

Financial Statements of  
**Basketball Saskatchewan Inc.**  
September 30, 2021

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Basketball Saskatchewan Inc. 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.

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Executive Director

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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, 2021 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, 2021, 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.

### *Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *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.

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## INDEPENDENT AUDITORS' REPORT continued

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.

### *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 18, 2021  
Regina, Saskatchewan

VIRTUS GROUP LLP  
Chartered Professional Accountants

**Basketball Saskatchewan Inc.**  
**Statement of Financial Position**

As at September 30, 2021 with comparative figures for 2020

	2021	2020
<b>Assets</b>		
Current assets		
Cash	\$ 546,400	\$ 425,172
Accounts receivable	12,748	9,110
Inventory	5,838	6,590
Prepaid expenses	26,864	19,013
	<hr/> 591,850	<hr/> 459,885
Investment in Sport Legacy Fund (note 3)	6,530	6,212
Tangible capital assets (note 4)	24,171	2,108
	<hr/> \$ 622,551	<hr/> \$ 468,205
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 37,653	\$ 39,972
Grant return payable (note 5)	8	18,314
Deferred revenue	80,998	64,799
	<hr/> 118,659	<hr/> 123,085
Deferred revenue - Sport Legacy Fund (note 3)	6,530	6,212
	<hr/> 125,189	<hr/> 129,297
<b>Net Assets</b>		
Invested in tangible capital assets	24,171	2,108
Unrestricted surplus	473,191	336,800
	<hr/> 497,362	<hr/> 338,908
	<hr/> \$ 622,551	<hr/> \$ 468,205

Commitments (note 6)

*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, 2021 with comparative figures for 2020

	Invested in tangible capital assets		Unrestricted surplus		2021		2020	
Balance - beginning of year	\$	2,108	\$	336,800	\$	338,908	\$	124,498
Excess of revenue over expenses		-		158,454		158,454		214,410
Amortization		(3,500)		3,500		-		-
Purchases of tangible capital assets		25,563		(25,563)		-		-
Balance - end of year	\$	24,171	\$	473,191	\$	497,362	\$	338,908

*See accompanying notes to the financial statements.*

## Basketball Saskatchewan Inc.

### Statement of Operations

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
<b>Revenue</b>		
Saskatchewan Lotteries Trust Fund, Sport Division (schedule 1)	\$ 576,850	\$ 539,836
Self Help (schedule 2)	433,094	248,506
	<u>1,009,944</u>	<u>788,342</u>
<b>Expenses</b>		
Administration (schedule 3)	179,226	170,466
Capacity/Interaction (schedule 4)	14,238	17,516
Participation/Introduction (schedule 5)	62,573	100,339
Excellence (schedule 6)	253,450	94,815
Categorical grants (schedule 7)	212,469	74,489
Membership Assistance Program (schedule 9)	121,501	111,540
Other expenses (schedule 8)	8,033	4,767
	<u>851,490</u>	<u>573,932</u>
<b>Excess of revenue over expenses</b>	<u>\$ 158,454</u>	<u>\$ 214,410</u>

*See accompanying notes to the financial statements.*

**Basketball Saskatchewan Inc.****Statement of Cash Flows**

For the year ended September 30, 2021 with comparative figures for 2020

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in) operating activities</b>		
Excess of revenue over expenses	\$ 158,454	\$ 214,410
Amortization	3,500	687
Increase (decrease) in working capital accounts		
Accounts receivable	(3,638)	22,585
Inventory	752	5,375
Prepaid expenses	(7,851)	2,941
Accounts payable	(2,319)	(37,905)
Grant return payable	(18,306)	18,314
Deferred revenue	16,199	(40,021)
	<u>146,791</u>	<u>186,386</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(25,563)	(2,117)
	<u>(25,563)</u>	<u>(2,117)</u>
<b>Increase in cash during the year</b>	121,228	184,269
<b>Cash, beginning of year</b>	425,172	240,903
<b>Cash, end of year</b>	<u>\$ 546,400</u>	<u>\$ 425,172</u>

*See accompanying notes to the financial statements.*



**Basketball Saskatchewan Inc.**  
**Notes to the Financial Statements**

For the year ended September 30, 2021 with comparative figures for September 30, 2020

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**1. Nature of operations**

Basketball Saskatchewan Inc. ("the Organization") is incorporated under *The Non-Profit Corporations Act, 1995* 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, 2021 with comparative figures for September 30, 2020

**2. Significant accounting policies continued**

***Tangible capital assets***

Tangible capital assets are recoded 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. 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.

