

Financial Statements of
Basketball Saskatchewan Inc.
September 30, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Basketball Saskatchewan Inc.** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

Executive Director

Treasurer

INDEPENDENT AUDITORS' REPORT

**To the Members,
Basketball Saskatchewan Inc.**

Opinion

We have audited the financial statements of **Basketball Saskatchewan Inc.**, which comprise the statement of financial position at September 30, 2023, and the statements of operations, changes in net assets and cash flows for the year 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 Organization as at September 30, 2023, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITORS' REPORT continued

Auditors' 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 auditors' 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

November 22, 2023
Regina, Saskatchewan

Virtus Group LLP

Chartered Professional Accountants

Basketball Saskatchewan Inc.
Statement of Financial Position

As at September 30, 2023 with comparative figures for 2022

	2023	2022
Assets		
Current assets		
Cash	\$ 194,258	\$ 145,712
Accounts receivable	54,040	29,706
Investments (Note 3)	350,000	425,000
Inventory	9,029	6,471
Prepaid expenses	26,653	27,249
	<hr/> 633,980	<hr/> 634,138
Investment in Sport Legacy Fund (Note 4)	7,215	6,864
Tangible capital assets (Note 5)	13,633	18,423
	<hr/> \$ 654,828	<hr/> \$ 659,425
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 58,675	\$ 86,465
Grant return payable (Note 6)	5,150	14,535
Deferred revenue (Note 7)	54,522	57,343
	<hr/> 118,347	<hr/> 158,343
Deferred revenue - Sport Legacy Fund (Note 4)	7,215	6,864
	<hr/> 125,562	<hr/> 165,207
Net Assets		
Invested in tangible capital assets	13,633	18,423
Unrestricted surplus	515,633	475,795
	<hr/> 529,266	<hr/> 494,218
	<hr/> \$ 654,828	<hr/> \$ 659,425

Commitments (Note 8)

See accompanying notes to the financial statements.

On behalf of the Board:

_____ Director

_____ Director

Basketball Saskatchewan Inc.
Statement of Changes in Net Assets

For the year ended September 30, 2023 with comparative figures for 2022

	Invested in tangible capital assets		Unrestricted surplus		2023		2022	
Balance - beginning of year	\$	18,423	\$	475,795	\$	494,218	\$	497,362
Excess (deficiency) of revenue over expenses		-		35,048		35,048		(3,144)
Purchase of tangible capital assets		1,002		(1,002)		-		-
Amortization		(5,792)		5,792		-		-
Balance - end of year	\$	13,633	\$	515,633	\$	529,266	\$	494,218

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.

Statement of Operations

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Revenue		
Saskatchewan Lotteries Trust Fund, Sport Division (schedule 1)	\$ 620,900	\$ 574,159
Self Help (schedule 2)	538,453	453,500
	<u>1,159,353</u>	<u>1,027,659</u>
Expenses		
Administration (schedule 3)	283,756	209,197
Capacity/Interaction (schedule 4)	32,655	26,242
Participation/Introduction (schedule 5)	120,007	90,898
Excellence (schedule 6)	465,386	487,623
Categorical grants (schedule 7)	99,350	91,113
Membership Assistance Program (schedule 9)	117,500	117,359
Other expenses (schedule 8)	5,651	8,371
	<u>1,124,305</u>	<u>1,030,803</u>
Excess (deficiency) of revenue over expenses	\$ 35,048	\$ (3,144)

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.

Statement of Cash Flows

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Cash provided by (used in) operating activities		
Excess (deficiency) of revenue over expenses	\$ 35,048	\$ (3,144)
Amortization	5,792	5,748
Increase (decrease) in working capital accounts		
Accounts receivable	(24,334)	(16,958)
Inventory	(2,558)	(633)
Prepaid expenses	596	(385)
Accounts payable and accrued liabilities	(27,790)	48,812
Grant return payable	(9,385)	14,527
Deferred revenue	(2,821)	(23,655)
	(25,452)	24,312
Investing activities		
Purchase of investments	75,000	(425,000)
Purchase of tangible capital assets	(1,002)	-
	73,998	(425,000)
Increase (decrease) in cash during the year	48,546	(400,688)
Cash, beginning of year	145,712	546,400
Cash, end of year	\$ 194,258	\$ 145,712

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.
Notes to the Financial Statements

For the year ended September 30, 2023 with comparative figures for September 30, 2022

1. Nature of operations

Basketball Saskatchewan Inc. (“the Organization”) is continued under *The Non-Profit Corporations Act, 2022* of Saskatchewan. The mission of the Organization is to create opportunities for the sport of basketball in Saskatchewan.

The Organization is exempt from income tax under section 149(1)(l) of the *Income Tax Act*.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements required 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 expense during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following significant policies:

Financial instruments

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instruments. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transactions costs, which are amortized over the expected life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm’s length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses. When there is an indication of impairment, the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Investments

Investments are recorded at fair market value. Fair value is determined using quoted market prices, generally the bid price.

