

Saskatchewan Amateur Wrestling Association
Financial Statements
August 31, 2019

Management's Responsibility

To the Members of Saskatchewan Amateur Wrestling Association:

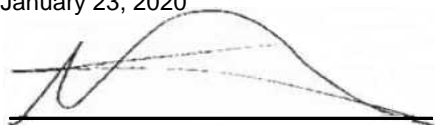
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

January 23, 2020



Executive Director

Independent Auditor's Report

To the Board of Directors of Saskatchewan Amateur Wrestling Association:

Opinion

We have audited the financial statements of Saskatchewan Amateur Wrestling Association (the "Association"), which comprise the statement of financial position as at August 31, 2019, and the statements of operations, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2019, and the results of its operations and its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report Continued

- 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 Association'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 Association 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.

Regina, Saskatchewan

January 23, 2020

MNP LLP

Chartered Professional Accountants

Saskatchewan Amateur Wrestling Association
Statement of Financial Position

At August 31, 2019 (with comparative figures for August 31, 2018)

	2019	2018
ASSETS		
Current assets		
Cash	\$ 112,403	\$ 133,841
Cash-internally restricted	10,500	5,500
Accounts receivable (Note 3)	12,446	23,372
Temporary investments (Note 4)	52,882	52,414
Inventory (Note 5)	13,333	1,308
Prepaid expenses	4,442	4,013
	206,006	220,448
Long term assets		
Invested in Sport Legacy Fund (Note 7)	13,434	12,781
	\$ 219,440	\$ 233,229
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 42,517	\$ 92,292
Deferred membership revenue	15,414	-
	57,931	92,292
Long term liabilities		
Deferred Sport Legacy Fund contributions (Note 7)	13,434	12,781
	71,365	105,073
NET ASSETS		
Restricted net assets		
Canada Games reserve	5,000	-
North Wrestling Camp reserve	2,198	2,198
Participation reserve	1,100	1,100
Program reserve	2,159	2,159
World Championship Travel reserve	43	43
	10,500	5,500
Unrestricted net assets		
	137,575	122,656
	148,075	128,156
	\$ 219,440	\$ 233,229

APPROVED BY:


 _____ Director


 _____ Director

Saskatchewan Amateur Wrestling Association
Statement of Operations

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Revenue		
Saskatchewan Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 284,021	\$ 281,686
Self Help (Schedule 2)	103,077	71,741
	<u>387,098</u>	<u>353,427</u>
Expenses		
Administration (Schedule 3)	94,892	64,789
Capacity/Interaction (Schedule 4)	24,403	8,743
Participation (Schedule 5)	60,529	61,825
Excellence (Schedule 6)	85,050	106,146
Categorical (Schedule 7)	74,536	76,000
Membership Assistance Program (MAP) (Schedule 8)	17,771	24,732
	<u>357,181</u>	<u>342,235</u>
Earnings before other revenue and expenses	<u>29,917</u>	<u>11,192</u>
Other expenses		
CAWA affiliation fees	9,998	11,712
	<u>9,998</u>	<u>11,712</u>
Excess/(deficiency) of revenue over expenses	\$ 19,919	\$ (520)

See accompanying notes to the financial statements

Saskatchewan Amateur Wrestling Association
Statement of Changes In Net Assets

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	Internally		2019		2018	
	Restricted	Unrestricted				
Balance, beginning of year	\$ 5,500	\$ 122,656	\$ 128,156	\$ 128,676		
Excess/(deficiency) of revenue over expenses	-	19,919	19,919	(520)		
Transfer (from) to restricted assets	5,000	(5,000)	-	-		
Balance, end of year	\$ 10,500	\$ 137,575	\$ 148,075	\$ 128,156		

See accompanying notes to the financial statements

Saskatchewan Amateur Wrestling Association
Statement of Cash Flows

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Operating activities		
(Deficiency)/excess of revenue over expenses	\$ 19,919	\$ (520)
Changes in non-cash working capital:		
Accounts receivable	10,926	(13,807)
Prepaid expenses	(429)	(415)
Inventory	(12,025)	941
Accounts payable	(49,775)	(5,367)
Deferred income	15,414	(138)
	<u>(35,889)</u>	<u>(18,786)</u>
Investing activities		
Net change in investments	(653)	(201)
	<u>(653)</u>	<u>(201)</u>
Decrease in cash	<u>(16,623)</u>	<u>(19,507)</u>
Cash - beginning of the year	139,341	158,848
Cash - end of year	<u>\$ 122,718</u>	<u>\$ 139,341</u>
 Cash consists of:		
Cash	\$ 112,403	\$ 133,841
Cash - Internally restricted	10,500	5,500
	<u>\$ 122,903</u>	<u>\$ 139,341</u>

