

SASKATOON NORDIC SKI CLUB CORP.

REVIEW ENGAGEMENT REPORT AND FINANCIAL STATEMENTS

for the year ended June 30, 2018

THE INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT REFERS TO THE CURRENT PERIOD ONLY

To the Membership of **Saskatoon Nordic Ski Club Corp.**:

I have reviewed the accompanying financial statements of **Saskatoon Nordic Ski Club Corp.** that comprise the statement of financial position as at **June 30, 2018**, 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require myself to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of **Saskatoon Nordic Ski Club Corp.** as at **June 30, 2018**, 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.

Comparative Information

Without modifying my conclusion, I draw attention to Note 2 to the financial statements, which describes that **Saskatoon Nordic Ski Club Corp.** adopted Canadian accounting standards for not-for-profit organizations on July 1, 2017, with a transition date of July 1, 2016. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2017 and July 1, 2016, and the statements of operations, changes in net assets, and cash flows for the year ended June 30, 2017 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Other Matters

The financial statements of **Saskatoon Nordic Ski Club Corp.** for the year ended June 30, 2017 were prepared by another accountant.

Gabriel Ng CPA P.C. Inc.

Saskatoon Nordic Ski Club Corp.

Balance Sheet as at June 30

(Prepared without audit – see Review Engagement Report)

	2018			2017		
	General	Blind Skiers	Total	General	Blind Skiers	Total (Note 4)
ASSETS						
Current Assets						
Cash and cash equivalent	\$ 32,045	\$ 10,846	\$ 42,891	\$ 27,178	\$ 10,111	\$ 37,289
Term deposits	50,731	-	50,731	50,229	-	50,229
Prepaid expenses	482	-	482	588	-	588
	83,258	10,846	94,104	77,995	10,111	88,106
Non-Current Assets						
Fixed Assets (Note 3)	26,446	-	26,446	5,607	-	5,607
	\$ 109,704	\$ 10,846	\$ 120,550	\$ 83,602	\$ 10,111	\$ 93,713
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 2,220	\$ -	2,220	\$ -	\$ -	-
CLUB'S EQUITY						
Equity in equipment	26,446	-	26,446	5,607	-	5,607
Unrestricted fund surplus (deficit)	81,038	10,846	91,884	77,995	10,111	88,106
	107,484	10,846	118,330	83,602	10,111	93,713
	\$ 109,704	\$ 10,846	\$ 120,550	\$ 83,602	\$ 10,111	\$ 93,713

Approved on Behalf of the Board:

Saskatoon Nordic Ski Club Corp.

Statement of Operations and Changes of Fund Balances for the year ended June 30

(Prepared without audit – see Review Engagement Report)

	2018			2017		
	General	Blind Skiers	Total	General	Blind Skiers	Total (Note 4)
Revenue						
MAP Grant	\$ 12,778	\$ -	\$ 12,778	\$ 12,269	\$ -	\$ 12,269
Event Grant	500	-	500	500	-	500
CCS Facility Grant	5,000	-	5,000	-	-	-
CCS Consultant Grant	300	-	300	-	-	-
City of Saskatoon Grant	4,000	-	4,000	4,000	-	4,000
City of Saskatoon Equipment Grant	4,000	-	4,000	-	-	-
National Sports Fund	2,025	-	2,025	-	-	-
Lion's Club	-	1,000	1,000	-	1,100	1,100
Saskatoon Nordic Ski Club	-	122	122	-	513	513
Membership sales	26,975	540	27,515	18,175	520	18,695
Fundraising - Gift card sales	-	13,000	13,000	-	13,200	13,200
Training and Racing	12,175	-	12,175	9,722	-	9,722
Youth Jackrabbit	5,970	-	5,970	5,915	-	5,915
Ski at School	5,424	-	5,424	1,470	-	1,470
Instruction	1,960	-	1,960	1,672	-	1,672
Donations	240	-	240	530	-	530
Interest	502	-	502	400	-	400
Ski for Light	-	500	500	-	500	500
Banquet ticket sales	-	365	365	-	758	758
Other	-	80	80	-	174	174
	<u>\$ 81,849</u>	<u>\$ 15,607</u>	<u>\$ 97,456</u>	<u>\$ 54,653</u>	<u>\$ 16,765</u>	<u>\$ 71,418</u>

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Saskatoon Nordic Ski Club Corp.

Statement of Operations and Changes of Fund Balances for the year ended June 30

(Prepared without audit – see Review Engagement Report)

