

# **Sport Medicine and Science Council of Saskatchewan Inc.**

**Audited Financial Statements**

**For the Year Ended December 31, 2018**

# Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2018

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**Independent Auditors' Report**

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To the Board of Directors  
Sport Medicine and Science Council of Saskatchewan Inc.

**Opinion**

We have audited the financial statements of Sport Medicine and Science Council of Saskatchewan Inc., which comprise the statement of financial position as at December 31, 2018, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations (ASNPO).

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ASNPO, 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**

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:

Priority Accounting Services CPA Prof. Corp.

2144 Cornwall Street  
Regina, SK, S4P 2K7  
Tel: 306-565-2777  
Fax: 306-565-2633

### Independent Auditors' Report

- 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.

*Priority Accountants CPA*

Priority Accounting Services CPA P.C.  
2144 Cornwall Street  
Regina, SK, S4P2K7

March 15, 2019

# Sport Medicine and Science Council of Saskatchewan Inc.

## Statement of Financial Position

As At December 31, 2018

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 147,876	\$ 78,410
Trade accounts receivable	34,021	22,859
Accrued interest receivable	6,842	4,735
GST receivable	6,496	5,412
Prepaid expenses	295	260
Inventory (Note 3.)	14,716	15,139
<b>Total Current Assets</b>	<b>210,246</b>	<b>126,815</b>
Invested in Sport Legacy Fund (Note 6.)	13,940	13,261
Property and equipment (Note 5.)	5,887	7,392
Investments (Note 4.)	922,719	1,007,711
<b>Total Assets</b>	<b>\$ 1,152,792</b>	<b>\$ 1,155,179</b>

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

# Sport Medicine and Science Council of Saskatchewan Inc.

## Statement of Financial Position

As At December 31, 2018

### Liabilities and Net Assets

#### Current Liabilities

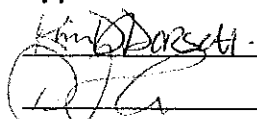
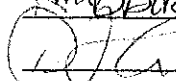
Accounts payable and accrued liabilities	\$ 34,705	\$ 21,758
Deferred grants	301,200	298,542
<b>Total Current Liabilities</b>	<b>335,905</b>	<b>320,300</b>

Deferred revenue - Sport Legacy Fund (Note 6.)	13,940	13,261
<b>Total Liabilities</b>	<b>349,845</b>	<b>333,561</b>

#### Net Assets

UNRESTRICTED NET ASSETS, beginning of year	797,060	814,226
Invested in property and equipment (Note 5.)	5,887	7,392
<b>Total Net Assets</b>	<b>802,947</b>	<b>821,618</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,152,792</b>	<b>\$ 1,155,179</b>

Approved on Behalf of the Board:

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

# Sport Medicine and Science Council of Saskatchewan Inc.

## Statement of Operations

For the Year Ended December 31, 2018

	2018	2017
<b>Revenue</b>		
Sask Lotteries Trust Fund for Sport Culture and Recreation Annual Funding	\$ 584,900	\$ 567,800
Self-help revenue ( <i>Schedule 1</i> )	113,227	110,783
Canadian Sport Centre Saskatchewan Grant	262,441	230,439
<b>Total revenue</b>	<b>960,568</b>	<b>909,022</b>
<b>Expenses</b>		
Administration ( <i>Schedule 2</i> )	318,450	307,442
Organization development ( <i>Schedule 3</i> )	20,515	7,722
Communication and promotion ( <i>Schedule 4</i> )	6,077	4,064
Athlete and coach services ( <i>Schedule 5</i> )	634,197	559,891
<b>Total expenses</b>	<b>979,239</b>	<b>879,119</b>
<b>(Deficiency)/Excess of revenue over expenses</b>	<b>\$ (18,671)</b>	<b>\$ 29,903</b>

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

# Sport Medicine and Science Council of Saskatchewan Inc.

## Statement of Changes in Net Assets

For the Year Ended December 31, 2018

	Invested in Property and Equipment	Unrestricted Surplus	2018	2017
Net Assets, beginning of year	\$ 7,392	\$ 814,226	\$ 821,618	\$ 791,715
Excess (deficiency) of revenue over expenses	-	(18,671)	(18,671)	29,903
Amortization	(1,505)	1,505	-	-
<b>Net Assets, end of year</b>	<b>\$ 5,887</b>	<b>\$ 797,060</b>	<b>\$ 802,947</b>	<b>\$ 821,618</b>

