

Saskatchewan Cheerleading Association

Audited Financial Statements

June 30, 2023

Saskatchewan Cheerleading Association

June 30, 2023

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Independent Auditors' Report

To the Members of
Saskatchewan Cheerleading Association

Opinion

We have audited the financial statements of Saskatchewan Cheerleading Association, which comprise the statement of financial position as at June 30, 2023 and the statement of operations, statement of changes in 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 Association as at June 30, 2023 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 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.

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:

- 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

Independent Auditors' Report

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 Accounting Services CPA Prof. Corp.

Regina, Saskatchewan

Saskatchewan Cheerleading Association


Statement of Financial Position

June 30, 2023

		2023	2022
	Note		Restated
Assets			
Current Assets			
Cash	3.d.	\$ 156,364	\$ 167,479
Accounts receivable	7.	8,061	3,506
Inventory	3.a.	12,956	11,355
Prepaid expenses	8.	13,565	13,843
Total Current Assets		190,946	196,183
Tangible Capital Assets	3.b.5.	11,004	14,148
Intangible Assets	3.c.6.	40,280	40,280
Total Assets		\$ 242,230	\$ 250,611
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	9.	\$ 11,631	\$ 63,318
Net Assets		230,599	187,293
Total Liabilities and Net Assets		\$ 242,230	\$ 250,611

Approved on Behalf of the Board:

 Shanda Dziurzynski, August 23, 2023

 Ashley Herchak, August 25, 2023

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

Saskatchewan Cheerleading Association

Statement of Operations

For the Year Ended June 30, 2023

	2023	2022
		Restated
Revenue		
Saskatchewan Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 132,100	\$ 123,800
Self Help (Schedule 2)	318,526	167,304
Total revenue	450,626	291,104
Operating expenses		
Administration (Schedule 3)	116,771	95,240
Capacity/Interaction (Schedule 4)	53,157	26,707
Participation (Schedule 5)	177,589	91,188
Excellence (Schedule 6)	15,847	8,968
Categorical Grant Expenses (Schedule 7)	9,750	-
Membership Assistance Program (Schedule 8)	34,206	38,017
Total operating expenses	407,320	260,120
Excess of Revenues over Expenses	\$ 43,306	\$ 30,984

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

Saskatchewan Cheerleading Association

Statement of Changes in Net Assets

For the Year Ended June 30, 2023

	2023	2022
		Restated
Net Assets, Beginning of Year	\$ 187,293	\$ 156,309
Excess of Revenues over Expenses	43,306	30,984
Net Assets, End of Year	\$ 230,599	\$ 187,293

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

Saskatchewan Cheerleading Association

Statement of Cash Flows

For the Year Ended June 30, 2023

	2023	2022
		Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of Revenues over Expenses	\$ 43,306	\$ 30,984
Amortization	3,144	1,572
Decrease (increase) in receivables	(4,555)	8,352
Decrease (increase) in inventories	(1,601)	(8,766)
Decrease (increase) in prepaid expenses	278	(426)
Increase (decrease) in accounts payable and accrued liabilities	(51,687)	54,274
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(11,115)	85,990
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire intangible assets	-	(40,280)
Payments to acquire tangible capital assets	-	(15,720)
NET CASH USED BY INVESTING ACTIVITIES	-	(56,000)
Net cash increase (decrease) in cash and cash equivalents	(11,115)	29,990
Cash and cash equivalents at beginning of period	167,479	137,489
Cash and cash equivalents at end of period	\$ 156,364	\$ 167,479

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

Saskatchewan Cheerleading Association

Notes to the Financial Statements

For the Year Ended June 30, 2023

1. Purpose of the Organization

Saskatchewan Cheerleading Association is incorporated under the Non-Profit Corporations Act of Saskatchewan. The mission of Saskatchewan Cheerleading Association is to create opportunities for the sport of cheerleading in Saskatchewan.

2. Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organization.

