

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.

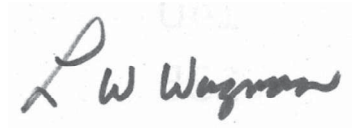
To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

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

Opinion

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, 2021, 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021 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 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 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.

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.

INDEPENDENT AUDITORS' REPORT continued

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.
- 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 31, 2022
Regina, Saskatchewan

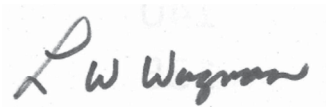
VIRTUS GROUP LLP
Chartered Professional Accountants

GOLF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
(with comparative figures for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current		
Cash	\$ 353,851	\$ 366,466
Accounts receivable	1,835	1,267
Inventory	16,738	17,782
	372,424	385,515
Long Term		
Tangible capital assets (Note 3)	27,166	18,420
Investments (Note 4)	552,351	501,815
	579,517	520,235
	\$ 951,941	\$ 905,750
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 19,276	\$ 17,810
Deferred revenue (Note 6)	250,740	238,192
	270,016	256,002
Net Assets		
Invested in tangible capital assets	27,166	18,420
Internally restricted for Golf Hall of Fame	9,945	12,480
Unrestricted surplus	644,814	618,848
	681,925	649,748
	\$ 951,941	\$ 905,750

See accompanying notes to the financial statements

Approved on behalf of the Board of Directors:





GOLF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	Invested in tangible capital assets	Internally restricted for Golf Hall of Fame	Unrestricted surplus	Total 2021	Total 2020
Balance - beginning of year	\$ 18,420	\$ 12,480	\$ 618,848	\$ 649,748	\$ 486,081
Excess (deficiency) of revenue over expenses	-	(2,535)	34,712	32,177	163,667
Purchase of tangible capital assets	16,634	-	(16,634)	-	-
Amortization of tangible capital assets	(7,888)	-	7,888	-	-
Balance - end of year	\$ 27,166	\$ 9,945	\$ 644,814	\$ 681,925	\$ 649,748

See accompanying notes to the financial statements

GOLF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Revenue		
Saskatchewan Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 400,740	\$ 406,031
Self Help (Schedule 2)	541,129	416,931
Tournaments and competitions	98,186	52,696
Unrealized gain on market value of investments	22,300	16,831
Investment income	5,293	6,388
Realized gain on sale of investments	12,261	2,432
Saskatchewan Golf Hall of Fame	585	-
	1,080,494	901,309
Expenses		
Administration (Schedule 3)	399,076	364,166
Capacity and Interaction (Schedule 4)	18,483	7,190
Participation and Interaction (Schedule 5)	117,133	50,108
Excellence (Schedule 6)	49,033	15,871
Membership Assistance Program (Schedule 7)	100,100	100,000
Charitable events	1,500	3,000
National fees	223,622	195,677
Saskatchewan Golf Hall of Fame	3,120	1,630
Heritage Canada - covid relief funding	136,250	-
	1,048,317	737,642
Excess of revenue over expenses	\$ 32,177	\$ 163,667

See accompanying notes to the financial statements

GOLF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 32,177	\$ 163,667
Amortization	7,888	6,266
	40,065	169,933
Changes in working capital accounts		
Accounts receivable	(568)	16,927
Inventory	1,044	(2,496)
Prepaid expenses	-	610
Accounts payable	1,466	2,280
Deferred revenue	12,548	(1,181)
	54,555	186,073
Cash provided by (used in) investing activities:		
Purchase of tangible capital assets	(16,634)	(4,132)
Net (purchase) redemption of investments	19,501	27,139
Decrease (increase) in market value of investments	(70,037)	(48,219)
	(67,170)	(25,212)
Change in cash during the year	(12,615)	160,861
Cash - beginning of year	366,466	205,605
Cash - end of year	\$ 353,851	\$ 366,466

See accompanying notes to the financial statements

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

1. Description of operations

Saskatchewan Golf Association Inc. ("Golf Saskatchewan" or the "Association") was incorporated under the *Non-profit Corporations Act, 1995* of Saskatchewan. The Association promotes and coordinates amateur golf in the province of Saskatchewan. The Association is exempt from income taxes under Section 149(1)(l) of the *Income Tax Act*.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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. The financial statements reflect the following policies:

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. All other financial assets, except for investments, and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument. Investments are measured at fair value.

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.

Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined based on the specific identification method.

