

Financial Statements of
Saskatchewan Golf Association Inc.
operating as
Golf Saskatchewan

December 31, 2014

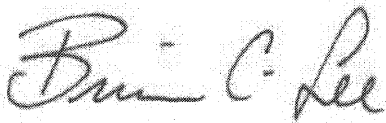
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Saskatchewan Golf Association Inc.** operating as **Golf Saskatchewan** have been prepared by the Association'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



President

INDEPENDENT AUDITORS' REPORT**To the Members,
Golf Saskatchewan**

We have audited the accompanying financial statements of **Saskatchewan Golf Association Inc.** operating as **Golf Saskatchewan** which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2014 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.


March 20, 2015
Regina, Saskatchewan


Chartered Professional Accountants

GOLF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(with comparative figures for 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Current		
Cash	\$ 238,351	\$ 244,253
Accounts receivable	25,640	14,431
Inventory	32,454	24,855
Prepaid expenses	809	-
	<u>297,254</u>	<u>283,539</u>
Long-term		
Tangible capital assets (Note 3)	15,209	19,425
Investments (Note 4)	397,976	368,972
	<u>413,185</u>	<u>388,397</u>
	<u>\$ 710,439</u>	<u>\$ 671,936</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 16,404	\$ 19,666
Deferred revenue (Note 6)	195,537	179,230
	<u>211,941</u>	<u>198,896</u>
Net Assets		
Invested in tangible capital assets	15,209	19,425
Restricted for Golf Hall of Fame	10,584	10,965
Unrestricted surplus	472,705	442,650
	<u>498,498</u>	<u>473,040</u>
	<u>\$ 710,439</u>	<u>\$ 671,936</u>

Approved on behalf of the Board of Directors:





GOLF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2014
(with comparative figures for 2013)

	Invested in tangible capital assets	Restricted for Golf Hall of Fame	Unrestricted surplus	Total 2014	Total 2013
Balance - beginning of year	\$ 19,425	\$ 10,965	\$ 442,650	\$ 473,040	\$ 383,799
Excess (deficiency) of revenue over expenses	-	(381)	25,839	25,458	89,241
Purchase of tangible capital assets	2,316	-	(2,316)	-	-
Amortization	(6,532)	-	6,532	-	-
Balance - end of year	\$ 15,209	\$ 10,584	\$ 472,705	\$ 498,498	\$ 473,040

GOLF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Revenue		
Saskatchewan Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 275,800	\$ 304,132
Self Help (Schedule 2)	427,895	518,800
Investment income	13,399	9,657
Unrealized gain (loss) on market value of investments	14,975	(2,667)
Tournaments / Competitions	83,213	75,661
Saskatchewan Golf Hall of Fame	-	8,210
	<hr/> 815,282	<hr/> 913,793
Expenses		
Administration (Schedule 3)	293,617	310,463
Capacity and Interaction (Schedule 4)	38,133	48,688
Participation / Interaction (Schedule 5)	117,408	120,685
Excellence (Schedule 6)	94,662	56,473
Membership Assistance Program (Schedule 7)	88,946	87,500
Charitable events	4,325	39,440
National fees	152,352	153,313
Saskatchewan Golf Hall of Fame	381	7,990
	<hr/> 789,824	<hr/> 824,552
Excess of revenue over expenses	<hr/> \$ 25,458	<hr/> \$ 89,241

GOLF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 25,458	\$ 89,241
Amortization	6,532	5,604
	31,990	94,845
Changes in working capital accounts		
Accounts receivable	(11,209)	(11,258)
Inventory	(7,599)	4,328
Prepaid expenses	(809)	1,010
Accounts payable	(3,262)	(4,902)
Deferred revenue	16,307	1,600
	25,418	85,623
Cash provided by (used in) investing activities:		
Purchase of tangible capital assets	(2,316)	(15,742)
Purchase of investments	(62,437)	(9,263)
Decrease (increase) in market value of investments	(19,472)	2,667
Redemption of investments	52,905	-
	(31,320)	(22,338)
Change in cash during the year	(5,902)	63,285
Cash - beginning of year	244,253	180,968
Cash - end of year	\$ 238,351	\$ 244,253

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

1. Description of operations

Saskatchewan Golf Association Inc. ("Golf Saskatchewan" or the "Association") was incorporated under the Saskatchewan Non-Profit Corporations Act of Saskatchewan. The Association promotes and coordinates amateur golf in the Province of Saskatchewan.

2. Summary of significant accounting policies

The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses 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. These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements reflect the following policies:

Inventory

Inventory is recorded at the lower of cost and net realizable value. The Association periodically reviews its inventory and determines if any adjustments are necessary.