The Association is using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

3. Significant Accounting Policies

a. Inventories

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

b. Tangible Capital Assets

Capital Assets are expensed as incurred. During the year, the Association expensed \$NIL in capital equipment (2022 - \$2,104).

Capital Assets capitalized with the purchase of Best of the West Cheerleading in June 2022, in the amount of \$15,720 and will be amortized using straight-line method over the next 5 years. Amortization expense as of June 30, 2023 was \$3,144 (2022 - \$1,572).

c. Intangible Assets

i. Goodwill

Goodwill is reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount may be impaired. If goodwill is considered to be impaired, the impairment to be recognized is measured as the amount that the carrying amount of the goodwill exceeds the fair value. As of June 30, 2023, no impairment in goodwill has occurred.

d. Cash and Cash Equivalents

Cash and cash equivalents includes unrestricted cash in operating bank account.

Saskatchewan Cheerleading Association

Notes to the Financial Statements

For the Year Ended June 30, 2023

3. Significant Accounting Policies continued

e. Financial instruments

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

Fair value is the 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 and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

f. Revenue recognition

The Saskatchewan Cheerleading Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions and self help revenue are recognized as revenue when received or receivable of the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increase in net assets.

g. Use of estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivables are stated after evaluation as to the collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. These assumptions are reviewed periodically and, adjustments become necessary, they are reported in earnings in the periods in which they become known.

4. Economic Dependence and Risk

Saskatchewan Cheerleading Association currently receives significant revenue in grants from Sask 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.

Saskatchewan Cheerleading Association

Notes to the Financial Statements

For the Year Ended June 30, 2023

5. Tangible Capital Assets

	2023		2022	
				Restated
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment	\$ 15,720	\$ (4,716)	\$ 11,004	\$ 14,148
Total	\$ 15,720	\$ (4,716)	\$ 11,004	\$ 14,148

6. Goodwill

	2023		2022	
				Restated
Goodwill			\$ 40,280	\$ 40,280
Total			\$ 40,280	\$ 40,280

7. Accounts receivable

	2023		2022	
Membership fees	\$ -		\$ 127	
Course exam fees	-		25	
Provincial sponsorship	500		-	
Coaches Assoc of Sask. Grant	750		-	
Taxes receivable	6,811		3,354	
Total	\$ 8,061		\$ 3,506	

Saskatchewan Cheerleading Association

Notes to the Financial Statements

For the Year Ended June 30, 2023

8. Prepaid expenses

	2023	2022
Conference travel/registration	\$ 1,535	\$ 1,885
Equipment - laptops	-	760
Facility deposit	-	4,000
Insurance	11,154	6,209
Internet hosting	641	317
Subscriptions	235	672
Total	\$ 13,565	\$ 13,843

9. Accounts payable and accrued liabilities

	2023	2022
Accrued accounting and professional fees	\$ 4,079	\$ 4,036
Coach development	-	10
Bursary	600	200
Grants payable	-	500
Grant refund - overpayment	-	750
Purchase contract (Note 10)	-	56,000
Trade payables	1,524	312
PST payable	5,428	1,510
Total	\$ 11,631	\$ 63,318

Saskatchewan Cheerleading Association

Notes to the Financial Statements

For the Year Ended June 30, 2023

10. Prior Period Adjustments

Prior Period Adjustments were made to correct auditor's error associated with the purchase of Best of the West Cheerleading. This purchase should have been classified between Goodwill and Tangible Capital Assets. Goodwill to be reviewed on annual basis for impairment (see Note 3.c.i), tangible capital assets amortized using straight-line method.

