

Saskatchewan Horse Federation Inc.

Financial Statements

Year Ended December 31, 2023

Independent Auditor's Report
Statement of Financial Position
Statement of Revenue and Expenditures
Statement of Accumulated Surplus
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Independent Auditor's Report

To the Members of Saskatchewan Horse Federation Inc.:

Opinion

I have audited the financial statements of Saskatchewan Horse Federation Inc. (the Entity), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.


Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

INDEPENDENT AUDITORS' REPORT *(continued)*

- 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 Entity'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 Entity'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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



February 29, 2024
Regina, Saskatchewan

Robert D. Szautner
Chartered Professional Accountant

Saskatchewan Horse Federation Inc.
Statement of Financial Position
as at December 31, 2023

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 321,254	\$ 553,847
Short-term investments (Note 3)	46,536	558,637
Accounts receivable	29,948	12,473
Goods and services tax rebate receivable	3,942	2,595
Prepaid expenses	3,841	9,782
Inventory	7,603	8,683
	413,124	1,146,017
Long-term investments (Note 3)	500,000	-
Capital assets (Note 4)	8,952	6,058
Restricted Pegasus fund (Note 6)	51,546	47,804
	\$ 973,622	\$ 1,199,879
Liabilities		
Current Liabilities		
Accounts payable & accrued liabilities	\$ 15,468	\$ 18,937
Deferred revenue (Note 5)	58,983	322,872
Deferred Pegasus Fund Revenue (Note 6)	51,546	47,803
	125,997	389,612
Accumulated Surplus		
Unappropriated Surplus	816,614	760,206
Revenue Stabilization Reserve (Note 7)	31,011	31,011
High Performance Reserve Fund (Note 7)	-	19,050
	847,625	810,267
	\$ 973,622	\$ 1,199,879

See accompanying notes to financial statements

Approved on Behalf of the Board

 _____ Director

 _____ Director

Saskatchewan Horse Federation Inc.
Statement of Revenue and Expenditures
For the Year Ended December 31, 2023

	2023		2022
Revenue			
Sask Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 476,000	\$	423,500
Self-Help Internal			
Competitions/Clinics	36,632		24,646
Memberships (Schedule 2)	145,215		154,367
Team and Athlete Fees	1,852		1,398
Self-Help External			
Donations	750		7,387
Fundraising (net) (Schedule 3)	19,561		25,855
Grants (Schedule 4)	7,873		5,130
Interest Income	17,727		4,999
Other	2		188
Sales (net) (Schedule 5)	6,605		24,096
Sponsorships	1,650		4,725
	713,867		676,291
Expenditures			
Administration (Schedule 6)	\$ 272,103	\$	233,745
Capacity and Interaction (Schedule 7)	120,343		74,651
Participation (Schedule 8)	85,770		74,192
Excellence (Schedule 9)	139,435		92,103
Future Best	-		1,500
Membership Assistance Program (Schedule 10)	58,108		57,400
Elgin Bracken Fund Expense	750		750
	676,509		534,341
 Net Revenue For The Year	 \$ 37,358	 \$	 141,950

See accompanying notes to financial statements

Saskatchewan Horse Federation Inc.
Statement of Accumulated Surplus
For the Year Ended December 31, 2023

	Revenue Stabilization Reserve	High Performance Reserve	Unappropriated Surplus	2023	2022
Accumulated Surplus At the Beginning of the Year	\$ 31,011	\$ 19,050	\$ 760,206	\$ 810,267	\$ 668,317
Net Revenue For The Year	-	-	37,358	37,358	141,950
Transfer to (from) reserve (Note 7)	-	(19,050)	19,050	-	-
Accumulated Surplus At the End of the Year	\$ 31,011	\$ -	\$ 816,614	\$ 847,625	\$ 810,267

See accompanying notes to financial statements

Saskatchewan Horse Federation Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

	2023	2022
Cash Provided by (Used In) Operations		
Net Revenue For The Year	\$ 37,358	\$ 141,950
Items not involving cash:		
Amortization	3,608	1,441
Change in working capital balances:		
Accounts receivable	(17,475)	(5,995)
Goods and services tax rebate receivable	(1,347)	283
Prepaid expenses	5,941	1,693
Inventory	1,080	(5,159)
Accounts payable	(3,469)	2,690
Deferred revenue	(263,889)	(15,711)
Deferred Pegasus fund revenue	3,743	1,598
Cash provided by (used for) operations	(234,450)	122,790
Investing Activities		
Proceeds on disposal of investments	593,623	498,875
Purchase of investments	(581,522)	(558,637)
Purchase of capital assets	(6,502)	-
Cash provided by (used for) investing	5,599	(59,762)
(Decrease) Increase in cash during the year	(228,851)	63,028
Cash Position at the beginning of the Year	601,651	538,623
Cash Position at the end of the Year	\$ 372,800	\$ 601,651
Cash Consists of:		
Cash in Bank	\$ 321,254	\$ 553,847
Restricted Pegasus Fund	51,546	47,804
	\$ 372,800	\$ 601,651

See accompanying notes to financial statements

Saskatchewan Horse Federation Inc.
Notes to Financial Statements
For the Year Ended December 31, 2023

1. Purpose of the Association

The Saskatchewan Horse Federation Inc. (the "Federation") is incorporated under The Non-profit Corporations Act of Saskatchewan. The Saskatchewan Horse Federation Inc. is the provincial body which represents the sport, recreation and industry of horse.