	2018			2017		
	General	Blind Skiers	Total	General	Blind Skiers	Total (Note 4)
(Continued from previous page)						
Expenses						
Fundraising - Gift card purchases	\$ -	\$ 11,830	\$ 11,830	\$ -	\$ 12,012	\$ 12,012
Membership fees	10,800	610	11,410	9,975	540	10,515
Amortization	7,546	-	7,546	1,869	-	1,869
Youth Jackrabbit	6,499	-	6,499	6,134	-	6,134
High Performance Training	4,176	-	4,176	3,152	-	3,152
Trail maintenance	3,868	-	3,868	2,694	-	2,694
Repairs and maintenance	3,685	-	3,685	2,655	-	2,655
Ski at School Program	2,401	-	2,401	3,562	-	3,562
Zone 4 processing fee	2,253	-	2,253	1,139	-	1,139
Professional fees	2,220	-	2,220	-	-	-
Instruction	1,442	60	1,502	1,553	100	1,653
Ski for Light	-	1,484	1,484	-	1,872	1,872
Advertising	1,374	-	1,374	899	-	899
Administration	1,201	-	1,201	1,641	-	1,641
Insurance	1,128	-	1,128	1,247	-	1,247
Racing	1,081	-	1,081	1,230	-	1,230
Eb's Day	913	-	913	858	-	858
Rent and storage	822	-	822	650	-	650
Vision 20/20	797	-	797	-	-	-
Banquet and food	-	690	690	-	1,251	1,251
Blind skier program	363	-	363	325	-	325
Minor equipment	4,673	-	4,673	5,989	1,220	7,209
Newsletter	319	-	319	289	-	289
Meetings	217	-	217	-	-	-
Touring	189	-	189	305	-	305
Volunteer appreciation	-	145	145	-	120	120
Bank fees	-	53	53	-	64	64
	<u>57,967</u>	<u>14,872</u>	<u>72,839</u>	<u>46,166</u>	<u>17,179</u>	<u>63,345</u>
Excess (Deficiencies) of Revenue over Expenses	23,882	735	24,617	8,487	(414)	8,073
Club Equity, beginning of the year	<u>83,602</u>	<u>10,111</u>	<u>93,713</u>	<u>75,115</u>	<u>10,525</u>	<u>85,640</u>
Club Equity, end of the year	<u><u>\$ 107,484</u></u>	<u><u>\$ 10,846</u></u>	<u><u>\$ 118,330</u></u>	<u><u>\$ 83,602</u></u>	<u><u>\$ 10,111</u></u>	<u><u>\$ 93,713</u></u>

Saskatoon Nordic Ski Club Corp.

Statement of Cash Flows for the year ended June 30

(Prepared without audit – see Review Engagement Report)

	<u>2018</u>			<u>2017</u>		
	General	Blind Skiers	Total	General	Blind Skiers	Total (Note 4)
Cash was Provided (Used) By						
Operating Activities						
Cash received from members and sponsors	\$ 81,849	\$ 15,607	\$ 97,456	\$ 54,653	\$ 16,765	\$ 71,418
Cash payments made to vendors	<u>(76,982)</u>	<u>(14,872)</u>	<u>(91,854)</u>	<u>(46,166)</u>	<u>(17,179)</u>	<u>(63,345)</u>
Increase in Cash and Cash Equivalents	4,867	735	5,602	8,487	(414)	8,073
Cash and Cash Equivalents beginning of the year	<u>27,178</u>	<u>10,111</u>	<u>37,289</u>	<u>18,691</u>	<u>10,525</u>	<u>29,216</u>
Cash and Cash Equivalents end of the year	<u>\$ 32,045</u>	<u>\$ 10,846</u>	<u>\$ 42,891</u>	<u>\$ 27,178</u>	<u>\$ 10,111</u>	<u>\$ 37,289</u>

Saskatoon Nordic Ski Club Corp.

Notes to the Financial Statements

June 30, 2018

(Prepared without audit – see Review Engagement Report)

1. Description of Business

The Saskatoon Nordic Ski Club Corp. (the “Club”) is incorporated without issuance of shares on January 8, 1968 under the Non-Profit Corporation Act of Saskatchewan. The Club’s objective is to promote the sport of Cross Country Skiing and Hiking in the Saskatoon area. The Club is exempted from income taxes under the Income Tax Act of Canada.

2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

These financial statements include the following funds:

General

This unrestricted fund is used for the day to day operations of the Club, and can be reallocated by the Board based on cash needs.

Blind Skiers

This restricted fund is used towards the Blind Skiers program. Funds are kept track separate in a different bank account, and a separate Board of Directors operates the Blind Skiers program under the Club.

Revenue Recognition

Membership sales, grants, and donations

Revenue from membership sales, grants, fundraising, and donations are recorded when the funds are received by the Club.

Interest expense

Interest are accrued when earned.

Donated services

The work of the Club is dependant on the voluntary services of its members. The value of the donated services is not recognized in the financial statements due to the difficulty of measurement.

Income Taxes

The Club is exempted from income tax under provisions of the Income Tax Act section 149(1)(l).

Saskatoon Nordic Ski Club Corp.

Notes to the Financial Statements

June 30, 2018

(Prepared without audit – see Review Engagement Report)

2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Board 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 reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates include the estimated useful life of fixed assets, valuation of accounts receivable and payable accruals.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit with banking institutions less cheques written but not cleared, and term deposits of having a maturity of less than three months. These are held for the purposes of meeting short term cash commitments.

Fixed Assets

All fixed assets are recorded at cost and depreciation is recorded on a 20% straight line basis. Individual items with a cost of under \$1,000 are expensed in the year of purchase.

Financial instruments

Measurement of financial instruments

The Club initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Club subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable.

Saskatoon Nordic Ski Club Corp.

Notes to the Financial Statements

June 30, 2018

(Prepared without audit – see Review Engagement Report)

2. Significant Accounting Policies (Continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

3. Fixed Assets

	2018			2017
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment and vehicles	\$ 37,730	\$ 11,284	\$ 26,446	\$ 5,607

During the year, the Club committed \$28,385 to a new vehicle purchase.

4. Corresponding Figures

Certain corresponding figures have been reclassified to conform with current year's presentation. Prior period adjustments were made to term deposits, prepaid expenses, interest revenue, and insurance expenses in the previous year. The Blind Skier's year end has also been changed to June 30 to agree with the Club's fiscal year end.

5. Risk Management

Risks and concentrations

The Club does not believe it is subject to any significant concentration of credit, interest rate, or currency risk. Cash and cash equivalents are in place with major financial institutions.

The following analysis provides a measure of the Club's risk exposure as at June 30, 2018.

Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities. The Club is exposed to this risk mainly in respect of its accounts payable. This risk is mitigated by proactive cash flow management and budgeting by the Board of Directors.