Tangible capital assets

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

Computers	40%
Equipment	30%
Furniture & fixtures	30%

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

2. Summary of significant accounting policies (continued)

Funds

The Golf Hall of Fame fund is an internally restricted fund established to hold funds raised in support of a Saskatchewan golf hall of fame.

Revenue recognition

The Association follows the deferral 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 are recorded as revenue in year to which the funding relates. Membership fees are recognized in the membership year, which coincides with the Association's fiscal year. Revenues from tournaments, and clinics are recognized when the event occurs. Investment revenue is recognized as it is earned. Fundraising and donation revenues are recognized when they are received.

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.

Contributed services

The work of Golf Saskatchewan is dependent on the services of many volunteers at amateur events as well as for the governance council 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. Tangible capital assets

	2021		2020	
	Cost	Accumulated Amortization	Net book value	Net book value
Computers	\$ 4,132	\$ 826	\$ 3,306	\$ 4,194
Office equipment	17,771	17,771	-	132
Equipment	69,781	45,921	23,860	14,094
	\$ 91,684	\$ 64,518	\$ 27,166	\$ 18,420

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

4. Investments

	2021	2020
RBC A+ Unified Managed Account	\$ 531,776	\$ 491,937
Sport Legacy Fund investment (Note 5)	15,425	5,044
Cash surrender value of life insurance policy (Note 5)	5,150	4,834
Total long term investments	<u>\$ 552,351</u>	<u>\$ 501,815</u>

The RBC A+ Unified Managed Account is a structure which provides access to multiple investment managers within one account. The asset allocation of the account at year end was 47% equities and 48% fixed income (2020 – 49% equities and 48% fixed income), with an emphasis on high quality securities, income generation, downside protection and capital preservation.

At December 31, 2021, the asset allocation in the account was \$18,950 in cash, \$258,996 in fixed income and \$253,830 in equities. At December 31, 2020, the asset allocation in the account was \$14,103 in cash, \$235,466 in fixed income and \$242,368 in equities.

5. Sport Legacy Fund

The cash surrender value of the life insurance policy and investment in the 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 Association is required to leave the original amount and any additional donations in the Legacy Fund for a minimum of five years.

6. Deferred revenue

During 2021, the Association received \$213,150 (2020 – \$213,850) from the Saskatchewan Lotteries Trust Fund for annual expenses which will occur in the following fiscal year. Deferred revenue includes the funds invested with the Sport Legacy Fund of \$20,575 (2020 – \$9,878), unspent Indigenous Sport Enhancement grant funds of \$nil (2020 - \$1,464), unspent Adaptive Sport Equipment grant funds of \$11,050 (2020 - \$13,000) and \$5,965 (2020 - \$nil) unspent fundraising attributable to specific athletes.

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. Financial instruments

The Association recognized financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and investments. The fair value of cash, accounts receivable, accounts payable, accrued liabilities and investments approximate their carrying value given the short-term nature of the amounts.

GOLF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

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 no bad debt expense in the current year. The Association's 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.

10. Contributed materials

During the year, the Association received donated golf products estimated at a value of \$20,000 (2020 - \$20,000).

GOLF SASKATCHEWAN
Schedule of Revenue
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Schedule 1 - Saskatchewan Lotteries Trust Fund, Sport Division		
Annual funding	\$ 227,500	\$ 222,400
Membership Assistance Program (Schedule 7)	100,100	100,000
Covid relief - Heritage Canada	73,140	79,240
Indigenous Sport Enhancement Grant	-	4,391
	\$ 400,740	\$ 406,031
Schedule 2 - Self Help		
Internal		
Membership fees	\$ 472,233	\$ 405,035
Camp and clinic fees	6,775	2,619
External		
Fundraising, sponsorship and donations	20,432	2,640
Golf Canada grants	22,200	2,025
Jeux Canada Games Foundation	3,000	-
Merchandise sales	82	2,425
Other grants	16,407	2,187
	\$ 541,129	\$ 416,931
Schedule 3 - Administration	<u>2021</u>	<u>2020</u>
Audit, accounting and legal	\$ 15,951	\$ 14,127
Bank charges and interest	6,728	4,650
Cost of goods sold	-	2,380
Amortization	7,888	6,266
Insurance	4,288	2,384
Office operations:		
Computer and website	2,555	2,734
Phone	6,520	6,198
Postage	927	1,127
Printing and photocopying	8	254
Rent	16,258	16,073
Supplies	950	30
Professional development	1,146	425
Staff salaries and benefits	335,857	307,518
	\$ 399,076	\$ 364,166
Schedule 4 - Capacity and Interaction		
Awards and recognition	\$ 3,913	\$ 1,126
Marketing and promotions	8,946	2,400
Meetings	5,369	2,869
Volunteer clothing	255	795
	\$ 18,483	\$ 7,190

