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**HORSESHOE SASKATCHEWAN INC.
FINANCIAL STATEMENTS
APRIL 30, 2014**

HORSESHOE SASKATCHEWAN INC.
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APRIL 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of Horseshoe Saskatchewan Inc.:

I have audited the accompanying financial statements of Horseshoe Saskatchewan Inc. which comprise the statement of financial position as at April 30, 2014 and the statements of operations, changes in net assets and cash flows, and program of revenue and expenditures for the year then ended, and a summary of significant accounting policies and other explanatory information.

Organization's responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis For Qualified Opinion

In common with many charitable organizations, the Organization derives a part of its revenue from fund-raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to fundraising and other revenue, excess of revenues over expenses, assets and net assets.

Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Horseshoe Saskatchewan Inc. as at April 30, 2014 and its financial performance for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan
June 17, 2014



Certified General Accountant, Prof Corp

HORSESHOE SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Bank	\$ 80,703	\$ 74,598
Prepaid expenses	<u>682</u>	<u>774</u>
	<u>\$ 81,385</u>	<u>\$ 75,372</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 2,000	\$ 2,000
Deferred grant revenue (Note 3)	<u>35,100</u>	<u>34,600</u>
	<u>37,100</u>	<u>36,600</u>
FUND BALANCES		
FUND BALANCES		
Unrestricted (Note 2)	<u>44,285</u>	<u>38,772</u>
	<u>\$ 81,385</u>	<u>\$ 75,372</u>

APPROVED ON BEHALF OF THE MEMBERS:

K R White Member

Mildred Stenby Member

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
STATEMENT OF REVENUE OVER EXPENSES AND NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>2014</u>	<u>2013</u>
REVENUES		
Saskatchewan Lotteries Trust Fund - Sport Division:		
Annual funding	\$ 38,600	\$ 37,400
Membership assistance program	15,300	18,000
Hosting	<u>632</u>	<u>5,040</u>
	54,532	60,440
Self help:		
Internal - Fundraising and other	4,170	16,927
Memberships	1,722	1,794
Participation fees	2,660	1,185
External - Interest	456	507
Donations	<u>5,188</u>	<u>5,256</u>
	<u>68,728</u>	<u>86,109</u>
EXPENSES (Schedule 1)		
Administration	8,634	11,719
Capacity/Interaction	5,493	9,785
Participation	14,995	14,272
Excellence	18,794	30,158
Membership assistance	<u>15,299</u>	<u>18,000</u>
	<u>63,215</u>	<u>83,934</u>
NET REVENUES OVER EXPENSES	5,513	2,175
NET ASSETS, beginning of year	<u>38,772</u>	<u>36,597</u>
NET ASSETS, end of year	<u>\$ 44,285</u>	<u>\$ 38,772</u>

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Net revenues over expenses	\$ 5,513	\$ 2,175
Prepaid expenses	92	(774)
Accounts payable	0	(127)
Deferred grant revenue	<u>500</u>	<u>15,900</u>
INCREASE IN CASH	6,105	17,174
CASH, beginning of year	<u>74,598</u>	<u>57,424</u>
CASH, end of year	<u><u>\$ 80,703</u></u>	<u><u>\$ 74,598</u></u>

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 2014

1. NATURE OF OPERATIONS

Horseshoe Saskatchewan Inc. is incorporated under the Non-profit Corporations Act of the Province of Saskatchewan. Horseshoe Saskatchewan Inc. exists to coordinate, encourage and facilitate the development of Horseshoes in Saskatchewan. As a non-profit organization, Horseshoe Saskatchewan Inc. is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by Horseshoe Saskatchewan Inc. as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation for the year ended April 30, 2014. Accordingly, any amounts not received by year end are shown as grant receivable and any amounts relating to the next fiscal period are shown as deferred grant revenue.

Self help raised from other sources is recognized as revenue as received.

Contributed services

Volunteers contribute about 1,200 hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial Instruments - recognition and measurement:

All financial assets and financial liabilities are measured at fair market value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, loans and receivables, held to maturity, available for sale or other financial liabilities. Transaction costs are capitalized on initial recognition, except financial instruments designated as held for trading. In those cases, the transaction costs are expensed.

Financial assets and financial liabilities held for trading are measured at fair market value with changes in those fair market values recognized in other revenue. Financial assets held to maturity, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method of amortization. Available for sale unrestricted net assets represent changes in net assets during a period, arising from unrealized gains and losses on financial assets as available for sale. The Organization did not have any unrealized gains or losses on available for sale unrestricted net assets during the period.