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



# Sport Medicine and Science Council of Saskatchewan Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2018

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess (deficiency) of revenue over expenses	\$ (18,671)	\$ 29,903
Items not affected by cash:		
Depreciation	1,505	1,731
Changes in working capital:		
Accounts receivable	(11,162)	48,602
GST receivable	(1,084)	1,461
Accrued interest receivable	(2,107)	(2,731)
Prepaid Expenses	(35)	(260)
Inventory	423	1,273
Accounts payable and accrued liabilities	12,947	17,012
Deferred grants	2,658	14,642
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(15,526)</b>	<b>111,633</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(1,386,880)	(1,334,318)
Proceeds from sale of investments	1,471,872	1,105,149
Purchase of equipment	-	(162)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>84,992</b>	<b>(229,331)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>OTHER ACTIVITIES:</b>		
Cash and cash equivalents at beginning of period	78,410	196,108
<b>Cash and cash equivalents at end of period</b>	<b>\$ 147,876</b>	<b>\$ 78,410</b>
Cash and cash equivalents consist of the following:		
Cash	\$ 147,876	\$ 78,410

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

# Sport Medicine and Science Council of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 1. Nature of council

Sport Medicine and Science Council of Saskatchewan Inc. (the "council") is incorporated under the *Non-Profit Corporations Act, 1995 of Saskatchewan* and is exempt from income taxes under *Section 149 (1) (l) of the Income Tax Act, Canada*.

The council's purpose is to deliver high quality, evidence based sport science and sport medicine programs and services in the targeted areas of sport biomechanics, exercise physiology, mental training, sport nutrition, sport medicine (injury care, prevention and rehabilitation), and drug and supplement education to all athletes and coaches throughout Saskatchewan.

### 2. Significant Accounting Policies

#### Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of accounting policies summarized below.

#### a. Revenue recognition

The council follows the deferral method of accounting for contribution. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

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 council and approved by Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation for the year ended December 31, 2018. Accordingly, grants received for specific programs which are not expensed during the year are recorded as deferred revenue.

Investment income is recognized in the year earned.

#### b. Cash and cash equivalents

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

#### c. Investments

Investments are recorded at the lower of cost or market. The market value of marketable securities held at December 31, 2018 was \$ 922,719 (2017 - \$ 1,007,711). The council has elected to classify short and long term investments with a stated maturity date and rate of return as Held to Maturity and have classified them as such because the council has the positive intent and ability to hold the securities until maturity.

# Sport Medicine and Science Council of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 2. Significant Accounting Policies

#### d. Property, plant and equipment

Property, plant and equipment is carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives as follows for the major classes of assets: Depreciation expense for December 31, 2018 was \$ 1,505 (2017 - \$ 1,731).

<b>Asset</b>	<b>Useful life</b>
Computer equipment	3 years
Computer software	2 years
Medical equipment	10 years
Office equipment	10 years

#### e. Impairment of long lived assets

In the event that facts and circumstances indicate that the council's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The council considers that no circumstances exist that would require such an evaluation.

#### f. Financial instruments

The council has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

##### i. Not subject to interest, currency or credit risk

Unless otherwise noted, it is management's opinion that the council is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

##### ii. Fair values approximate carrying values unless otherwise disclosed

The fair values of financial instruments approximate their carrying values except as otherwise disclosed in these financial statements.

##### iii. No significant risk due to short-term maturity

The council is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

# Sport Medicine and Science Council of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 2. Significant Accounting Policies

#### g. Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

### 3. Inventories

#### a. Accounts by period

Inventory consists of the following:

	2018	2017
Exercise training products	\$ -	\$ 341
First aid supplies	14,716	14,798
<b>Total</b>	<b>\$ 14,716</b>	<b>\$ 15,139</b>

### 4. Investments

	2018	2017
TD Mutual Funds ISA - TDB	\$ 225,207	\$ 322,775
TD Direct Equitable Bank GIC, June 15, 2020, 2.73%	101,810	-
CIBC Wood Gundy Cash balance	4,442	102,424
CIBC Wood Gundy Equitable Bank GIC, Sep 12, 2019 - 2.06%	99,000	99,000
CIBC Wood Gundy Laurentian Bank GIC, Oct 2, 2019 - 2.10%	101,760	101,760
CIBC Wood Gundy B2B Bank GIC, Dec 9, 2019 - 2.18%	102,000	102,000
CIBC Wood Gundy Canadian Western Bank GIC, Jan 30, 2020 - 2.23%	102,000	-
CIBC Wood Gundy Home Trust Co GIC, Sep 11, 2020 - 2.73%	93,000	-
CIBC Wood Gundy ICICI Bank GIC, Sep 21, 2020 - 2.81%	93,500	-
TD Direct Equitable Bank GIC, June 14, 2018, 1.81%	-	100,000
CIBC Wood Gundy Equitable Bank GIC, Sep 7, 2018 - 1.65%	-	91,339
CIBC Wood Gundy Ind & Comm Bank China GIC, Sep 17, 2018 - 1.60%	-	88,413
<b>Total investments</b>	<b>\$ 922,719</b>	<b>\$ 1,007,711</b>