Per 2022 Financial Statements, Intangible Assets were reported as:

Goodwill	\$56,000
Less Accumulated Amortization	(\$5,600)

Net Intangible Capital Assets reported in prior year	\$50,400
Amortization expense (Schedule 3)	\$5,600

Revised 2022 Financial Statements:

Goodwill	\$40,280
Tangible Capital Assets	\$15,720
Less Accumulated Amortization	(\$1,572)

Net Tangible Capital Assets	\$14,148
Amortization expense (Schedule 3)	\$1,572

Saskatchewan Cheerleading Association

For the Year Ended June 30, 2023

Revenue Schedules

Schedule 1

	2023	2022
Sask Lotteries Trust Fund, Sport Division		
Annual Funding	\$ 97,900	\$ 85,800
Membership Assistance Program	34,200	38,000
	\$ 132,100	\$ 123,800

Schedule 2

	2023	2022
Self Help		
Internal		
Competition & Clinic Fees	\$ 34,899	\$ 32,723
Membership Fees	32,272	26,307
Team & Athlete fees	122,450	43,635
External		
Fundraising	1,309	1,901
Other grants		
Government of Canada - CEWS	-	2,500
SaskSport - Future Best	9,750	-
Coaches/Officials grants	1,500	750
Sales and other income		
Events admissions and sales	96,130	35,458
Merchandise sales (net)	9,364	12,139
Miscellaneous	37	781
Sponsorship	9,835	8,150
Sport Medicine & Science Council in-kind services	980	1,960
Workshop revenue	-	1,000
	\$ 318,526	\$ 167,304

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

Saskatchewan Cheerleading Association

For the Year Ended June 30, 2023

Expense Schedules

Schedule 3

	2023	2022
		Restated
Administration		
Amortization of tangible assets	\$ 3,144	\$ 1,572
Audit	3,306	3,255
Insurance	11,748	7,414
Office Operations		
Accounting & payroll fees	2,211	1,796
Bank charges	5,945	2,189
Office Supplies	6,964	5,118
Phone	1,499	1,890
Printing/photocopying/postage	460	918
Storage	3,723	-
Staff Salaries & Benefits	77,702	71,088
Staff travel	69	-
	\$ 116,771	\$ 95,240

Schedule 4

	2023	2022
Capacity/Interaction		
Awards and recognition	\$ 6,308	\$ 4,960
Communications	13,302	6,467
Marketing and promotions	4,122	9,106
Meetings	7,329	1,338
Memberships	615	706
Planning	14,748	1,860
Professional development	6,733	2,270
	\$ 53,157	\$ 26,707

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

Saskatchewan Cheerleading Association

For the Year Ended June 30, 2023

Schedule 5

	2023	2022
Participation		
Athlete Development		
Competitions	\$ 130,813	\$ 54,896
Introductory programs	6,321	4,835
Coach development	12,687	11,709
Officials development	27,768	19,748
	\$ 177,589	\$ 91,188

Schedule 6

	2023	2022
Excellence		
Athlete Development		
Athlete Assistance	\$ 2,000	\$ 3,996
Training	799	-
Coach Development	4,471	1,726
Officials Development	7,597	530
Sports medicine and science	980	2,716
	\$ 15,847	\$ 8,968

Schedule 7

	2023	2022
Categorical Grant Expenses		
Future Best	\$ 9,750	\$ -
	\$ 9,750	\$ -

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

Saskatchewan Cheerleading Association

For the Year Ended June 30, 2023

Schedule 8

	2023	2022
Membership Assistance Program		
306 Elite Cheer and Tumbling	\$ -	\$ 2,137
Airbourne Cheer Athletics Bluebirds	747	860
Alumni All-Stars	404	-
Boss Athletics	4,016	4,662
Centennial Collegiate	787	888
Cheer Infinity Athletics	1,857	5,772
Humboldt Cheerleading	-	305
Marion Graham Cheerleading	343	-
Prairie Fire Cheerleading	5,005	6,826
Prince Albert Cheer Explosion	343	500
Prince Albert Collegiate Institute	202	-
Rebels Cheerleading Athletics	2,704	-
Thom Collegiate	343	-
Tommy Douglas Cheer	726	1,665
Twin Lakes Cheerleading	2,603	2,109
University of Saskatchewan Cheerleading	343	666
Warman Middle School	363	-
Warman Ultimate Cheerleading	9,222	6,715
Western Athletic	1,514	1,582
Yorkton Gridders Cheer	2,684	3,330
	\$ 34,206	\$ 38,017

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