

**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Draft

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Saskatchewan Broomball Association

### **Opinion**

I have audited the accompanying financial statements of Saskatchewan Broomball Association, which comprise the statements of financial position as at June 30, 2020 and the statements of revenue, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including 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 Saskatchewan Broomball Association as at June 30, 2020 and its financial performance and its cash flows 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 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 Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our 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 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 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**

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:

- 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 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 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 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.

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.

Regina, Saskatchewan

Marcia Herback  
CPA, CA

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**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2020**  
**(with comparative figures for 2019)**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 104,822	\$ 148,829
Investments	62,829	61,318
Accounts receivable	2,059	2,120
Prepaid expenses	<u>6,129</u>	<u>10,403</u>
	<u>\$ 175,839</u>	<u>\$ 222,670</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Deferred revenue	\$ 4,886	\$ 102,900
<b>Long-term liabilities</b>		
Performance bonds (Note 3)	<u>4,000</u>	<u>2,500</u>
	8,886	105,400
<b>NET ASSETS</b>		
<b>Cumulative surplus</b>	<u>166,953</u>	<u>117,270</u>
	<u>\$ 175,839</u>	<u>\$ 222,670</u>

See accompanying notes

Approved on Behalf of the Board

\_\_\_\_\_  
Director

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Director

**SASKATCHEWAN BROOMBALL ASSOCIATION  
STATEMENT OF OPERATIONS AND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020  
(with comparative figures for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 183,214	\$ 181,100
Self Help - internal (Schedule 2)	46,684	47,552
Self Help - external (Schedule 3)	<u>2,999</u>	<u>4,391</u>
	<u>232,897</u>	<u>233,043</u>
<b>Expenditures</b>		
Administration (Schedule 4)	70,310	67,037
Categorical grants (Schedule 5)	21,800	23,600
Capacity/Interaction (Schedule 6)	15,792	19,675
Excellence (Schedule 7)	12,579	43,530
Participation (Schedule 8)	61,733	64,572
Canadian Broomball Association fees	<u>1,000</u>	<u>1,000</u>
	<u>183,214</u>	<u>219,414</u>
<b>Excess of revenue over expenditures</b>	49,683	13,629
<b>Cumulative surplus, beginning of the year</b>	<u>117,270</u>	<u>103,641</u>
<b>Cumulative surplus, end of the year</b>	<u>\$ 166,953</u>	<u>\$ 117,270</u>

See accompanying notes

**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(with comparative figures for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 49,683	\$ 13,629
Net change in non-cash operating working capital balances		
Investment	(1,511)	(1,173)
Accounts receivable	61	24
Prepaid expenses	4,274	(1,947)
Accounts payable and accrued liabilities	-	(298)
Performance bonds	1,500	-
Deferred revenue	<u>(98,014)</u>	<u>102,900</u>
Cash provided by (used in) operating activities	<u>(44,007)</u>	<u>113,135</u>
<b>Increase (decrease) in cash</b>	<b>(44,007)</b>	<b>113,135</b>
<b>Cash position, beginning of year</b>	<u>148,829</u>	<u>35,694</u>
<b>Cash position, end of year</b>	<u>\$ 104,822</u>	<u>\$ 148,829</u>

See accompanying notes

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**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**1. Status and nature of activities**

The Saskatchewan Broomball Association is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations. The purpose of Saskatchewan Broomball Association is to promote the sport of broomball for all and the development of competitive excellence.

**2. Summary of significant accounting policies**

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

Capital assets

Capital assets are expensed in the year of purchase, therefore, no amortization is reflected in the accompanying financial statements. During the year capital assets of nil were recorded as expenditure.

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 Saskatchewan Broomball Association as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreations. Accordingly, amounts received that relate to the next fiscal period are shown as deferred revenue.

Financial instruments

The Saskatchewan Broomball Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the financial statements in conformity 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 at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**3. Performance bonds**

Senior leagues are required to submit a performance bond for each team attending the provincial championships. The following are the performance bonds held:

	<u>2020</u>	<u>2019</u>
League		
Bruno	\$ 200	\$ 200
Regina Men	400	400
Saskatoon	100	100
Debden	100	100
Southern ladies	200	200
Nationals	<u>3,000</u>	<u>1,500</u>
	<u>\$ 4,000</u>	<u>\$ 2,500</u>

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**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**4. Economic dependence**

The Saskatchewan Broomball Association receives significant revenue in grants from Saskatchewan 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.

**5. Financial instruments**

Saskatchewan Broomball Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Saskatchewan Broomball Association's exposure and concentrations at June 30, 2020:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association is exposed to credit risk with respect to cash, investments and accounts receivable. The Association manages its credit risk by placing cash and investments with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable.

Liquidity risk

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Association is exposed to liquidity risk with respect to its investments and accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk with respect to its cash and investments and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash and investments due to the fact that interest income is not a major percentage of total revenue.