# Sport Medicine and Science Council of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 5. Property, plant and equipment

Property, plant and equipment consist of the following:

			2018	2017
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer hardware	\$ 9,895	\$ (9,677)	\$ 218	\$ 544
Computer software	1,334	(1,334)	-	80
Medical equipment	29,683	(25,991)	3,692	4,354
Office equipment	10,285	(8,308)	1,977	2,414
<b>Total</b>	<b>\$ 51,197</b>	<b>\$ (45,310)</b>	<b>\$ 5,887</b>	<b>\$ 7,392</b>

### 6. Sport Legacy Fund

The receivable from the Sport Legacy Fund and related liability consists of donations based on various programs and contributions by Sask Sport. To qualify for the additional contribution by Sask Sport, the council is required to leave the original amount and additional donations in the Legacy Fund for 5 years. Therefore, the fund is classified as a long-term asset.

### 7. Economic dependence

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

# Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2018

## Schedule 1 - Self help revenue

	2018	2017
Advertising and sponsorship	\$ 3,075	\$ 2,550
Exercise training equipment	11	42
First aid supplies	28,854	33,485
Interest	17,439	11,901
Medical coverage of events fees	29,550	37,178
Memberships	1,057	1,051
Other	-	115
Resource material	80	28
Sport medicine and science consulting fees	23,957	20,010
Sport safety program	9,204	4,423
<b>Total self help revenue</b>	<b>\$ 113,227</b>	<b>\$ 110,783</b>

## Schedule 2 - Administration expenses

	2018	2017
Accounting and audit	\$ 5,946	\$ 6,019
Administration salaries and benefits	264,064	257,842
Depreciation expense	1,505	1,731
Board, committee and annual general meetings	6,160	3,935
Insurance	5,750	4,881
Office operations	35,025	33,034
<b>Total administration expenses</b>	<b>\$ 318,450</b>	<b>\$ 307,442</b>

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

# Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2018

## Schedule 3 - Organizational development

	2018	2017
Memberships	\$ 179	\$ 181
Professional development seminars	2,023	3,506
Strategic and long range planning	425	272
Volunteer and staff professional upgrading	3,325	3,763
Volunteer recognition	14,563	-
<b>Total organizational development expenses</b>	<b>\$ 20,515</b>	<b>\$ 7,722</b>

## Schedule 4 - Communication and promotion

	2018	2017
Promotional display	\$ 4,556	\$ 3,363
Promotional resource material/website	1,151	445
Newsletter and miscellaneous	370	256
<b>Total communication and promotion expenses</b>	<b>\$ 6,077</b>	<b>\$ 4,064</b>

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

# Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2018

## Schedule 5 - Athlete and coach services

	2018	2017
<b>Sport Science</b>		
Exercise physiology and strength programming	\$ 62,944	\$ 68,840
Mental training programming	100,440	60,529
Sport nutrition programming	96,144	95,186
<b>Total Sport Science</b>	<b>259,528</b>	<b>224,555</b>
<b>Sport Medicine</b>		
Drug education program	31,051	30,727
First aid supplies purchased	18,378	19,622
Medical coverage of events	35,186	41,823
Sport medicine programming	7,297	4,214
Sport safety program	16,787	6,388
<b>Total Sport Medicine</b>	<b>108,699</b>	<b>102,774</b>
<b>Other Initiatives</b>		
Educational materials purchased	61	21
Exercise training products purchased	341	20
Training Camp/Clinic	127	-
Science and medicine equipment	14	55
Student support	2,986	2,027
<b>Total Other Initiatives</b>	<b>3,529</b>	<b>2,123</b>
<b>Canadian Sport Centre Saskatchewan</b>		
Individual athlete services	48,135	53,137
Miscellaneous consulting & administration	228	213
National para athletics team	700	1,107
National sport organizations - athlete services	13,177	7,409
National sport medicine and advisory committee	-	1,285
PSGB enhanced services	155,451	123,288
Staff	44,750	44,000
<b>Total Canadian Sport Centre Saskatchewan</b>	<b>262,441</b>	<b>230,439</b>
<b>Total athlete and coach expenses</b>	<b>\$ 634,197</b>	<b>\$ 559,891</b>

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