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments - presentation and disclose:

The Organization has chosen to continue to apply the disclosure requirements of section 3861.

Accounts and grants receivable:

Accounts and grants receivable are classified as held for trading and are recorded at fair market value. The fair market value is equal to its carrying value given the short term nature of the amounts.

Investments:

Investments classified as held to maturity are those which the Organization has the intent and ability to hold until maturity. The investments are recorded at amortized cost using the effective interest rate method. Where there has been a decline in value which is not temporary, these investments are valued at net realized value.

Accounts and grant returns payable:

Accounts and grant returns payable are classified as other liabilities and are recorded at amortized cost.

Use of estimates

When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

3. DEFERRED GRANT REVENUE

During 2014 Horseshoe Saskatchewan Inc. received \$35,100 (2013 - \$34,600) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year.

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 2014

4. ECONOMIC DEPENDENCE

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

5. CAPITAL MANAGEMENT:

The Organization's objective when managing capital is to meet its current objectives as set out within its current strategic operating plan within its annual operating budget. This objective has remained unchanged from the prior period.

The Organization's capital consists of net assets plus deferred capital contributions.

Under the terms of certain of the Organization's funding agreements, the Organization must satisfy certain financial reporting covenant criteria. During the period, the Organization was, and continues to be, in compliance with all conditions imposed by its funding agreements.

The Organization manages its capital and makes adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital of the Organization it may revise the amount of funding provided for projects, change the scope of programs delivered, seek to obtain efficiencies and cost reductions, or adjust spending.

There are no other restrictions on the Organization's capital except as otherwise disclosed in these financial statements.

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED APRIL 30, 2014

Schedule 1

	<u>2014</u>	<u>2013</u>
Administration		
Audit and accounting services	\$ 2,490	\$ 2,372
Insurance	860	469
Office rent	0	184
Office supplies	1,080	722
Other administration	2,404	6,372
Subcontract	<u>1,800</u>	<u>1,600</u>
	<u>\$ 8,634</u>	<u>\$ 11,719</u>
Capacity/Interaction		
Marketing	\$ 1,374	\$ 4,429
National dues/affiliations	0	300
Newsletters	751	466
Planning/Policy	0	500
Recognitions and awards	106	949
Conferences	540	550
Workshops and seminars	649	680
Workshops and seminars	<u>2,073</u>	<u>1,911</u>
	<u>\$ 5,493</u>	<u>\$ 9,785</u>
Participation		
Coaching development	2,250	2,201
Competitions	6,300	6,300
Intro/participation programs	3,600	3,312
Officials development	1,000	800
Target groups	<u>1,845</u>	<u>1,659</u>
	<u>\$ 14,995</u>	<u>\$ 14,272</u>
Excellence		
Athletic assistance program	\$ 1,300	\$ 1,300
Coaching development	1,400	1,700
Competition	13,500	24,238
Officials development	1,394	1,720
Talent identification	<u>1,200</u>	<u>1,200</u>
	<u>\$ 18,794</u>	<u>\$ 30,158</u>

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED APRIL 30, 2014

Schedule 1

	<u>2014</u>	<u>2013</u>
Membership assistance		
Caronport Horseshoe Club	\$ 993	\$ 960
Manitou Beach Horseshoe Club	505	601
North Battleford Horseshoe Club	2,149	1,862
Paddockwood Horseshoe Club	1,748	1,838
Prince Albert Horseshoe Club	1,325	2,568
Regina Horseshoe Club	540	844
Saskatoon Horseshoe Club	2,847	3,075
Speedy Creek Club	1,407	1,549
Whitewood Horseshoe Club	2,348	2,697
Yorkton Horseshoe Club	<u>1,437</u>	<u>2,006</u>
	<u>\$ 15,299</u>	<u>\$ 18,000</u>

The accompanying notes are an integral part of these financial statements.

HORSESHOE SASKATCHEWAN INC.
SCHEDULE OF WESTERN CLASSIC REVENUE AND EXPENSES
FOR THE YEAR ENDED APRIL 30, 2014

Schedule 2

	<u>2014</u>
REVENUES	
Donations	\$ 1,250
Fundraising	555
Merchandise sales	270
Participation	1,225
Sask lotteries gant	<u>650</u>
	<u>3,950</u>
EXPENSES	
Awards and recognition	529
Fundraising	20
Merchandise	270
Participation	2,145
Tournament director	<u>400</u>
	<u>3,364</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ 586</u></u>

The accompanying notes are an integral part of these financial statements.