

Sport Medicine and Science Council of Saskatchewan Inc.

Audited Financial Statements

For the Year Ended December 31, 2022

Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2022

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Independent Auditor's Report

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

Opinion

I 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, 2022, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2022, 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

I conducted my audit in accordance with Canadian generally accepted 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 Council 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

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Independent Auditor's 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 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 Council'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 Council'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. My 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 Council 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.

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.

Mariya Sporysh

Maria Sporysh CPA, CMA
Priority Accounting Services CPA P.C.
2144 Cornwall Street
Regina, SK, S4P 2K7
March 14, 2023

Sport Medicine and Science Council of Saskatchewan Inc.

Statement of Financial Position

As At December 31, 2022

	Note	2022	2021
Assets			
Current Assets			
Cash		\$ 21,982	\$ 46,818
Accounts receivable		75,808	41,643
Interest receivable		14,579	3,644
GST receivable		4,734	3,484
Prepaid expenses		1,598	586
Inventory	3.	16,397	17,382
Investments	4.	1,206,028	1,173,281
Total Current Assets		1,341,126	1,286,838
Invested in Sport Legacy Fund	6.	17,017	16,188
Property and equipment	5.	1,407	2,462
Total Assets		\$ 1,359,550	\$ 1,305,488
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 10,624	\$ 7,039
Deferred grants		365,900	330,078
Total Current Liabilities		376,524	337,117
Deferred revenue - Sport Legacy Fund	6.	17,017	16,188
Employee future benefits	7.	114,827	-
Total Liabilities		508,368	353,305
Net assets			
Unrestricted net assets		849,775	949,721
Invested in property and equipment	5.	1,407	2,462
Total Net Assets		851,182	952,183
Total Liabilities and Net Assets		\$ 1,359,550	\$ 1,305,488

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, 2022

	2022	2021
Revenue		
Sask Lotteries Trust Fund for Sport Culture and Recreation Annual Funding	\$ 634,800	\$ 634,800
Self-help revenue (<i>Schedule 1</i>)	429,347	356,207
Total revenue	1,064,147	991,007
Expenses		
Administration (<i>Schedule 2</i>)	561,806	370,349
Capacity and Interaction (<i>Schedule 3</i>)	9,763	2,478
Programs and Services (<i>Schedule 4</i>)	593,579	550,595
Total expenses	1,165,148	923,422
(Deficiency) Excess of revenue over expenses	\$ (101,001)	\$ 67,585

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, 2022

	Invested in Property and Equipment	Unrestricted Surplus	2022	2021
Net Assets, beginning of year	\$ 2,462	\$ 949,721	\$ 952,183	\$ 884,598
(Deficiency) Excess of revenue over expenses	-	(101,001)	(101,001)	67,585
Depreciation	(1,055)	1,055	-	-
Net Assets, end of year	\$ 1,407	\$ 849,775	\$ 851,182	\$ 952,183

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, 2022

	2022	2021
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES:		
(Deficiency) Excess of revenue over expenses	\$ (101,001)	\$ 67,585
Items not affected by cash:		
Depreciation	1,055	1,055
Changes in working capital:		
Accounts receivable	(34,165)	28
Interest receivable	(10,935)	1,553
GST receivable	(1,250)	1,536
Prepaid expenses	(1,012)	(106)
Inventory	985	1,841
Accounts payable and accrued liabilities	3,585	1,253
Deferred grants	35,822	4,498
Employee future benefits	114,827	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	7,911	79,243
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES:		
Purchase of investments	(4,431,914)	(2,006,564)
Proceeds from sale of investments	4,399,167	1,944,017
NET CASH USED BY INVESTING ACTIVITIES	(32,747)	(62,547)
Cash and cash equivalents at beginning of period	46,818	30,122
Cash and cash equivalents at end of period	\$ 21,982	\$ 46,818
Cash and cash equivalents consist of the following:		
Cash	\$ 21,982	\$ 46,818

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, 2022

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 strength and conditioning, sport biomechanics, exercise physiology, mental performance, 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, 2022. 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 include 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, 2022 was \$ 1,206,028 (2021 - \$ 1,173,281). 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, 2022

2. Significant Accounting Policies continued

d. Property, plant and equipment

Property, plant and equipment is carried at cost for purchases over \$1,000. 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, 2022 was \$ 1,055 (2021 - \$ 1,055).

Asset	Useful life
Computer equipment	3 years
Computer software	2 years
Medical equipment	10 years
Office equipment	10 years

e. Inventory

Inventory is measured at the lower of cost and net realizable value. Cost is determined using the first-in first-out method.

f. 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.

g. 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

Sport Medicine and Science Council of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