**4. Tangible capital assets**

				2021	2020
	Cost	Accumulated Amortization	Net book value	Net book value	
Computer equipment	\$ 4,544	\$ 3,379	\$ 1,165	\$ 1,800	
Computer software	3,035	3,035	-	-	
Furniture and equipment	31,536	31,536	-	308	
Uniforms	97,264	74,258	23,006	-	
	<u>\$ 136,379</u>	<u>\$ 112,208</u>	<u>\$ 24,171</u>	<u>\$ 2,108</u>	

**Basketball Saskatchewan Inc.**  
**Notes to the Financial Statements**

For the year ended September 30, 2021 with comparative figures for September 30, 2020

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**5. 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, 2021, the Organization had \$8 in grant returns payable to the Saskatchewan Lotteries Trust Fund (2020 - \$18,314).

**6. 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 \$842 plus taxes (2020 - \$926), 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.

**7. 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.

**8. Financial instruments**

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

**9. 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.**  
**Notes to the Financial Statements**

For the year ended September 30, 2021 with comparative figures for September 30, 2020

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**11. Significant event**

In March 2020, there was a global outbreak of COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. Restrictions have increased further in Saskatchewan as of October 1, 2021, with visitors to applicable locations requiring proof of vaccination or a negative COVID-19 test. At this time, the extent of the impact the COVID-19 outbreak may have on the Organization is unknown, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**12. Comparative figures**

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

## Basketball Saskatchewan Inc.

### Schedule 1 - Saskatchewan Lotteries Trust Fund Grants

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Annual funding	\$ 340,200	\$ 314,286
High Performance Coach Capacity	48,900	47,800
Membership Assistance Program	121,500	111,500
Student Athletic Assistance	26,500	26,500
University Athletic Assistance	39,750	39,750
	\$ 576,850	\$ 539,836

### Schedule 2 - Self Help Revenues

	2021	2020
Internal		
Competition and clinic fees	\$ 85,439	\$ 117,567
Membership fees	50,921	108,697
Team/athlete fees	88,750	-
External		
Fundraising	660	-
Interest	1,845	3,434
Sales	60	213
Other Grants		
Minister of Canadian Heritage - COVID19 Relief Funding	192,010	-
Sask Sport Future Best	-	3,000
Sask Sport Indigenous Sport Enhancement grant	-	4,152
Sport Medicine and Science Grant	10,249	6,590
Women in Coaching Apprenticeship grant	-	1,087
Sponsorship	-	3,766
Miscellaneous revenue	3,160	-
	\$ 433,094	\$ 248,506

See accompanying notes to the financial statements.

## Basketball Saskatchewan Inc.

### Schedule 3 - Administration

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Amortization	\$ 3,500	\$ 687
Audit	8,300	8,680
Insurance	18,853	19,143
Office Operations		
Accounting	1,682	1,591
Bank charges/interest	2,864	2,726
Computer supplies and support	3,281	5,343
Office supplies	489	1,208
Parking	2,516	2,488
Postage	419	1,087
Printing/photocopying	423	489
Rent	8,410	8,284
Telephone/internet	4,473	4,928
Staff recruitment and training	-	110
Salaries and benefits	120,716	111,888
Staff travel	3,300	1,814
	\$ 179,226	\$ 170,466

### Schedule 4 - Capacity/Interaction

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Awards and recognition	\$ 867	\$ 434
Marketing and promotions	7,027	3,255
Meetings		
Board/committee meetings	262	2,733
Annual general meetings	25	1,175
National meetings	2,329	2,438
Membership	3,465	7,481
Professional and leadership development	263	-
	\$ 14,238	\$ 17,516

