

Audited Financial Statements of
SASKATCHEWAN BADMINTON ASSOCIATION INC.

Year Ended March 31, 2013


Management's Responsibility for Financial Reporting

Management has the responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

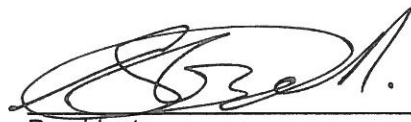
In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded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

The Board of Directors has reviewed and approved these financial statements.

Independent auditors examine the financial statements. The independent auditors' report follows. The auditors have full and free access to the Board of Directors to discuss their findings regarding the integrity of the Association's financial reporting and the adequacy of the system of internal controls.



Executive Director



President

INDEPENDENT AUDITORS' REPORT

To the Members

We have audited the accompanying financial statements of **Saskatchewan Badminton Association Inc.** which comprise the statement of financial position as at **March 31, 2013** and the statements of operations and 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 of material misstatement.

An audit includes 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 principles 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, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Badminton Association Inc. as at March 31, 2013 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.

Other Matter

The financial statements of Saskatchewan Badminton Association Inc. for the year ended March 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on July 31, 2012.

January 25, 2014

Regina, Saskatchewan

Virtus Group LLP

Chartered Accountants


SASKATCHEWAN BADMINTON ASSOCIATION INC.**Statement of Financial Position**

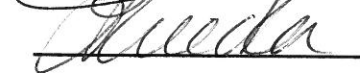
As at March 31, 2013 with comparative figures for March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011 (Note 8)
Assets			
Current Assets			
Cash	\$ 3,689	\$ 12,046	\$ 5,887
Investments (Note 3)	51	32,810	38,091
Accounts receivable	38,045	2,332	2,476
Prepaid expenses	241	-	-
GST receivable	10,482	14,997	11,498
Inventory	2,473	5,321	5,283
	<u>\$ 54,981</u>	<u>\$ 67,506</u>	<u>\$ 63,235</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 16,922	\$ 6,885	\$ 1,190
Deferred grant revenue (Note 4)	-	14,500	-
	<u>16,922</u>	<u>21,385</u>	<u>1,190</u>
Net Assets			
Unrestricted surplus	38,059	46,121	62,045
	<u>\$ 54,981</u>	<u>\$ 67,506</u>	<u>\$ 63,235</u>

See accompanying notes to the financial statements.

On behalf of the Board:

 Director

 Director

SASKATCHEWAN BADMINTON ASSOCIATION INC.
Statement of Operations and Net Assets
for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Revenues		
Saskatchewan Lotteries Trust Fund		
Sport Division (Schedule 1)	\$ 164,685	\$ 161,937
Self Help (Schedule 2)	71,407	80,185
National Sport Organization	5,000	15,000
	<u>241,092</u>	<u>257,122</u>
Expenses		
Administrative (Schedule 3)	81,398	67,773
Capacity/Interaction (Schedule 4)	5,006	20,161
Participation (Schedule 5)	76,145	71,068
Excellence (Schedule 6)	52,028	90,544
Categorical grant expenses - History book	8,000	-
Membership Assistance Payments (Schedule 7)	16,000	15,348
Other		
National dues	3,580	-
Uncollectible accounts	6,970	2,476
Loss on value of investments	27	5,676
	<u>249,154</u>	<u>273,046</u>
Deficiency of revenues over expenses	<u>(8,062)</u>	<u>(15,924)</u>
Net assets, beginning of year	<u>46,121</u>	<u>62,045</u>
Net assets, end of year	<u>\$ 38,059</u>	<u>\$ 46,121</u>

See accompanying notes to the financial statements

SASKATCHEWAN BADMINTON ASSOCIATION INC.
Statement of Cash Flows
for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (8,062)	\$ (15,924)
Net change in non-cash working capital items:		
Accounts receivable	(35,713)	144
Prepaid expenses	(241)	-
GST receivable	4,515	(3,499)
Inventory	2,848	(38)
Accounts payable	10,037	5,695
Deferred grant revenue	(14,500)	14,500
	<u>(41,116)</u>	<u>878</u>
Investing activities		
Proceeds from (purchase of) investments	<u>32,759</u>	<u>5,281</u>
Increase / (decrease) in cash during the year	(8,357)	6,159
Cash, beginning of year	12,046	5,887
Cash, end of year	<u>\$ 3,689</u>	<u>\$ 12,046</u>

See accompanying notes to the financial statements.

