

Sport Medicine and Science Council of Saskatchewan Inc.

Audited Financial Statements

For the Year Ended December 31, 2019

Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2019

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Independent Auditors' Report

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 31,2019, 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 31,2019, 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:

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, S4P 2K7

March 06, 2020

Sport Medicine and Science Council of Saskatchewan Inc.

Statement of Financial Position

As At December 31, 2019

	2019	2018
Assets		
Current Assets		
Cash	\$ 76,515	\$ 147,876
Trade accounts receivable	30,019	34,021
Accrued interest receivable	8,295	6,842
GST receivable	6,378	6,496
Prepaid expenses	443	295
Inventory (Note 3.)	18,405	14,716
Total Current Assets	140,055	210,246
Invested in Sport Legacy Fund (Note 6.)	14,651	13,940
Property and equipment (Note 5.)	4,599	5,887
Investments (Note 4.)	989,304	922,719
Total Assets	\$ 1,148,609	\$ 1,152,792

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, 2019

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities	\$ 6,628	\$ 34,705
Deferred grants	314,411	301,200
Total Current Liabilities	321,039	335,905

Deferred revenue - Sport Legacy Fund (Note 6.)	14,651	13,940
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Total Liabilities	335,690	349,845
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Net assets

UNRESTRICTED NET ASSETS, beginning of year	808,320	797,060
Invested in property and equipment (Note 5.)	4,599	5,887

Total Net Assets	812,919	802,947
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Total Liabilities and Net Assets	\$ 1,148,609	\$ 1,152,792
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Approved on Behalf of the Board:





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, 2019

	2019	2018
Revenue		
Sask Lotteries Trust Fund for Sport Culture and Recreation Annual Funding	\$ 602,400	\$ 584,900
Self-help revenue (<i>Schedule 1</i>)	406,163	375,668
Total revenue	1,008,563	960,568
Expenses		
Administration (<i>Schedule 2</i>)	316,774	319,554
Capacity and Interaction (<i>Schedule 3</i>)	7,587	28,474
Programs and Services (<i>Schedule 4</i>)	674,230	631,211
Total expenses	998,591	979,239
Excess/(Deficiency) of revenue over expenses	\$ 9,972	\$ (18,671)

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, 2019

	Invested in Property and Equipment	Unrestricted Surplus	2019	2018
Net Assets, beginning of year	\$ 5,887	\$ 797,060	\$ 802,947	\$ 821,618
Excess (deficiency) of revenue over expenses	-	9,972	9,972	(18,671)
Amortization	(1,288)	1,288	-	-
Net Assets, end of year	\$ 4,599	\$ 808,320	\$ 812,919	\$ 802,947

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, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 9,972	\$ (18,671)
Items not affected by cash:		
Depreciation	1,288	1,505
Changes in working capital:		
Accounts receivable	4,002	(11,163)
GST receivable	118	(1,084)
Accrued interest receivable	(1,453)	(2,107)
Prepaid expenses	(148)	(34)
Inventory	(3,689)	423
Accounts payable and accrued liabilities	(28,077)	12,946
Deferred grants	13,211	2,658
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(4,776)	(15,527)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,620,345)	(1,386,880)
Proceeds from sale of investments	1,553,760	1,471,872
NET CASH USED BY INVESTING ACTIVITIES	(66,585)	84,992
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Cash and cash equivalents at beginning of period	147,876	78,411
Cash and cash equivalents at end of period	\$ 76,515	\$ 147,876
Cash and cash equivalents consist of the following:		
Cash	\$ 76,515	\$ 147,876

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, 2019

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, 2019. 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, 2019 was \$ 989,304 (2018 - \$ 922,719). 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, 2019

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, 2019 was \$ 1,288 (2018 - \$ 1,505).