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2021

(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Schedule 5 - Participation and Interaction		
Athlete development		
Competition	\$ 101,333	\$ 46,877
Introductory programs	2,776	(155)
Coaches development		
Introductory clinics and coach professional development	1,595	(780)
Officials development		
Course rating, handicap, rules	11,429	4,166
	\$ 117,133	\$ 50,108
Schedule 6 - Excellence		
Athlete development		
Athlete assistance and national championships	\$ 38,709	\$ 3,687
Multi sport games	-	2,695
Scholarships	5,613	5,471
Training	433	2,044
Coaching and coach development		
Professional development	4,278	-
Official development	-	1,974
	\$ 49,033	\$ 15,871
	<u>2021</u>	<u>2020</u>
Schedule 7 - Membership Assistance Payments		
Birch Hills Golf Club	\$ 1,236	\$ 1,470
Candle Lake Golf Resort	826	-
Carnduff Golf Club	1,429	1,753
Chinook Golf Course	964	1,228
Cooke Municipal Golf Course	2,004	2,149
Deer Park Municipal Golf Course	1,200	3,856
Deer Valley Golf & Estates	2,728	1,842
Elk Ridge Resort	1,648	-
Elmwood Golf & Country Club	4,895	5,303
Emma Lake Golf Club	881	859
Eston Riverside Golf Club	450	-
Evergreen Golf Club	2,080	1,697
Golf Kenosee	1,374	1,138
Goulet Players Club	1,182	1,446
Green Acres Golf & Country Club	856	982
Greenbryre Country Club	-	516
Harbor Golf Club & Resort	1,726	1,446
Hidden Hills of Shellbrook Golf Course	1,656	1,612
Hillcrest Golf Club	2,504	1,785
Holiday Park Golf Course and Men's Club	-	304
Holiday Park Ladies Golf Club	470	-
Humboldt Golf Club	1,633	1,592

GOLF SASKATCHEWAN
Schedule of Expenses
FOR THE YEAR ENDED DECEMBER 31, 2021

(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Schedule 7 - Membership Assistance Payments (continued)		
Indian Head Golf & Country Club	\$ 2,242	\$ 1,866
Katepwa Beach Golf Club	624	594
Lloydminster Golf & Curling Centre	2,936	2,669
Long Creek Ladies Golf Club	285	222
Lynbrook Golf & Country Club	3,190	3,185
Mainprize Regional Park Golf Club	934	760
Maple Creek Golf Club	1,903	1,539
Melfort Golf & Country Club	-	1,922
Moonlake Golf & Country Club	1,633	1,404
Moose Creek Golf Club	-	500
Murray Men's Golf Club	1,056	456
Murray Women's Golf Club	331	264
North Battleford Golf & Country Club	-	2,375
Outlook Riverview Golf Club	618	870
Pipestone Hills Golf Club	2,494	2,672
Regina Beach Golf Course	450	-
Regina Beach Ladies and Men's Golf Club	861	888
Riverside Country Club	4,608	4,764
Rock Creek Golf & Country Club	456	515
Rosetown Golf & Country Club	-	1,506
Royal Regina Golf Club	6,212	6,019
Sask Landing Golf Resort	474	486
Saskatoon Golf & Country Club	7,276	7,345
Sherwood Forest Men's Club	150	-
Spiritwood Golf Club	1,386	973
St. Brieux Regional Park Golf Course	1,425	1,122
The Legends Golf Club	4,309	4,080
Thomson Lake Regional Park Golf Course	456	498
Tor Hill Ladies Golf Club	971	1,278
Tor Hill Men's Golf Club	294	-
TS&M Woodlawn Golf Club	2,778	2,784
Unity Golf Club	-	500
Valley Regional Park Golf Club	450	-
Valleyview Delisle Golf & Country Club	1,272	958
Wakaw Lake Golf Club	270	582
Wascana Country Club	6,251	4,416
Waskesiu Golf Course	826	1,038
Weyburn Golf Club	2,404	2,293
Wildwood Golf Course	2,502	1,818
Willows Golf & Country Club	3,581	3,101
Wynyard Golf Club	450	760
	\$ 100,100	\$ 100,000