See accompanying notes to the financial statements

Saskatchewan Amateur Wrestling Association

Notes to the financial statements

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

1. Description of operations

The Saskatchewan Amateur Wrestling Association ("Association") is a non-profit organization which organizes and administers the sport of wrestling in the Province of Saskatchewan. The Association is located in Saskatoon, Saskatchewan and is incorporated under *The Non-Profit Corporations Act, 1995* of Saskatchewan. As a non-profit the Association is exempt from income taxes.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Inventory

Inventory is recorded at the lower of cost and net realizable value. The cost of inventories is determined using the specific cost method. Net realizable value is the estimated selling price in the normal course of operations. Write-downs in the value of inventory are recorded in the year in which they are identified.

Tangible capital assets

Tangible capital assets are expensed in the year of purchase. Equipment expenses in 2019 were \$3,379 (2018 - \$2,330).

Revenue recognition

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

Measurement Uncertainty

The preparation of 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 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization is based on the estimated useful lives of capital assets.

Included in inventory is nil of slow moving merchandise. Management has estimated the value of the inventory based upon their assessment of the realizable amount less selling costs. Based upon historical sales of slow moving inventory, actual realizable amounts have varied within 5% of management's estimated value.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Saskatchewan Amateur Wrestling Association

Notes to the financial statements

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

2. Summary of significant accounting policies (continued)

Restricted net assets

The amounts shown in restricted net assets have been designated, either internally or externally, for the specific purpose indicated.

Financial instruments

Financial assets and financial 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. 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 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 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.

3. Accounts receivable

	<u>2019</u>	<u>2018</u>
GST receivable	\$ 1,536	\$ 773
Grants receivable	-	22,500
Fees receivable	2,125	99
Merchandise sales receivable	215	-
Overpayment of grants to clubs	8,570	-
	<u>\$ 12,446</u>	<u>\$ 23,372</u>

4. Investments

	<u>2019</u>	<u>2018</u>
Investors Canadian Money Market Fund Classic Series C	\$ 52,882	\$ 52,414

5. Inventory

During the year the Association began selling merchandise as a new source of revenue. This is reflected in the inventory at year end and the increase in revenue.

	<u>2019</u>	<u>2018</u>
Merchandise	\$ 12,282	\$ -
Miscellaneous Equipment	\$ 1,051	\$ 1,308
	<u>\$ 13,333</u>	<u>\$ 1,308</u>

The cost of inventories recognized as an expense during the year was \$10,317 (2018 - nil).

Saskatchewan Amateur Wrestling Association

Notes to the financial statements

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

6. Economic dependence

The Association currently receives significant revenues 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.

7. Sport Legacy Fund

The long term assets and the offsetting deferred revenue from the Sport Legacy Fund consists of donations based on various programs and top-up contributions made by Sask Sport. To qualify for the top-up contributions the Association is required to leave the original donation amount in the Legacy Fund for a minimum of five years.

8. Financial risk management

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant risks to which the Association 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 Association is exposed to credit risk on the accounts receivables from its customers; however, it does not have a significant exposure to any individual customer. In order to reduce its credit risk, the Association has adopted credit policies to reasonably assure collection of outstanding receivables. The Association incurred insignificant bad debt expense during the past three years and its customers are mainly members of the Association.

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association'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 Association's financial obligations.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association's investments in mutual funds expose the Association to market price risk; as such investments are subject to price changes in the open market. The Association does not use any derivative financial instruments to alter the effects of this risk.

Saskatchewan Amateur Wrestling Association

Revenue Schedules

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Saskatchewan Lotteries Trust Fund, Sport Division		
		Schedule 1
Annual funding	\$ 187,214	\$ 193,286
Future Best	24,000	-
High Performance Coaching	23,200	22,500
Hosting	7,500	-
Indigenous Sport Enhancement Program (ISEP)	586	-
Membership Assistance Program (MAP)	17,771	18,400
PSGB Student Athlete Assistance	9,500	19,000
University high performance	14,250	28,500
	\$ 284,021	\$ 281,686
Self Help		
		Schedule 2
Canada Games & Western Canada Summer Games	\$ 1,500	\$ -
Interest and realized gains on investments	467	201
Expense recovery	-	1,528
Lottery commissions	17,920	17,920
Membership fees	49,491	50,518
Merchandise/uniform sales	22,847	-
Miscellaneous	102	-
NCCP	200	-
NSO funding	-	1,574
Tournament fees	10,550	-
	\$ 103,077	\$ 71,741