2. Significant Accounting Policies continued

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

h. 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

	2022	2021
First aid supplies	\$ 16,397	\$ 17,382
Total	\$ 16,397	\$ 17,382

4. Investments

	2022	2021
CIBC Wood Gundy Cash balance	\$ 2,684	\$ 726
CIBC Wood Gundy Versabank GIC Cert A, Jan 6, 2022 - 2.24%	-	104,000
CIBC Wood Gundy Home Trust Co GTD Cert A, Jan 10, 2024 - 2.06%	100,000	-
CIBC Wood Gundy Concentra Bank GTD Cert A, Jan 18, 2024 - 2.02%	100,000	-
CIBC Wood Gundy Peoples Trust Co GTD Cert A, Jan 18, 2024 - 2.02%	115,000	-
CIBC Wood Gundy Versabank GIC Cert A, Jan 18, 2024 - 2.00%	115,000	-
CIBC Wood Gundy Canadian Western Bank GTD Cert A, Jan 18, 2024 - 4.73%	100,000	-
CIBC Wood Gundy Fairstone Bank of Canada GIC Cert A, Jul 21, 2027 - 4.71%	100,000	-
CIBC Wood Gundy HomeEquity BK GTD Cert A, Sept 28, 2027 - 4.67%	100,000	-
CIBC Wood Gundy RFA BK of CDA GTD Cert A, Sep 26, 2022 - 1.11%	-	98,000
CIBC Wood Gundy Equitable Bank GTA Cert A, Dec 15, 2023 - 1.97%	107,000	107,000
CIBC Wood Gundy Mutual Funds - CIBC High Interest Savings Acc	-	324,117
TD Canada Trust Cash balance	1,344	-
TD Direct Equitable Bank GIC, May 19, 2022 - 0.79% (May 17, 2021 - 1.47%)	-	200,000
TD Direct Investing - TD BK GIC MAT 3.00%, Coupon Date Jan 06/23	100,000	-
TD Direct Investing - TD BK GIC MAT 3.00%, Coupon Date Jan 16/23	265,000	-
TD Direct ISA - TDB 0.25% (cashable)	-	339,438
Total investments	\$ 1,206,028	\$ 1,173,281

Sport Medicine and Science Council of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

5. Property, plant and equipment

Property, plant and equipment consist of the following:

			2022	2021
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer hardware	\$ 9,895	\$ (9,895)	\$ -	\$ -
Computer software	1,334	(1,334)	-	-
Medical equipment	29,683	(28,634)	1,049	1,710
Office equipment	10,285	(9,927)	358	752
Total	\$ 51,197	\$ (49,790)	\$ 1,407	\$ 2,462

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. Employee future benefits

The council's board of Directors has approved the following employee benefits in October 2022:

- An employee retirement allowance benefit plan;
- A post-retirement health and dental benefit plan for retired employees

The benefit plan is an unfunded plan. Retirement allowance is payable upon retirement in a lump sum payment. Retirement allowance to be received by the employees is based on the length of service and rate of pay. Post retirement health and dental coverage is provided by a third party. The cost of insurance premium for eligible retiree is fully covered by the Council. The council's obligation is dictated by the premium cost to be paid.

The council has identified its share of the obligation and associated costs related to the plan.

Sport Medicine and Science Council of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2022

7. Employee future benefits continued

Information about the accrued non-pension obligation as at Dec 31, 2022, is as follows:

	2022	2021
Accrued benefit obligation, beginning of year	\$ -	\$ -
Retirement allowance		
Current service cost	5,975	-
Amortization of past service cost	40,190	-
Cost for post-retirement health benefit plan		
Current service cost	4,551	-
Amortization of past service cost	64,111	-
Accrued benefit obligation, end of year	\$ 114,827	\$ -

Assumptions adopted in the measuring of the accrued benefit obligation are as follows:

	2022	2021
Discount rate (at end of year)	4.25%	-
Expected salary and health plan premium increase	3.00%	-
Expected age of retirement	60 years	-
Average mortality age of post-retirement health and dental plan	76 years	-

8. 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.

9. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Sport Medicine and Science Council of Saskatchewan Inc.

For the Year Ended December 31, 2022

Schedule 1 – Self-help revenue

	2022	2021
Internal		
Event medical coverage fees	\$ 29,402	\$ 6,272
Membership fees	838	876
Sport safety program fees	799	407
External		
Investment interest income	21,135	10,995
Non SLTF Grants		
CSCS(Sask Sport) - Annual Funding Grant	302,032	241,918
CSCS(Sask Sport) - Other Income and Grants	24,468	37,290
Sales		
First aid kits and supplies	21,067	13,764
Other sales initiatives	-	36
Consulting fees	29,606	44,649
Total self-help revenue	\$ 429,347	\$ 356,207

Schedule 2 - Administration expenses

	2022	2021
Accounting and audit	\$ 13,230	\$ 11,369
Administration salaries and benefits	387,829	319,304
Depreciation	1,055	1,055
Employee future benefits	114,827	-
Insurance	8,530	5,516
Office operations	34,870	32,041
Staff travel and meetings	1,465	1,064
Total administration expenses	\$ 561,806	\$ 370,349

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, 2022

Schedule 3 - Capacity and Interaction

	2022	2021
Awards and recognition	\$ 2,766	\$ -
Communications	236	184
Conferences/Symposiums	307	-
Marketing and promotion	450	250
Meetings (AGM/board/committee)	265	846
Planning and policy development	1,550	220
Professional leadership development	4,023	812
Professional membership fees and affiliations	166	166
Total capacity and interaction expenses	\$ 9,763	\$ 2,478

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, 2022

Schedule 4 - Programs and Services

	2022	2021
Sport Science		
Biomechanics programming	\$ 397	\$ -
Exercise physiology and strength programming	45,970	59,508
Mental performance programming	57,446	82,052
Sport nutrition programming	88,205	79,238
Total Sport Science	192,018	220,798
Sport Medicine		
Drug education and nutritional supplement program	-	19,992
Event medical coverage	55,745	19,814
Sport medicine educational sessions and consulting	12,919	6,073
Sport safety program	6,397	4,710
Total Sport Medicine	75,061	50,589
Canadian Sport Centre Saskatchewan		
Consulting services	249,532	199,387
Other CSCS programs and services	24,468	34,821
Staff salary allocations	52,500	45,000
Total Canadian Sport Centre Saskatchewan	326,500	279,208
Total programs and services expenses	\$ 593,579	\$ 550,595

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