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**HORSESHOE SASKATCHEWAN INC.
FINANCIAL STATEMENTS
APRIL 30, 2021**

HORSESHOE SASKATCHEWAN INC.
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APRIL 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Horseshoe Saskatchewan Inc.:

Opinion

I have audited the accompanying financial statements of Horseshoe Saskatchewan Inc. which comprise the statement of financial position as at April 30, 2021 and the statements of operations, changes in net assets and cash flows, and schedules of receipts and disbursements for the year then ended, and 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 Horseshoe Saskatchewan Inc. as at April 30, 2021 and its financial performance 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 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 Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my 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

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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.

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:

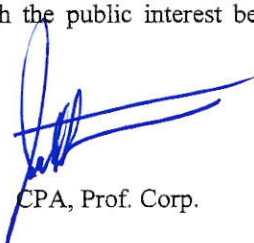
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Organization'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 Organization'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. Our 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 Organization 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Saskatoon, Saskatchewan
June 28, 2021



CPA, Prof. Corp.

HORSESHOE SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash (Note 3)	\$ 143,770	\$ 135,598
Prepaid expenses	<u>663</u>	<u>763</u>
	<u>\$ 144,433</u>	<u>\$ 136,361</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 3,500	\$ 4,490
Deferred grant revenue (Note 4)	<u>33,850</u>	<u>33,350</u>
	<u>37,350</u>	<u>37,840</u>
FUND BALANCES		
FUND BALANCES		
Unrestricted (Note 2)	<u>107,083</u>	<u>98,521</u>
	<u>\$ 144,433</u>	<u>\$ 136,361</u>

APPROVED ON BEHALF OF THE MEMBERS:

 Member

 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, 2021

	<u>2021</u>	<u>2020</u>
REVENUES		
Saskatchewan Lotteries Trust Fund - Sport Division:		
Annual funding	\$ 42,300	\$ 42,300
Membership assistance program	<u>12,200</u>	<u>10,900</u>
	54,500	53,200
Self help:		
Internal - Fundraising and other	4,225	7,848
Memberships	1,844	1,606
Participation fees	915	2,925
External - Interest	498	506
Donations	<u>0</u>	<u>205</u>
	<u>61,982</u>	<u>66,290</u>
EXPENSES (Schedule 1)		
Administration	9,397	10,275
Capacity/Interaction	4,038	5,906
Participation	24,551	15,160
Excellence	3,234	22,730
Membership assistance	<u>12,200</u>	<u>10,900</u>
	<u>53,420</u>	<u>64,971</u>
NET REVENUES OVER EXPENSES	8,562	1,319
NET ASSETS, beginning of year	<u>98,521</u>	<u>97,202</u>
NET ASSETS, end of year	<u>\$ 107,083</u>	<u>\$ 98,521</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, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Net revenues over expenses	\$ 8,562	\$ 1,319
Prepaid expenses	100	6,568
Accounts payable	(990)	1,490
Deferred grant revenue	<u>500</u>	<u>1,300</u>
	8,172	10,677
INCREASE IN CASH	<u>135,598</u>	<u>124,921</u>
CASH, beginning of year		
	<u>\$ 143,770</u>	<u>\$ 135,598</u>
CASH, end of year		

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

HORSESHOE SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 2021

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, 2021. 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, 2021

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>2021</u>	<u>2020</u>
General account	\$ 135,657	\$ 125,406
Cash on deposit	50	0
Cheques issued and outstanding	<u>(1,842)</u>	<u>(100)</u>
Total cash in chequings account	133,865	125,306
Legacy account	3,454	3,446
Raffle account	<u>6,451</u>	<u>6,846</u>
	<u>\$ 143,770</u>	<u>\$ 135,598</u>

4. DEFERRED REVENUE

During 2021 Horseshoe Saskatchewan Inc. received \$33,850 (2020 - \$33,350) from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year.

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.
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 2021

6. FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is the risk that the Organization 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.

7. COVID-19

COVID-19 is amongst the most significant economic events currently faced, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. However, no report should be expected to predict the unknowable factors or all possible future implications for an Association associated with these particular events.

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

HORSESHOE SASKATCHEWAN INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED APRIL 30, 2021

Schedule 1

	<u>2021</u>	<u>2020</u>
Administration		
Audit and accounting services	\$ 3,961	\$ 3,269
Insurance	763	1,476
Office supplies	1,147	599
Other administration	1,626	3,131
Subcontract	<u>1,900</u>	<u>1,800</u>
	<u>\$ 9,397</u>	<u>\$ 10,275</u>
Capacity/Interaction		
Marketing	\$ 0	\$ 1,404
National dues/affiliations	620	300
Newsletters	382	590
Planning/Policy	810	560
Recognitions and awards	0	18
Conferences	100	650
Workshops and seminars	1,330	399
Workshops and seminars	<u>796</u>	<u>1,985</u>
	<u>\$ 4,038</u>	<u>\$ 5,906</u>
Participation		
Coaching development	3,500	2,000
Competitions	11,213	6,500
Intro/participation programs	4,326	3,400
Officials development	4,012	1,760
Target groups	<u>1,500</u>	<u>1,500</u>
	<u>\$ 24,551</u>	<u>\$ 15,160</u>
Excellence		
Athletic assistance program	\$ 1,704	\$ 1,500
Coaching development	0	1,500
Competition	0	16,671
Officials development	0	1,529
Talent identification	<u>1,530</u>	<u>1,530</u>
	<u>\$ 3,234</u>	<u>\$ 22,730</u>

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

HORSESHOE SASKATCHEWAN INC.
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED APRIL 30, 2021

Schedule 1

	<u>2021</u>	<u>2020</u>
Membership assistance		
Caronport Horseshoe Club	\$ 1,493	\$ 1,634
Manitou Beach Horseshoe Club	1,025	864
North Battleford Horseshoe Club	1,437	1,252
Paddockwood Horseshoe Club	764	643
Prince Albert Horseshoe Club	810	902
Regina Horseshoe Club	1,214	1,417
Saskatoon Horseshoe Club	3,190	2,463
Speedy Creek Club	902	670
Whitewood Horseshoe Club	<u>1,365</u>	<u>1,055</u>
	<u>\$ 12,200</u>	<u>\$ 10,900</u>

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