Saskatchewan Amateur Wrestling Association

Expense Schedules

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Administration Expenses		Schedule 3
Office operations		
Courier and postage	\$ 270	\$ 226
Parking	372	364
Photocopying	73	17
Rent	3,783	3,544
Supplies	1,199	2,330
Telephone and fax	1,536	2,344
	<u>7,233</u>	<u>8,825</u>
Salaries, benefits and travel		
Executive director - salaries and benefits	57,757	35,947
Executive director - travel	1,338	887
	<u>59,095</u>	<u>36,834</u>
Other		
Bank charges and bad debts	1,057	1,799
Cost of Goods Sold	10,317	-
Insurance	6,836	6,410
Professional fees	10,354	10,921
	<u>28,564</u>	<u>19,130</u>
	<u>\$ 94,892</u>	<u>\$ 64,789</u>
Capacity/Interaction Expenses		Schedule 4
Hosting	\$ 7,500	\$ -
Membership fees	141	81
Promotions/Website	6,046	2,664
Volunteer development and recognition	75	-
	<u>13,762</u>	<u>2,745</u>
Meetings		
Board and executive	5,462	2,540
CAWA annual general meeting	961	-
SAWA annual general meeting	4,218	3,458
	<u>10,641</u>	<u>5,998</u>
	<u>\$ 24,403</u>	<u>\$ 8,743</u>

Saskatchewan Amateur Wrestling Association

Expense Schedules

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Participation Expenses		Schedule 5
Coaching development		
NCCP clinics	\$ 1,672	\$ -
Technical materials	-	1,291
	1,672	1,291
Officials' development	5,000	5,268
Introductory participation		
Club development grants	38,100	30,000
Event subsidies	7,385	1,200
Minor training centres	-	13,600
	45,485	44,800
Under-represented populations		
North American Indigenous Games	-	1,556
Provincial competition travel grant	(878)	6,457
	(878)	8,013
Competitions		
Equipment	3,379	-
Provincials	5,871	2,453
	9,250	2,453
	\$ 60,529	\$ 61,825
Excellence Expenses		Schedule 6
Coaching		
Associate coaching	\$ -	\$ 1,500
Coaching salary and benefits	-	10,920
Jeux Canada Games/Western Canada Summer Games coach honoraria	1,500	-
	1,500	12,420
Officials development		
Nationals	8,080	7,493
Upgrading	1,920	1,961
	10,000	9,454
Athlete development		
Athlete assistance	11,500	13,000
Men's junior card	5,000	4,000
Women's junior card	2,000	4,000
	18,500	21,000
Competitions		
Canada Games/Western Canada Summer Games	3,962	144
Canadian U17 and U19 Nationals	23,631	9,229
Canadian Junior and Senior Nationals	2,926	18,399
HP Club Development Grants	24,531	25,500
Senior carding tournament travel	-	10,000
	55,050	63,272
	\$ 85,050	\$ 106,146

Saskatchewan Amateur Wrestling Association Expense Schedules

For the Year Ended August 31, 2019 (with comparative figures for the year ended August 31, 2018)

	2019	2018
Categorical Grant Expenses		
		Schedule 7
Indigenous Sport Enhancement Program	\$ 586	\$ -
Future Best	24,000	-
High Performance Coach Employment		
Salary & benefits	23,200	22,500
Travel	3,000	6,000
	26,200	28,500
PSGB Student Athlete Assistance	9,500	19,000
University Athletic Assistance	14,250	28,500
	23,750	47,500
	\$ 74,536	\$ 76,000
Membership Assistance Program Expenses		
		Schedule 8
Club		
Ascendent Martial Arts	\$ 575	\$ -
Cattown Wrestling Club	717	1,500
Elrose Wrestling Club	599	794
La Ronge Grizzlies	599	-
Meadow Lake Northern Pikes Wrestling Club	1,940	2,642
Moose Jaw Kinsmen Freshie Bantam Wrestling	-	1,612
Moose Jaw Kinsmen Wrestling Club	1,461	2,059
Prince Albert Wrestling Club	1,078	1,681
Regina Midwest Wrestling Club	359	514
Regina Wolverines Wrestling Club	671	-
Saskatoon Wrestling Club	3,497	5,078
Junior Huskies Wrestling Club	1,773	2,333
Swift Current Titans Wrestling Club	1,796	2,642
Weyburn Cobras Wrestling Club	1,389	1,990
Wilkie Gorilla Factory	1,317	1,887
	\$ 17,771	\$ 24,732