SASKATCHEWAN BADMINTON ASSOCIATION INC.

Notes to the Financial Statements

For the year ended March 31, 2013

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1. Nature of operations

Saskatchewan Badminton Association Inc. (the Association) is a provincial sport governing body, dedicated to the promotion of badminton for all individuals and the development of competitive excellence. The Association provides leadership and resources to promote excellence through sport development, competition, education, training and strong member organizations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which 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 amounts of revenues and expenses during the period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in revenues or expenses in the period in which they become known. The financial statements reflect the following significant accounting policies:

Inventory

Inventories are valued at the lower of cost and net realizable value and consist of shuttles, medals, and resale items.

Tangible capital assets

Tangible capital asset purchases are treated as expenditures in the year of acquisition.

Revenue recognition

The Association follows the deferred 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 collections are assured.

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 reversed if the value subsequently improves.

SASKATCHEWAN BADMINTON ASSOCIATION INC.

Notes to the Financial Statements

For the year ended March 31, 2013

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3. Investments

	2013	2012
CI Signature High Income Fund	\$ -	\$ 8,537
Lifepoints Balance Income Portfolio Fund	-	13,123
Real Estate Investment Trust debenture 5.85% due 8/01/20	-	11,055
WTS Yellow Media Ltd	5	-
Yellow Media Ltd	46	-
Yellow Pages Income Fund Trust	-	95
	\$ 51	\$ 32,810

For mutual funds, bonds and guaranteed investment certificates, the fair values are based on quoted market values. For the money market funds, fair value approximates cost due to their immediate or short-term nature.

4. Deferred revenue

In 2012, the Association received \$14,500 from the Battleford Agency Tribal Council for services that were provided in 2013.

5. 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 of the *Income Tax Act*. To the extent the Association maintains its non-profit status, no income taxes will be payable.

6. Economic dependence

Saskatchewan Badminton Association Inc. currently receives significant revenue in grants 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.

6. Financial risk management

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 this risk relating to its cash and accounts receivable.

The Association holds its cash accounts with a regulated Credit Union that is insured by the Credit Union Deposit Guarantee Corporation against loss.

The Association's is exposed to risk relating to its accounts receivable from its customers, however, does not have a significant exposure to any individual customer.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not exposed to any currency risk as it deals exclusively in Canadian currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's financial instruments are all current in nature and will be discharged primarily within the next year therefore the Association's interest rate risk is negligible.

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's main source of funds is a grant from the Saskatchewan Lotteries Trust Fund. As long as the Association fulfills its grant obligations, these funds are provided to it on a timely basis.

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 financial instruments are all current in nature and will be discharged primarily within the next month so the Association's price risk is negligible.

SASKATCHEWAN BADMINTON ASSOCIATION INC.

Notes to the Financial Statements

For the year ended March 31, 2013

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8. Adoption of Canadian accounting standards for not-for-profit organizations:

Effective April 1, 2012, the Association adopted Canadian accounting standards for not-for-profit organizations. These are the Association's first financial statements prepared in accordance with these accounting standards and the transitional provisions of Section 1501 *First-time Adoption by Not-for-Profit Organizations* have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013 and the comparative information presented in these financial statements for the year ended March 31, 2012.

The Association issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by pre-changeover standards of the CICA Handbook - Accounting. The adoption of Canadian accounting standards for not-for-profit organizations had no impact on the previously reported assets, liabilities and net assets of the Association and accordingly, no adjustments have been recorded in the comparative statement of financial position and the statements of financial activities and changes in net assets and cash flows. An opening statement of financial position at April 1, 2011 (the Association's date of transition) has been presented.