Asset	Useful life
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, 2019

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:

	2019	2018
First aid supplies	\$ 18,405	\$ 14,716
Total	\$ 18,405	\$ 14,716

4. Investments

	2019	2018
TD Direct ISA – 1.60% (Cashable)	\$ 277,939	\$ 225,207
TD Direct Equitable Bank GIC, June 15, 2020, 2.73%	101,810	101,810
CIBC Wood Gundy Cash balance	55	4,442
CIBC Wood Gundy Equitable Bank GIC, Sep 12, 2019 - 2.06%	-	99,000
CIBC Wood Gundy Laurentian Bank GIC, Oct 2, 2019 - 2.10%	-	101,760
CIBC Wood Gundy B2B Bank GIC, Dec 9, 2019 - 2.18%	-	102,000
CIBC Wood Gundy Canadian Western Bank GIC, Jan 30, 2020 - 2.23%	102,000	102,000
CIBC Wood Gundy Home Trust Co GIC, Sep 11, 2020- 2.73%	93,000	93,000
CIBC Wood Gundy ICICI Bank GIC, Sep 21, 2020 - 2.81%	93,500	93,500
CIBC Wood Gundy Home equity GIC, Oct 5, 2020 - 2.10%	106,000	-
CIBC Wood Gundy Equitable Bank GIC, Sep 17, 2021 - 2.16%	110,000	-
CIBC Wood Gundy President's Choice GIC, Dec 31, 2021 - 2.21%	105,000	-
Total investments	\$ 989,304	\$ 922,719

Sport Medicine and Science Council of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019

5. Property, plant and equipment

Property, plant and equipment consist of the following:

			2019	2018
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer hardware	\$ 9,895	\$ (9,868)	\$ 27	\$ 218
Computer software	1,334	(1,334)	-	-
Medical equipment	29,683	(26,651)	3,032	3,692
Office equipment	10,285	(8,745)	1,540	1,977
Total	\$ 51,197	\$ (46,598)	\$ 4,599	\$ 5,887

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, 2019

Schedule 1 - Self help revenue

	2019	2018
Internal		
Event medical coverage fees	\$ 41,999	\$ 29,550
Membership fees	1,056	1,057
Sport safety program fees	3,703	9,204
External		
Advertisers and sponsors	3,725	3,075
Investment interest income	18,820	17,439
Non SLTF Grants		
CSCS(Sask Sport) - Annual Funding Grant	256,201	248,336
CSCS(Sask Sport) - Other Income and Grants	24,354	14,105
Sales		
Exercise training equipment sales	-	11
First aid kits and supplies	19,782	28,854
Other sales initiatives	13	-
Resource material sales	-	80
Consulting fees	36,510	23,957
Total self help revenue	\$ 406,163	\$ 375,668

Schedule 2 - Administration expenses

	2019	2018
Accounting and audit	\$ 6,465	\$ 5,946
Administration salaries and benefits	259,588	264,064
Insurance	6,585	5,750
Office operations	43,334	39,517
Staff travel and meetings	802	4,277
Total administration expenses	\$ 316,774	\$ 319,554

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, 2019

Schedule 3 - Capacity and Interaction

	2019	2018
Awards and recognition	\$ 1,885	\$ 14,563
Communications	453	1,264
Marketing and promotion	256	4,812
Meetings (AGM/board/committee)	1,995	1,883
Professional development conferences/symposiums	-	2,023
Professional leadership development	2,817	3,325
Professional membership fees and affiliations	181	179
Strategic and long range planning	-	425
Total capacity and interaction expenses	\$ 7,587	\$ 28,474

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, 2019

Schedule 4 - Programs and Services

	2019	2018
Sport Science		
Biomechanics programming	\$ 300	\$ -
Exercise physiology and strength programming	79,234	63,285
Mental training programming	106,261	100,440
Sport nutrition programming	106,655	96,271
Total Sport Science	292,450	259,996
Sport Medicine		
Drug education and nutritional supplement program	24,661	31,051
Event medical coverage	63,835	53,639
Sport medicine educational sessions and consulting	2,732	7,297
Sport safety program	9,996	16,787
Total Sport Medicine	101,224	108,774
Canadian Sport Centre Saskatchewan		
Consulting services	211,202	203,586
Other CSCS programs and services	24,354	14,105
Staff salary allocations	45,000	44,750
Total Canadian Sport Centre Saskatchewan	280,556	262,441
Total programs and services expenses	\$ 674,230	\$ 631,211

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