

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of
Water Ski and Wakeboard Saskatchewan Inc.

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback Chartered Accountant Professional Corporate is appointed by the Board to audit the financial statements and report directly to them; their report follows. The independent auditors have full and free access to the Board and management to discuss their audit findings.

President

Director

March 8, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Water Ski and Wakeboard Saskatchewan Inc.

I have audited the accompanying financial statements of Water Ski and Wakeboard Saskatchewan Inc., which comprise the statements of financial position as at December 31, 2016, and the statements of revenue, net assets and cash flow statement 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity'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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinions.

Basis for Qualified Opinion

In common with many non-profit organizations, Water Ski and Wakeboard Saskatchewan Inc. derives part of its revenue from various fundraising activities and membership fees, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these revenues was limited to accounting for the amounts recorded in the records of the organization and I was not able to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Water Ski and Wakeboard Saskatchewan Inc. as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
March 8, 2017


Marcia Herback
CPA, CA

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016
(with comparative figures for 2015)

	2016	2015
ASSETS		
Current assets		
Cash	\$ 182,257	\$ 182,226
Accounts receivable	1,250	-
Sport Legacy Fund	<u>17,344</u>	<u>16,498</u>
	200,851	198,724
Tangible capital assets (Note 3)	<u>41,101</u>	<u>49,166</u>
	<u><u>\$ 241,952</u></u>	<u><u>\$ 247,890</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,952	\$ 3,778
Sport Legacy Fund	17,344	16,498
Deferred revenue (Note 4)	<u>77,350</u>	<u>73,850</u>
	<u>97,646</u>	<u>94,126</u>
NET ASSETS		
Net assets invested in capital assets (Note 3)	41,101	49,166
Unrestricted net assets	<u>103,205</u>	<u>104,598</u>
	<u>144,306</u>	<u>153,764</u>
	<u><u>\$ 241,952</u></u>	<u><u>\$ 247,890</u></u>

See accompanying notes

Approved on Behalf of the Board

_____ Director

_____ Director

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	2016	2015
Revenue		
Sask Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 139,700	\$ 141,000
Self Help (Schedule 2)	41,102	34,202
WSW Canada	<u>1,000</u>	<u>1,034</u>
	<u>181,802</u>	<u>176,236</u>
Expenditures		
National dues/affiliation	2,264	2,868
Administration (Schedule 3)	45,718	45,634
Capacity/Interaction (Schedule 4)	8,413	1,601
Participation (Schedule 5)	54,070	63,086
Excellence (Schedule 6)	68,795	46,808
Categorical grant expense - Future Best	500	6,000
Membership Assistance Program (Schedule 7)	11,500	14,000
Loss on disposal of capital assets	<u>-</u>	<u>1,151</u>
	<u>191,260</u>	<u>181,148</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (9,458)</u>	<u>\$ (4,912)</u>

See accompanying notes

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	<u>Invested in Capital assets</u>	<u>Unrestricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Balance, beginning of the year	\$ 49,166	\$ 104,598	\$ 153,764	\$ 158,676
Excess (deficiency) of revenues over expenditures	-	(9,458)	(9,458)	(4,912)
Additions (disposals) of capital assets	-	-	-	-
Amortization of capital assets	(8,065)	8,065	-	-
Gain on disposal of capital assets	-	-	-	-
Balance, end of the year	<u>\$ 41,101</u>	<u>\$ 103,205</u>	<u>\$ 144,306</u>	<u>\$ 153,764</u>

See accompanying notes

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	2016	2015
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (9,458)	\$ (4,912)
Amortization	8,065	9,724
Loss on disposal of capital assets	<u>-</u>	<u>1,151</u>
	(1,393)	5,963
Net change in non-cash operating working capital balances		
Accounts receivable	(1,250)	-
GST receivable		2,612
Sport Legacy Fund	(846)	(803)
Accounts payable and accrued liabilities	(826)	1,294
Sport Legacy Fund	846	803
Deferred revenue	<u>3,500</u>	<u>(650)</u>
Cash provided by operating activities	<u>31</u>	<u>9,219</u>
Investing activities		
Additions to capital asset	-	(11,558)
Proceeds on disposal of capital asset	<u>-</u>	<u>8,000</u>
Cash provided by (used in) investing activities	<u>-</u>	<u>(3,558)</u>
Increase in cash	31	5,661
Cash position, beginning of year	<u>182,226</u>	<u>176,565</u>
Cash position, end of year	<u>\$ 182,257</u>	<u>\$ 182,226</u>

See accompanying notes

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. Status and nature of activities

Water Ski and Wakeboard Saskatchewan Inc. is a provincial organization operating programs which provide training and instruction in water skiing and wakeboarding to Saskatchewan athletes, coaches, officials and volunteers. Saskatchewan Water-Ski Assoc. Inc. was incorporated under the Non-Profit Corporations Act of Saskatchewan on April 16, 1984. The name was changed to Saskatchewan Water-Ski & Wakeboard Assoc. Inc. on July 5, 2004 and changed to Water Ski and Wakeboard Saskatchewan Inc. on May 5, 2005.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue Recognition

Water Ski and Wakeboard Saskatchewan Inc. (WSWS) 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 or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Self help revenue is recognized as revenue when received or receivable.