Inventory

Inventory is recorded at the lower cost and net realizable value with cost being determined by the weighted average method. Net realizable value refers to the net amount that the organization expects to realize from the sale of inventory in the ordinary course of operations.

Basketball Saskatchewan Inc.
Notes to the Financial Statements

For the year ended September 30, 2023 with comparative figures for September 30, 2022

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis over the estimated useful life of the assets are the following rates:

Computer equipment	30%
Computer software	100%
Furniture and equipment	30%
Uniforms	20%

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions and self-help revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 recorded as corporate sponsorship revenue at their fair value at the donation date.

Contributed services

The work of the Organization is dependent on the services of many volunteers at amateur events as well as for the board of directors and various committees. Since these services are not normally purchased and because of the difficulty in determining their fair value, donated services are not recorded in the statement of operations.

3. Investments

Investments consist of non-redeemable guaranteed investment certificates with maturity dates ranging from October 28, 2023 to January 25, 2024 and interest rates ranging from 3.50% - 4.61%.

4. Sport Legacy Fund

The investment in Sport Legacy Fund consists of donations based on various programs and contributions by Sask Sport. These amounts are recorded as deferred revenue until amounts have been received. To qualify for an additional contribution by Sask Sport Inc., the Organization is required to leave the original amount and any additional donations in the Legacy Fund for a minimum of five years.

Basketball Saskatchewan Inc.
Notes to the Financial Statements

For the year ended September 30, 2023 with comparative figures for September 30, 2022

5. Tangible capital assets

			2023		2022	
	Accumulated		Net book value		Net book value	
	Cost	Amortization				
Computer equipment	\$ 5,545	\$ 4,694	\$ 851	\$	529	
Computer software	3,035	3,035	-	-	-	
Furniture and equipment	31,536	31,536	-	-	-	
Uniforms	25,563	12,781	12,782	-	17,894	
	<u>\$ 65,679</u>	<u>\$ 52,046</u>	<u>\$ 13,633</u>	<u>\$</u>	<u>18,423</u>	

6. Grant return payable

The Organization receives annual funding from Saskatchewan Lotteries Trust Fund with the understanding that the funds are to be used for eligible purposes adhering to the policies and guidelines. Any unspent funds must be returned to Saskatchewan Lotteries Trust Fund. As of September 30, 2023, the Organization had nil in grant returns payable to the Saskatchewan Lotteries Trust Fund (2022 - \$541) and \$5,150 in grant returns payable to Sask Sport Inc. (2022 - \$13,994).

7. Deferred revenue

Deferred revenue consists of:

	2023		2022	
Memberships, fees and grants collected in advance	\$	39,476	\$	40,700
Saskatchewan Basketball Officials Commission		15,046		16,643
	<u>\$</u>	<u>54,522</u>	<u>\$</u>	<u>57,343</u>

8. Commitments

The Organization has a lease agreement in place to rent space from The Administration Centre for Sport, Culture, and Recreation Inc. The terms of the lease include monthly consideration of \$875 plus taxes (2022 - \$842), which includes parking and storage. The agreement is on a month-to-month basis and can be terminated at any time, with thirty days notice.

9. Economic dependence

The Organization receives significant funding from the Saskatchewan Lotteries Trust Fund, Sport Division. As a result, the Organization is dependent upon the continuance of these grants to maintain operations at their current level.

10. Financial instruments

The Organization's recognized financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities and grant return payable. The fair value of cash, accounts receivable, investments, accounts payable, accrued liabilities and grant return payable, approximate their carrying value given the short term nature of the amounts.

Basketball Saskatchewan Inc.
Notes to the Financial Statements

For the year ended September 30, 2023 with comparative figures for September 30, 2022

11. Financial risk management

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant risks to which the Organization is exposed are:

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 Organization is exposed to credit risk on the accounts receivable, however, it does not have a significant exposure to any individual counterparty.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and are considered adequate to meet the Organizations financial obligations.

Basketball Saskatchewan Inc.

Schedule 1 - Saskatchewan Lotteries Trust Fund Grants

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Annual funding	\$ 388,400	\$ 340,200
High Performance Coach Capacity	45,000	45,000
Hosting	-	1,600
Membership Assistance Program	117,500	117,359
Student Athletic Assistance	28,000	28,000
University Athletic Assistance	42,000	42,000
	\$ 620,900	\$ 574,159

Schedule 2 - Self Help Revenues

	2023	2022
Internal		
Competition and clinic fees	\$ 147,397	\$ 140,815
Membership fees	156,512	123,030
Team/athlete fees	157,555	144,845
External		
Fundraising	4,490	4,175
Interest	21,328	7,021
Sales	10,160	5,132
Other Grants		
Coaches Association of Saskatchewan - Canada Games	-	1,250
Sask Sport Future Best	6,000	7,500
Sask Sport Indigenous Sport Enhancement grant	23,350	10,513
Sport Medicine and Science Grant	10,950	7,711
Sask Sport Next Generation Indigenous Athlete Assistance	-	1,500
Sask Sport Officials Grant	500	-
Miscellaneous revenue	211	8
	\$ 538,453	\$ 453,500

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.

