HORSESHOE SASKATCHEWAN INC.

Auditor's Report

Financial Statements

April 30, 2026

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibility for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

Jensen Stromberg

Saskatoon, Saskatchewan
June 22, 2026

Chartered Professional Accountants

HORSESHOE SASKATCHEWAN INC.

STATEMENT OF FINANCIAL POSITION

April 30, 2026
with comparative figures for 2025

		2026	2025
ASSETS			
Current assets:			
Cash	$	85,698	79,482
Investment in National Sport Trust Fund		5,051	4,576
Prepaid expenses		5,469	10,862
Total current assets		96,218	94,920
Investment in Sport Legacy Fund		1,288	1,244
	$	97,506	96,164
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	$	8,843	4,440
Net assets:			
Unrestricted, per accompanying statement		88,663	91,725
	$	97,506	96,164

APPROVED ON BEHALF OF THE BOARD:

_______________ Director

Dale Squires Director

HORSESHOE SASKATCHEWAN INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended April 30, 2026
with comparative figures for 2025

	2026	2025
Revenue:		
Sask Lotteries Trust Fund, Sport Division (Schedule 1)	$ 59,000	56,300
Self help (Schedule 2)	38,614	10,280
	97,614	66,580
Operating expenses:		
Administration (Schedule 3)	39,000	15,967
Capacity/interaction (Schedule 4)	5,783	7,385
Participation (Schedule 5)	17,519	22,058
Excellence (Schedule 6)	24,474	21,561
Membership assistance program (Schedule 7)	13,900	12,900
	100,676	79,871
Excess (deficiency) of revenues over expenditures	(3,062)	(13,291)
Net assets, beginning of year	91,725	105,016
Net assets, end of year	$ 88,663	91,725

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

HORSESHOE SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

Year ended April 30, 2026
with comparative figures for 2025

		2026	2025
Operating activities:			
Excess (deficiency) of revenues over expenditures	$	(3,062)	(13,291)
Changes in non-cash working capital:			
Investment in National Sport Trust		(475)	(1,200)
Investment in Sport Legacy Fund		(44)	(79)
Prepaid expenses		5,394	(5,331)
Accounts payable and accrued liabilities		4,403	(214)
		6,216	(20,115)
Increase (decrease) in cash during the year		6,216	(20,115)
Cash position, beginning of year		79,482	99,597
Cash position, end of year	$	85,698	79,482

Cash is comprised of cash in bank less outstanding cheques.

HORSESHOE SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

April 30, 2026

1. DESCRIPTION OF OPERATIONS

Horseshoe Saskatchewan Inc. (the "Association") was incorporated under the non-profit corporations act of the province of Saskatchewan on November 9, 1987. The Association exists to coordinate, encourage, and facilitate the development of the horseshoe sport in Saskatchewan. The Association is exempt from taxes under section 149(1)(l) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements reflect the following significant accounting policies:

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Grants from Sask 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 the Association as approved by Sask Lotteries Trust Fund for Sport, Culture and Recreation for the year ended April 30, 2026. Accordingly, any amounts not received by year end are shown as grant receivable and any amounts received relating to the next fiscal period are shown as deferred grant revenue.

Unrestricted contributions, fees and investment income are recognized in revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized in revenue in the year in which the related expenses are incurred.

(b) Donations-in-kind

Donations of materials and services are recorded at fair market value when received if the amount can be reasonably estimated. These donations are disclosed in the financial statements as "Donations-in-kind".

(c) Contributed services

Volunteers contribute an indeterminate number of hours to assist the Association in carrying out its activities. The value of this contribution is not recognized in these financial statements.

(d) Capital Assets

The Association has adopted the policy of writing off expenditures for the purchase of capital assets in the year of purchase. During the April 30, 2026 period, $24,500 of capital assets were expensed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(f) Financial instruments

Financial instruments, including cash, accounts receivable, investments in National Sport Trust Fund and Sport Legacy Fund, and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

3. ECONOMIC DEPENDENCE

Horseshoe Saskatchewan Inc. currently receives significant revenue in grants from Sask 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 their current level.

4. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at April 30, 2026.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets on the statement of financial position represent the Association's maximum exposure at the financial statement date. The credit risk on cash is limited because the counterpart is a financial institution with high credit rating assigned by national credit-rating agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is not exposed to significant market risk.

HORSESHOE SASKATCHEWAN INC.

SCHEDULE OF REVENUES

Year ended April 30, 2026
with comparative figures for 2025

	2026	2025
Schedule 1 - Sask Lotteries Trust Fund - Sport Division		
Annual funding	$ 45,100	43,400
Membership assistance program	13,900	12,900
	$ 59,000	56,300

	2026	2025
Schedule 2 - Self help		
Internal		
Fundraising and other	$ 7,021	4,896
Memberships	1,666	1,586
Participation fees	1,690	1,430
External		
Donations	3,139	1,711
Donations-in-kind	24,500	-
Interest	598	657
	$ 38,614	10,280

HORSESHOE SASKATCHEWAN INC.

SCHEDULE OF EXPENSES

Year ended April 30, 2026
with comparative figures for 2025

	2026	2025
Schedule 3 - Administration		
Audit	$ 4,440	4,440
Honorariums	2,100	2,000
Insurance	3,821	3,784
Office	2,204	3,473
Other	1,935	1,470
Capital expenditures	24,500	-
Rental	-	800
	$ 39,000	15,967
Schedule 4 - Capacity/interaction		
Awards and Recognition	$ 1,287	1,754
Conferences and travel	2,427	2,130
Marketing and communications	464	1,371
National dues	625	590
Planning	980	1,540
	$ 5,783	7,385
Schedule 5 - Participation		
Coaching development	$ 1,500	2,000
Competitions	8,519	12,480
Official development	2,000	1,975
Programs	3,500	3,603
Target group initiatives	2,000	2,000
	$ 17,519	22,058
Schedule 6 - Excellence		
Athlete assistance	$ 1,800	1,800
Coaching development	1,590	1,900
Competition	17,477	14,061
Officials development	1,807	2,000
Talent identification	1,800	1,800
	$ 24,474	21,561
Schedule 7 - Member assistance program		
Battleford	$ 2,479	2,269
Caronport	2,132	1,969
Manitou	1,119	1,146
Paddockwood	1,059	818
Prince Albert	1,015	837
Regina	1,364	1,481
Saskatoon	2,529	1,980
Swift Current	802	863
Whitewood	1,401	1,537
	$ 13,900	12,900