### Schedule 5 - Participation/Introduction

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Athlete Development		
Competition	\$ 36,437	\$ 62,279
Introduction/participation programs	5,133	5,852
Coaches Development		
Salary and benefits	14,400	11,649
Coach travel	3,341	6,759
Introductory coaching clinics and coach development	-	6,876
Officials Development		
Introductory clinics	-	2,230
Technical materials	3,262	4,694
	\$ 62,573	\$ 100,339

See accompanying notes to the financial statements.

## Basketball Saskatchewan Inc.

### Schedule 6 - Excellence

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Athlete Development		
Athlete assistance	\$ 9,750	\$ 839
Competition	30,577	7,852
Talent identification	38,939	1,259
Training	76,146	-
Coaches Development		
HP coach salary and benefits	94,492	79,886
Coach training and development	2,497	4,979
Sport medicine and science	1,049	-
	<u>\$ 253,450</u>	<u>\$ 94,815</u>

### Schedule 7 - Categorical Grants

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Saskatchewan Lotteries Trust Fund		
Student Athlete Awards	\$ 26,500	\$ 26,500
University Athletic Assistance	42,000	39,750
Other		
Future Best	-	3,000
Indigenous Sport Enhancement Grant	-	4,152
Minister of Canadian Heritage - COVID19 Relief Expense	143,969	-
Women in Coaching Apprenticeship Program grant	-	1,087
	<u>\$ 212,469</u>	<u>\$ 74,489</u>

### Schedule 8 - Other Expenses

For the year ended September 30, 2021 with comparative figures for 2020

	2021	2020
Fundraising	\$ 401	\$ 460
Sales expense	-	49
Sponsorship expense	1,538	620
Miscellaneous expenses	-	3,638
Prior year grant returns	6,094	-
	<u>\$ 8,033</u>	<u>\$ 4,767</u>

See accompanying notes to the financial statements.

## Basketball Saskatchewan Inc.

### Schedule 9 - Membership Assistance Program

For the year September 30, 2021 with comparative figures for 2020

	2021	2020
Aboriginal Friendship Centres of Saskatchewan	\$ 19,533	\$ -
Eagles Boys Basketball	-	145
Falcons Basketball	253	-
Greenwave United Basketball	1,785	-
Ladies Basketball League of Regina	-	1,942
Masterpice	4,819	-
Melfort Basketball Association	-	282
Misfits Basketball Club	810	478
Moose Jaw Minor Basketball Association	-	3,562
Moose Jaw Spartans	2,850	460
One Love	725	-
Prince Albert Community Basketball Association	2,320	1,582
Prince Albert Excite Athletics	1,227	-
Queen City Raiders Basketball Club	-	(98)
Regina Community Basketball Association	5,725	22,531
Regina Fighting Badgers	400	-
Regina Fresh Gr 3 Boys Basketball	-	67
Regina High School Athletic Association (RHSA)	-	5,983
Regina Hornets	-	138
Regina Men's Basketball League	-	5,313
Regina Swarm	227	117
Regina Youth Basketball League	4,841	-
Rise Above Basketball Academy	892	-
Rustlers Youth Basketball	1,790	-
SABO	500	1,000
Saskatoon Secondary School Athlete Directorate (SSSAD)	-	7,441
Saskatchewan Home Court Basketball	3,110	-
Saskatchewan Youth Basketball (SKY)	48,593	26,766
Saskatoon Minor Basketball Association	14,776	22,704
Saskatoon Senior Men's Basketball League	-	10,203
Saskatoon Shock	-	144
Saskatoon Spartans	-	166
Slam 2006 Girls	213	162
Slam 2008 Girls	222	214
Slam U13 Girls Basketball	-	190
Swift Current Minor Basketball	500	-
Team Fresh	390	-
Tuxedo Courts	5,000	-
White City Basketball	-	48
	\$ 121,501	\$ 111,540