Schedule 3 - Administration

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Amortization	\$ 5,792	\$ 5,748
Audit	9,006	8,626
Bad debts	2,686	-
Insurance	28,329	23,014
Legal	1,320	-
Office Operations		
Accounting	3,154	2,272
Bank charges/interest	2,459	4,085
Computer supplies and support	3,154	2,396
Office supplies	1,303	1,656
Parking	2,091	2,045
Postage	374	857
Printing/photocopying	3,288	1,090
Rent	8,567	8,406
Telephone/internet	3,301	3,684
Staff recruitment and training	-	263
Salaries and benefits	198,586	134,869
Staff travel	9,423	10,186
Prior year adjustments	923	-
	\$ 283,756	\$ 209,197

Schedule 4 - Capacity/Interaction

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Awards and recognition	\$ 3,697	\$ 2,481
Communications	30	-
Marketing and promotions	6,329	7,081
Meetings		
Board/committee meetings	2,985	1,139
Annual general meetings	2,595	-
National meetings	830	370
Membership	15,814	15,171
Professional and leadership development	375	-
	\$ 32,655	\$ 26,242

Schedule 5 - Participation/Introduction

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Athlete Development		
Competition	\$ 76,824	\$ 60,385
Introduction/participation programs	3,817	-
Under-Represented Population Initiative	-	5,000
Coaches Development		
Salary and benefits	11,780	14,400
Coach travel	5,991	3,838
Introductory coaching clinics and coach development	10,412	3,407
Officials Development		
Introductory clinics	4,924	624
Technical materials	6,259	3,244
	\$ 120,007	\$ 90,898

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.

Schedule 6 - Excellence

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Athlete Development		
Athlete assistance	\$ 27,300	\$ 21,089
Competition	251,998	257,895
Talent identification	45,364	52,273
Training	27,970	41,628
Coaches Development		
HP coach salary and benefits	99,466	102,688
Coach training and development	6,037	6,009
Officials development	5,084	5,104
Sport medicine and science	2,167	937
	\$ 465,386	\$ 487,623

Schedule 7 - Categorical Grants

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Saskatchewan Lotteries Trust Fund		
Student Athlete Awards	\$ 28,000	\$ 28,000
University Athletic Assistance	42,000	42,000
Hosting	-	1,600
Other		
Future Best	6,000	7,500
Next Generation Indigenous Athlete Assistance	-	1,500
Indigenous Sport Enhancement Grant	23,350	10,513
	\$ 99,350	\$ 91,113

Schedule 8 - Other Expenses

For the year ended September 30, 2023 with comparative figures for 2022

	2023	2022
Cost of goods sold	\$ 3,586	\$ 4,405
Fundraising	2,065	3,966
	\$ 5,651	\$ 8,371

See accompanying notes to the financial statements.

Basketball Saskatchewan Inc.

Schedule 9 - Membership Assistance Program

For the year September 30, 2023 with comparative figures for 2022

	2023	2022
Aboriginal Friendship Centres of Saskatchewan	\$ -	\$ 8,840
Ballers Basketball Inc	1,120	-
Bengals	170	-
Buckets & Borders	-	1,000
Excite Athletics	1,000	-
Glasspell Leadership Corp.	2,900	4,730
Golden Ticket Sports	1,720	-
Greenwave United Basketball	430	1,285
Hooplife	1,730	-
Ladies Basketball League of Regina	1,300	1,585
Living Skies Youth Basketball	3,900	-
Martensville Basketball Association	170	-
Melfort Basketball Association	140	-
Misfits	1,150	-
Moose Jaw Ballers	1,710	565
Moose Jaw Minor Basketball Association	2,120	2,405
Moose Jaw Senior Mens	900	-
Moose Jaw Spartans	940	690
North Battleford Basketball	390	-
One Love	820	-
Prince Albert Community Basketball Association	-	2,675
Prince Albert Thunder Basketball	-	970
Regina Community Basketball Association	19,000	18,260
Regina Fighting Badgers	-	245
Regina Filipino Sports Inc.	900	2,620
Regina High School Athletic Association (RHSA)	2,100	2,854
Regina Mambas	120	-
Regina Men's Basketball League	3,400	3,735
Regina Swarm	-	105
Regina Youth Basketball League	1,590	1,300
Rise Above Basketball Academy	630	425
Saskatchewan Home Court Basketball	1,800	380
Saskatchewan Youth Basketball (SKY)	25,600	22,100
Saskatoon Minor Basketball Association	25,500	27,030
Saskatoon Senior Men's Basketball League	10,000	9,700
Saskatoon Senior Women's Basketball	1,900	2,800
Slam 2005 Basketball	-	130
Slam 2007 Girls	160	140
Saskatoon Spartans	120	-
Swift Current Minor Basketball	930	-
Team Fresh	340	240
Wildwoon Basketball Camp	800	-
Yorkton Blue Jays Basketball Club	-	550
	\$ 117,500	\$ 117,359

See accompanying notes to the financial statements.