Tangible capital assets

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

Computers	40%
Equipment	30%
Furniture & fixtures	30%

Revenue recognition

The Organization follows the deferred method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collections are assured. Revenues received from the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation have been recorded as revenue in the fiscal year as approved by the Fund.

Donations in kind

Donations of material and services are recorded at fair market value when received if the amount can be reasonably estimated and would otherwise have been purchased.

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

2. Summary of significant accounting policies (continued)

Financial instruments – recognition and measurement

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, 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 subsequently reversed if the value subsequently improves.

3. Tangible capital assets

	2014		2013	
	Cost	Accumulated Amortization	Net book value	Net book value
Computer	\$ 41,394	\$ 38,424	\$ 2,970	\$ 2,740
Office equipment	17,771	16,653	1,118	1,597
Equipment	30,452	19,331	11,121	15,088
	<u>\$ 89,617</u>	<u>\$ 74,408</u>	<u>\$ 15,209</u>	<u>\$ 19,425</u>

4. Investments

	2014	2013
Non-redeemable GIC	\$ -	\$ 52,905
Investment savings account	55,847	-
Mutual funds	335,711	310,602
Sport Legacy Fund investment (note 5)	3,237	2,930
Cash surrender value of life insurance policy	3,181	2,535
	<u>\$ 397,976</u>	<u>\$ 368,972</u>

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

5. Sport Legacy Fund

The receivable from the Sport Legacy Fund and related liability consists of donations based on various programs and contributions by Sask Sport. To qualify for the additional contribution by Sask Sport Inc., the Association is required to leave the original amount and additional donations in the Legacy Fund for five years therefore it is classified as a long term asset.

6. Deferred revenue

During 2014 Golf Saskatchewan received \$192,300 from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year (2013 – \$176,300). Included in deferred revenue are funds invested with the Sport Legacy Fund of \$3,237 (2013 – \$2,930).

7. Economic dependence

Golf Saskatchewan currently receives revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level.

8. Income taxes

No provision for income taxes has been made in these financial statements as the Association is a non-profit organization and is exempt from income taxes under Section 149(1)(l) of the *Income Tax Act*. To the extent the Association maintains its non-profit status, no income taxes are expected to be payable.

9. Financial risk management

The significant financial 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 receivable from its customers, however, does not have a significant exposure to any individual customer or member. 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 an 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 capital expenditure requirements, and are considered adequate to meet the Association's financial obligations.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association's investments in publicly traded securities 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.

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

10. Comparative figures

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

GOLF SASKATCHEWAN
Schedule of Revenue
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Schedule 1 - Saskatchewan Lotteries Trust Fund, Sport Division		
Annual funding	\$ 177,000	\$ 174,400
Membership Assistance Program (Schedule 7)	87,800	87,500
Other (LTAD / L2P)	-	16,000
Adaptive sport	-	13,000
Aboriginal grants	6,000	6,000
Hosting	-	2,232
Jeux Canada Games	5,000	5,000
	<hr/> \$ 275,800	<hr/> \$ 304,132
Schedule 2 - Self Help		
Internal		
Membership fees	\$ 358,417	\$ 353,724
Camp / clinic fees	23,030	7,975
External		
Donations	4,762	799
Fundraising and sponsorship	12,493	10,143
Golf Canada (NSO)	19,521	15,326
Grants	3,500	2,500
Charitable events	2,825	123,322
Merchandise sales	3,347	3,242
SSHF History project	-	1,769
	<hr/> \$ 427,895	<hr/> \$ 518,800

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Schedule 3 - Administration		
Audit, accounting and legal	\$ 17,836	\$ 13,794
Bank charges and interest	9,864	12,851
Board and staff promotion	2,076	2,078
Cost of goods sold	871	3,757
Amortization	6,532	5,604
Insurance	2,022	2,155
Office operations		
Bad debt	-	4,426
Computer and website	2,751	191
Phone	7,835	9,886
Postage	3,054	2,503
Printing / photocopying	576	1,327
Rent	14,629	13,545
Supplies	2,903	1,703
Professional development	2,415	835
SSHF History project	-	148
Staff salaries and benefits	219,804	233,971
Staff travel	449	1,689
	<hr/> \$ 293,617	<hr/> \$ 310,463
Schedule 4 - Capacity and Interaction		
Awards and recognition	\$ 6,576	\$ 3,359
Marketing and promotions	9,665	16,128
Meetings	23,073	24,935
Turf grass research	1,500	1,500
Volunteer clothing	(2,681)	2,766
	<hr/> \$ 38,133	<hr/> \$ 48,688

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Schedule 5 - Participation / Interaction		
Athlete development		
Competition	\$ 79,566	\$ 88,796
Introductory programs	12,162	6,679
Media day	1,835	842
Training	1,471	3,041
Coaches development		
Introductory clinics and coach professional development	-	73
Officials development		
Course rating	16,642	14,651
Handicap	1,131	36
Rules	4,601	6,567
	\$ 117,408	\$ 120,685