SASKATCHEWAN BADMINTON ASSOCIATION INC.**Schedule 1 - Saskatchewan Lotteries Trust Fund - Sport Division**

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Annual funding	\$ 139,206	\$ 135,266
History book	8,000	-
Hosting	2,412	11,376
Membership Assistance Program	16,000	15,343
	<u>165,618</u>	<u>161,985</u>
Revenue returned in the period	(933)	(48)
	<u>\$ 164,685</u>	<u>\$ 161,937</u>

Schedule 2 - Self Help Revenue

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Internal		
Competition, camps, clinic fees	\$ 26,123	\$ 33,524
First Nations championships and games	30,500	3,000
Membership fees	6,584	8,689
Team / athlete fees	3,750	16,548
	<u>66,957</u>	<u>61,761</u>
External		
Investment income	59	1,637
Lottery commissions	4,000	4,000
Merchandise sales revenue (net)	389	3,803
Sponsorship	-	7,262
Other income	2	1,722
	<u>4,450</u>	<u>18,424</u>
	<u>\$ 71,407</u>	<u>\$ 80,185</u>

Schedule 3 - Administration Expenses

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Accounting	\$ 855	\$ 3,548
Audit	13,649	2,677
Insurance	2,220	-
Office operations	9,377	10,417
Staff salaries & benefits	55,297	51,131
	<u>\$ 81,398</u>	<u>\$ 67,773</u>

See accompanying notes to the financial statements

SASKATCHEWAN BADMINTON ASSOCIATION INC.**Schedule 4 - Capacity / Interaction**

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Awards and recognition	\$ 830	\$ 12,839
Hosting	-	75
Marketing and promotions	426	446
Meetings		
Annual general meeting	1,448	2,777
Board and committee meetings	93	-
Memberships	121	100
Planning	2,088	1,838
Professional and leadership development (board or staff)	-	2,086
	<u>\$ 5,006</u>	<u>\$ 20,161</u>

Schedule 5 - Participation

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Athlete Development		
Competition	\$ 25,230	\$ 19,932
Introductory programs	3,989	4,157
Under-represented population initiatives	652	9,928
URP-First Nation championships and games	44,334	29,021
Coaches development	1,740	3,746
Officials development	200	1,586
Club development	-	2,698
	<u>\$ 76,145</u>	<u>\$ 71,068</u>

Schedule 6 - Excellence

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Athlete development		
Athlete assistance	\$ 2,000	\$ 2,879
Competition	41,132	61,907
Talent identification	1,190	3,671
Training	3,791	12,816
Coaches development	3,915	8,935
Officials development	-	336
	<u>\$ 52,028</u>	<u>\$ 90,544</u>

See accompanying notes to the financial statements

SASKATCHEWAN BADMINTON ASSOCIATION INC.**Schedule 7 - Membership Assistance Grant Payments**

for the year ended March 31, 2013 with comparative figures for 2012

	2013	2012
Agency Chiefs Tribal Council	\$ -	\$ 259
Battleford Agency Tribal Council	-	276
Battleford Tribal Council Sports	-	167
Canwood BC	-	1,078
File Hills Qu'Appelle Tribal Council	-	334
Foam Lake BC	300	401
Fox Valley BC	350	467
Leoville BC	-	2,069
Loi's Badminton Club	4,759	638
Meadow Lake Tribal Council	-	309
Moose Jaw 15 Wing BC	-	302
Onion Lake Tribal Council	-	292
Prince Albert District BC	2,613	309
Prince Albert Grand Council	-	200
Regina Jr BC	5,599	2,174
Riverside Badminton and Tennis Club	2,379	1,110
Rosthern BC	-	1,112
Saskatoon Tribal Council	-	292
South East Treaty 4 Tribal Council	-	309
Team Woodland	-	326
Touchwood Agency Tribal Council	-	284
Team Beardy's Okemasis Tribal Council	-	267
Wadena Elementary BC	-	1,695
Wawota BC	-	251
William Mason BC	-	118
Yorkton Tribal Council	-	309
	\$ 16,000	\$ 15,348

See accompanying notes to the financial statements