**6. Subsequent event**

Prior and subsequent to June 30, 2020, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and the Association is monitoring its operations and assessing the impact COVID-19 will have on its activities. Accordingly it is difficult to reliably measure the potential impact of this uncertainty on the Association.

**7. Comparative figures**

Certain comparative figures have been reclassified to conform with the current years presentation.

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**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(with comparative figures for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Saskatchewan Lotteries Trust Fund</b>		<b>Schedule 1</b>
Annual funding	\$ 155,814	\$ 153,500
Membership Assistance Program	21,800	23,600
Athlete assistance	1,500	4,000
Hosting Grant	4,100	-
	<u>\$ 183,214</u>	<u>\$ 181,100</u>
<b>Self Help Revenue - Internal</b>		<b>Schedule 2</b>
Competitions and clinics	\$ 5,564	\$ 5,592
Membership fees	41,120	41,960
	<u>\$ 46,684</u>	<u>\$ 47,552</u>
<b>Self Help Revenue - External</b>		<b>Schedule 3</b>
Interest	\$ 1,733	\$ 1,332
Sales	95	310
Other	1,171	2,749
	<u>\$ 2,999</u>	<u>\$ 4,391</u>
	<b>Expenditures</b>	<b>Schedule 4</b>
<b>Administration</b>		
Administration salary and benefits	\$ 48,888	\$ 46,737
Office operations	12,466	10,641
Miscellaneous	654	1,037
Audit	2,997	2,997
Insurance	5,305	5,625
	<u>\$ 70,310</u>	<u>\$ 67,037</u>

**SASKATCHEWAN BROOMBALL ASSOCIATION  
SCHEDULES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(with comparative figures for 2019)**

<b>Categorical grants</b>	<b>2020</b>	<b>2019</b>
		<b>Schedule 5</b>
<b>Membership Assistance Program</b>		
Attackers - Bantam	\$ 153	\$ 162
Attackers - Juvenile	154	402
Attackers - Midget	210	280
Attackers Broomball	3,761	2,668
Big River Bantam Boys	-	330
Big River Bantam Girls	153	324
Big River Bulldogs	208	-
Big River Crusaders	180	279
Big River Crusaders Tournament	1,520	3,191
Big River Midget Boys	198	-
Big River Midget Girls	162	226
Big River Rage	250	-
Bruno Bantam Girls	120	259
Bruno Bombshells	270	200
Bruno Jr. Axemen	129	238
Bruno Midget Boys	153	445
Bruno Midget Girls	200	426
Bruno Minor Broomball	-	2,439
Bruno/Odessa Bantom Boys	-	162
Bruno Senior Broomball	573	681
Bruno Jr. T-Birds	144	223
Bruno U16 Tournament	827	-
Bruno U20 Tournament	1,616	-
Debden Bantam Boys	186	237
Debden Bantam Girls	204	266
Debden JR Roadrunners	347	444
Debden Midget Boys	-	155
Debden Midget Girls	162	187
Debden Midget Speedballs	141	-
Debden Minor Tournament	2,361	2,835
Debden Speedballs	192	340
Estevan/Bruno Bantam Boys	210	-
Estevan Raiders	-	284
Estevan Spartans	-	250
Odessa Bandits	177	203
Odessa Bantam Boys	177	-
Odessa Bantam Girls	135	-
Odessa Flames	144	202
Odessa Midget Boys	254	170
Odessa Midget Girls	207	272
Odessa Minor Broomball	1,880	1,904
Odessa Senior Mens and Ladies	1,000	944
Odessa Storm	150	-
Saskatoon Broomball League	300	-
Saskatoon Gold Broom Committee	1,672	1,972
TriTown Aces	920	-
	<u>\$ 21,800</u>	<u>\$ 23,600</u>

**SASKATCHEWAN BROOMBALL ASSOCIATION**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(with comparative figures for 2019)**

	2020	2019
<b>Capacity/Interaction</b>		
		<b>Schedule 6</b>
Awards and recognition	\$ 3,244	\$ 4,139
Conference/symposiums/national meetings	-	2,170
Hosting	6,609	-
Marketing and promotions	168	2,905
Meetings	5,661	7,447
Planning	-	2,904
Professional leadership development	110	110
	<u>\$ 15,792</u>	<u>\$ 19,675</u>
<b>Excellence</b>		
		<b>Schedule 7</b>
Athlete assistance	\$ 1,500	\$ 4,000
Athlete development - competition	687	27,250
Coaches development	10,392	9,972
Officials development	-	2,308
	<u>\$ 12,579</u>	<u>\$ 43,530</u>
<b>Participation</b>		
		<b>Schedule 8</b>
Athlete development		
Competition	\$ 39,325	\$ 41,503
Introductory/participation	700	1,730
Under-represented population	-	2,503
Coaches development	18,461	14,679
Officials development	3,247	4,157
	<u>\$ 61,733</u>	<u>\$ 64,572</u>