Schedule 6 - Excellence		
Athlete development		
Athlete assistance	\$ 15,107	\$ 11,470
National championship	32,808	21,378
Training	24,955	1,242
Multi sport games	8,729	2,736
Scholarships	5,300	7,800
Coaching and coach development		
Clinics and professional development	2,044	5,452
Travel	-	272
Official development	5,719	6,123
	\$ 94,662	\$ 56,473

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Schedule 7 - Membership Assistance Payments		
Bengough Regional Park Golf Club	\$ 735	\$ -
Biggar Golf Club	-	500
Candle Lake Golf Resort	500	500
Carlton Trail Regional Park	650	-
Carnduff Golf Club	1,750	1,431
Chinook Golf Course	755	1,933
Cooke Municipal Golf Course	1,000	800
Coronach Golf Club	500	-
Dakota Dunes Golf Links	500	1,280
Deer Park Municipal Golf Course	1,277	1,901
Deer Ridge Golf Club	750	-
Deer Valley Golf & Estates	1,300	3,331
Eagle Nest Men's Club	-	125
Eagle Point Resort	500	375
Echo Ridge Golf Course	500	387
Elk Ridge Resort	940	2,396
Elmwood Golf & Country Club	2,500	3,055
Eston Riverside Golf Club	482	1,280
Evergreen Golf Club	1,825	2,282
Fairview Fairways Golf Club	900	-
Foam Lake Golf & Country Club	1,000	-
Golf Kenosee	1,200	-
Good Spirit Golf Resort	450	-
Green Acres Golf & Country Club	650	1,431
Greenhills Golf Resort	1,000	925
Hidden Hills of Shellbrook Golf Course	1,500	2,111
Hillcrest Golf Club	746	800
Holiday Park Golf Course	3,312	-
Holiday Park Ladies Golf Club	-	1,580
Indian Head Golf & Country Club	851	1,016
Joanne Goulet Golf Club	800	651
Katepwa Beach Golf Club	855	1,280
Kelvington Golf Club	350	443
Lashburn Town & Country Golf Club	2,500	5,000
Last Oak Ladies Golf Club	-	375
Lloydminster Golf & Curling Club	1,000	800
Long Creek Ladies Golf Club	280	511
Lynbrook Golf & Country Club	2,000	1,580
Mainprize Regional Park Golf Course	6,683	-
Manitou Beach Golf Club	700	885
Maple Creek Golf Club	1,000	1,431

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Schedule 7 - Membership Assistance Payments (continued)		
Melfort Golf & Country Club	\$ 800	\$ 1,580
Melville Golf & Country Club	1,000	1,431
Mervin & District Golf Club	669	1,281
Moonlake Golf & Country Club	800	2,180
Murray Men's Golf Club	56	375
Murray Women's Golf Club	309	333
North Battleford Golf & Country Club	1,575	2,260
Outlook Riverview Golf Club	1,890	1,280
Pallister Ladies Golf Club	444	-
Pasquia Golf Club	2,100	-
Pipestone Hills Golf Club	800	651
Ponteix Golf Club	-	1,280
Regina Beach Ladies Golf Club	1,301	-
Regina Beach Men's Golf Club	-	1,580
Riverside Country Club	2,715	3,202
Rock Creek Golf & Country Club	1,350	651
Rolling Pines Golf & Country Resort	600	1,785
Rosetown Golf & Country Club	500	820
Royal Regina Golf Club	6,771	2,404
Sask Landing Golf Resort	-	500
Saskatoon Golf & Country Club	1,000	1,502
Silver Lake Golf Club	500	500
Spiritwood Golf Club	1,495	-
St. Brieux Regional Park Golf Course	1,219	2,376
The Eddy Golf Club	500	-
The Legends Golf Club	1,500	2,005
Tisdale Riverside Golf Club	500	500
Tor Hill Ladies Golf Club	1,250	750
Tor Hill Men's Golf Club	-	547
TS&M Woodlawn Golf Club	3,000	1,825
Valley Regional Park Golf Club	750	1,280
Valleyview Delisle Golf & Country Club	562	1,431
Wascana Country Club	990	830
Waskesiu Golf Course	750	-
Weyburn Golf Club	1,000	1,580
Wildwood Junior Golf Club	-	650
Wildwood Ladies Golf Club	-	800
Wildwood Men's Golf Club	3,509	800
Willow Bunch Golf Course	600	-
Willows Golf & Country Club	-	2,556
Wynyard Golf Club	1,000	1,580
York Lake Golf & Country Club	900	-
	\$ 88,946	\$ 87,500