

# JAMES H. STINN

*CPA, Prof. Corp.*

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**HORSESHOE SASKATCHEWAN INC.  
FINANCIAL STATEMENTS  
APRIL 30, 2018**

**HORSESHOE SASKATCHEWAN INC.**  
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**APRIL 30, 2018**

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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, 2018 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 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.

### 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 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.

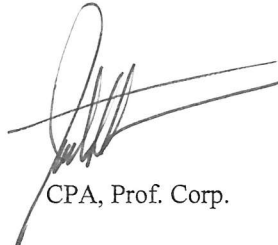
### Basis For Qualified Opinion

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, 2018 and its financial performance for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan  
July 3, 2018



CPA, Prof. Corp.

**HORSESHOE SASKATCHEWAN INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT APRIL 30, 2018**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 101,742	\$ 97,660
Prepaid expenses	<u>842</u>	<u>769</u>
	<u>\$ 102,584</u>	<u>\$ 98,429</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 3,243	\$ 2,850
Deferred grant revenue (Note 4)	<u>38,405</u>	<u>36,315</u>
	<u>41,648</u>	<u>39,165</u>
<b>FUND BALANCES</b>		
<b>FUND BALANCES</b>		
Unrestricted (Note 2)	<u>60,936</u>	<u>59,264</u>
	<u>\$ 102,584</u>	<u>\$ 98,429</u>

**APPROVED ON BEHALF OF THE MEMBERS:**

M. Feeney Member

M. Feeney 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, 2018**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Saskatchewan Lotteries Trust Fund - Sport Division:		
Annual funding	\$ 42,300	\$ 42,300
Membership assistance program	<u>12,100</u>	<u>11,800</u>
	54,400	54,100
Self help:		
Internal - Fundraising and other	5,059	4,831
Memberships	1,652	1,642
Participation fees	785	3,845
External - Interest	488	468
Donations	<u>1,030</u>	<u>2,472</u>
	<u>63,414</u>	<u>67,358</u>
<b>EXPENSES (Schedule 1)</b>		
Administration	8,995	9,545
Capacity/Interaction	5,492	4,545
Participation	13,955	15,360
Excellence	21,200	19,718
Membership assistance	<u>12,100</u>	<u>11,800</u>
	<u>61,742</u>	<u>60,968</u>
<b>NET REVENUES OVER EXPENSES</b>	1,672	6,390
<b>NET ASSETS, beginning of year</b>	<u>59,264</u>	<u>52,874</u>
<b>NET ASSETS, end of year</b>	<u>\$ 60,936</u>	<u>\$ 59,264</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, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Net revenues over expenses	\$ 1,672	\$ 6,390
Prepaid expenses	(72)	3,469
Accounts payable	392	35
Deferred grant revenue	<u>2,090</u>	<u>3,365</u>
<b>INCREASE IN CASH</b>	4,082	13,259
<b>CASH, beginning of year</b>	<u>97,660</u>	<u>84,401</u>
<b>CASH, end of year</b>	<u><u>\$ 101,742</u></u>	<u><u>\$ 97,660</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, 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

**Use of estimates**

When preparing financial statements according to ASNPO, the Organization 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. CASH**

Cash is represented by the following:

	<u>2018</u>	<u>2017</u>
General account	\$ 90,414	\$ 87,026
Cheques issued and outstanding	<u>(100)</u>	<u>(807)</u>
Total cash in chequings account	90,314	86,219
Legacy account	3,416	3,414
Raffle account	<u>8,012</u>	<u>8,027</u>
	<u>\$ 101,742</u>	<u>\$ 97,660</u>

**4. DEFERRED REVENUE**

During 2018 Horseshoe Saskatchewan Inc. received \$33,550 (2017 - \$33,900) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year. The Organization collected \$4,855 (2017 - \$2,415) in net proceeds from a raffle and hockey draft to be used for expenses relating to the 2018 Canadiens.

**5. 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.

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

**HORSESHOE SASKATCHEWAN INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED APRIL 30, 2018**

Schedule 1

	<u>2018</u>	<u>2017</u>
<b>Administration</b>		
Audit and accounting services	\$ 3,080	\$ 2,828
Insurance	846	913
Office supplies	593	1,292
Other administration	2,676	2,712
Subcontract	<u>1,800</u>	<u>1,800</u>
	<u>\$ 8,995</u>	<u>\$ 9,545</u>
<b>Capacity/Interaction</b>		
Marketing	\$ 2,446	\$ 686
National dues/affiliations	300	300
Newsletters	392	327
Planning/Policy	270	390
Recognitions and awards	47	425
Conferences	650	600
Workshops and seminars	144	263
Workshops and seminars	<u>1,243</u>	<u>1,554</u>
	<u>\$ 5,492</u>	<u>\$ 4,545</u>
<b>Participation</b>		
Coaching development	2,000	2,000
Competitions	6,505	6,360
Intro/participation programs	3,200	3,400
Officials development	800	2,100
Target groups	<u>1,450</u>	<u>1,500</u>
	<u>\$ 13,955</u>	<u>\$ 15,360</u>
<b>Excellence</b>		
Athletic assistance program	\$ 1,482	\$ 1,080
Coaching development	1,300	1,200
Competition	15,518	14,742
Officials development	1,400	1,196
Talent identification	<u>1,500</u>	<u>1,500</u>
	<u>\$ 21,200</u>	<u>\$ 19,718</u>

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



**HORSESHOE SASKATCHEWAN INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED APRIL 30, 2018**

Schedule 1

	<u>2018</u>	<u>2017</u>
<b>Membership assistance</b>		
Caronport Horseshoe Club	\$ 1,240	\$ 1,085
Manitou Beach Horseshoe Club	643	543
North Battleford Horseshoe Club	1,699	2,053
Paddockwood Horseshoe Club	1,269	1,183
Prince Albert Horseshoe Club	753	893
Regina Horseshoe Club	1,579	933
Saskatoon Horseshoe Club	2,881	2,380
Speedy Creek Club	531	483
Whitewood Horseshoe Club	<u>1,505</u>	<u>2,247</u>
	<u>\$ 12,100</u>	<u>\$ 11,800</u>

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

**HORSESHOE SASKATCHEWAN INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2018**

**1. NATURE OF OPERATIONS**

Horseshoe Saskatchewan Inc. was incorporated under the Non-profit Corporations Act of the Province of Saskatchewan on November 9, 1987. 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 Organization 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, 2017. 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.

**Accounts and grant returns payable**

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

**Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances.

Financial assets measured at amortized cost include cash and cash equivalents and amounts receivable.

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

**HORSESHOE SASKATCHEWAN INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2018**

**6. FINANCIAL INSTRUMENTS**

The Organization uses risk management to monitor and manage its risk arising from financial instruments. These risks include credit risk, interest rate risk, liquidity risk, and market risk.

**Liquidity risk**

Liquidity risk is the risk that the Association will not be able to meet its obligations associated with financial liabilities. Liquidity risk exposure is dependent on the receipt of funds from provincial government grants, membership fees, and other sources to enable the Organization to pay its liabilities as they become due. The Organization's liquidity risk is mitigated by cash on hand greater than the years budgeted expenses.

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