance Program		
Lloydminster Rowing Club	750	1,038
Prince Albert Rowing Club	1,516	885
Regina Rowing Club	1,517	1,039
Saskatoon Rowing Club	<u>1,517</u>	<u>1,038</u>
	<u>5,300</u>	<u>4,000</u>
	<u>\$ 13,772</u>	<u>\$ 14,924</u>