Capital assets

Capital assets are recorded at cost. Amortization of capital assets is provided for using the declining balance method over the estimated useful lives of the assets at the following annual rates:

Boat	15 %
Computer equipment/Video jump	30 %
Equipment	20 %
Trailer	30 %

Contributed services

Volunteers contribute many hours per year to assist Water Ski and Wakeboard Saskatchewan Inc. in carrying out its goals and objectives. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributions in kind

Certain amounts have been received in kind as donations of goods and services relative to corporate memberships. Due to the uncertainty of the value of these contributions, they have not been recognized in the financial statements.

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. Summary of significant accounting policies- cont'd

Financial instruments

Water Ski and Wakeboard Saskatchewan Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the 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 at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Boat	\$ 66,000	\$ 34,132	\$ 31,868	\$ 37,492
Computer equipment/video jump Equipment	21,526 9,887	13,430 8,795	8,096 1,092	10,245 1,338
Trailer	<u>3,206</u>	<u>3,161</u>	<u>45</u>	<u>91</u>
	<u>\$ 100,619</u>	<u>\$ 59,518</u>	<u>\$ 41,101</u>	<u>\$ 49,166</u>

In June 2015 WSWS entered into a lease agreement with Saskatoon Water Sports (SWS), a Malibu boat dealer in Saskatoon. The agreement states that for each of the 2015, 2016 and 2017 fiscal years, WSWS will operate a boat provided by SWS and then return it at the end of each summer. SWS will in turn provide a new year model boat for the next season inclusive of maintenance costs but not including damages over and above regular maintenance costs. At the end of 2017 WSWS plans to re-enter the same arrangement with the boat dealer.

4. Deferred revenue

In the current year, deferred revenue represents funds allocated to the organization for the first half of 2017's annual funding of \$77,350. These funds are to be used in 2017.

5. Economic dependence

Water Ski and Wakeboard Saskatchewan Inc. currently receives significant grant revenue from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the organization is dependent upon the continuance of these grants to maintain operations at their current level

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

6. Financial instruments

Water Ski and Wakeboard Saskatchewan Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Water Ski and Wakeboard Saskatchewan Inc.'s exposure and concentrations at December 31, 2016:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the organization could incur a financial loss. The organization is exposed to credit risk with respect to cash and accounts receivable. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2015.

Liquidity risk

Liquidity risk is the risk that the organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2015.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The organization is exposed to interest rate risk with respect to its cash and its effect on interest income. Fluctuations in interest rates do have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2015.

7. Income taxes

Under present legislation, no income taxes are payable on reported income of such operations.

8. Comparative figures

Certain comparative figures have been reclassified to conform with the current years presentation.

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	2016	2015
Saskatchewan Lotteries Trust Fund, Sports Division		
		Schedule 1
Annual funding	\$ 124,700	\$ 121,000
Future Best Grant	500	6,000
Hosting	3,000	-
Membership Assistance program	11,500	14,000
	<u>\$ 139,700</u>	<u>\$ 141,000</u>
Self Help		
		Schedule 2
Internal		
Clinics fees - Sport for all	\$ 18,480	\$ 21,132
Camps and clinics	450	400
Membership fees	5,540	6,050
Westerns	15,830	-
External		
Fundraising and gifts	-	250
Interest income	802	1,147
Canada Summer Jobs Grant	-	5,223
	<u>\$ 41,102</u>	<u>\$ 34,202</u>
Administration		
		Schedule 3
Amortization	\$ 8,065	\$ 9,724
Audit	3,135	3,547
Bank charges	327	284
Contract fees	29,633	29,583
Insurance	922	114
Office administration	3,325	2,027
Summer student wage	311	355
	<u>\$ 45,718</u>	<u>\$ 45,634</u>
Capacity/Interaction		
		Schedule 4
Annual general meeting	\$ 1,195	\$ 426
Board and committee meetings	1,001	499
Conference and symposium	381	52
National congress and meetings	3,457	356
Marketing and promotional	972	-
Newsletters	1,008	268
Volunteer recognition	399	-
	<u>\$ 8,413</u>	<u>\$ 1,601</u>

WATER SKI AND WAKEBOARD SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(with comparative figures for 2015)

	2016	2015
Participation		
	Schedule 5	
Coaching development	\$ 300	\$ 2,862
Competitions	10,977	10,430
Intro/participant programs	29,624	38,195
Membership development activities	1,247	3,731
Officials development	492	-
Target group initiatives	11,430	7,868
	<u>\$ 54,070</u>	<u>\$ 63,086</u>
Excellence		
	Schedule 6	
Athlete funding	\$ 8,193	\$ 14,407
Coaches and officials development	2,112	500
Competition - Athletes Attending Championships	5,286	7,209
Junior development activity	2,189	1,500
Hosting - Westerns	16,812	33
Training costs	34,203	23,159
	<u>\$ 68,795</u>	<u>\$ 46,808</u>
Membership Assistance Program		
	Schedule 7	
Bronson Forest Water Sports	\$ 1,853	\$ 2,045
Camp Easter Seal Club	1,150	1,416
Flatland Wake Club	767	-
Flying Monkeys	-	3,146
Kipabiskau Ski Club/ Tisdale	2,044	2,517
NO Boundaries Wakeboard Club	958	1,100
Saskatoon Ski Club	3,450	2,360
Wakaw Lake Water Ski club	1,278	1,416
	<u>\$ 11,500</u>	<u>\$ 14,000</u>