2. Significant Accounting Policies

a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not for Profit Organizations (ASNPO), applied within the framework of accounting policies summarized below.

b) Investments

Investments consist of guaranteed investment certificates, fixed income investments with maturity dates of greater than twelve months from the date of acquisition.

c) Inventory

Inventories are valued at the lower of cost and net realizable value, with cost being determined using the first in first out method.

d) Capital Assets

Capital assets are accounted for at cost and amortized using rates intended to amortize them over their useful lives. Capital assets with a cost less than \$1,500 are expensed in the year of acquisition. Capital assets are depreciated using the straight line method and the following rates:

Computer equipment	3 years
Furniture and equipment	10 years

e) Revenue Recognition

The Saskatchewan Horse Federation Inc. follows the deferral method of accounting for contributions and grants. Memberships, donations and sponsorships are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest is recorded in the period earned. Membership Assistance Program grants received by the corporation are remitted to local horse associations and clubs during the course of the year. Operating and other grants are recognized as revenue as they are earned. Grants for specific projects are recognized concurrent with project expenditures. Induction dinner revenue is recognized in the period the dinner is held. Raffle ticket revenue is recognized in the period the draw is held.

f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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.

Saskatchewan Horse Federation Inc.
Notes to Financial Statements
For the Year Ended December 31, 2023

2. Significant Accounting Policies continued

g) Financial Instruments

The Federation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Federation subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the year in which the changes occur.

Transaction costs are recognized in income in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of fixed income investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal. Investment management fees associated with the index pooled funds are expensed as incurred.

Financial assets measured at amortized cost include accounts receivable and investments in guaranteed investment certificates and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments quoted in an active market.

At the end of each reporting period, the Federation assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there is an indication of impairment, the Federation determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. If the Federation identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the higher of the present value of the expected cash flows or the amount that could be realized from selling the financial asset.

Any impairment of the financial asset is charged to income in the period in which the impairment is determined. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

3. Investments

	2023	2022
Short-term investments		
TCU GIC-Bus 1 YR Cashable, 2.75%, maturing Dec 14, 2024	\$ 46,536	\$ -
CIBC non-redeemable GIC, 1.00% maturing Mar 21, 2023	-	184,796
CIBC non-redeemable GIC, 1.00% maturing Mar 21, 2023	-	188,579
CIBC GIC, 1.40% maturing Jun 8, 2023	-	28,477
CIBC GIC, 1.40% maturing Jun 9, 2023	-	156,785
	\$ 46,536	\$ 558,637
Long-term investments		
TCU GIC-2 YR Non-redeemable, 4.3%, maturing Apr 11, 2025	250,000	-
TCU GIC-3 YR Non-redeemable, 4.4%, maturing Apr 11, 2026	250,000	-
	\$ 500,000	\$ -

Saskatchewan Horse Federation Inc.
Notes to Financial Statements
For the Year Ended December 31, 2023

4. Capital Assets

Capital assets consist of the following:

	Capital Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Computer equipment	14,747	10,412	4,335	-
Furniture and equipment	14,410	9,793	4,617	6,058
	\$ 29,157	\$ 20,205	\$ 8,952	\$ 6,058

5. Deferred Revenue

Deferred revenue consists of the following:

	2023	2022
Annual funding	\$ -	\$ 208,950
Membership assistance program	-	58,100
Membership revenues	32,210	25,900
Government grants	-	3,261
Insurance revenues	11,970	2,871
Nomination - Heritage, Prairie cups & Para	955	775
Sponsorships - General, in-kind	-	1,565
Taxes collected	-	106
Unspent raffle proceeds	13,799	20,939
Western Horse Review	49	405
	\$ 58,983	\$ 322,872

6. Restricted/Deferred Pegasus Funds

Restricted Pegasus Fund revenue are funds that have been donated to the Pegasus Fund by members and are currently being held by the National Sport Trust Fund. The funds earn 5% a year and must remain in the fund for at least five years in order to receive this return. When the funds are withdrawn for use they will be brought into operating income.

7. Appropriated Surplus

The Board of Directors has designated funds as a reserve against possible future decreases in revenues to be able to continue services until additional funds can be arranged. In 2023, the Board appropriated \$19,050 (2022 - \$Nil) from the High Performance Reserve Fund to unappropriated surplus.

8. Financial Instruments and Risk

The Federation's recognized financial instruments consist of cash, investments, accounts receivable and accounts payable.

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 Federation is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Federation regularly reviews outstanding accounts receivable.

Saskatchewan Horse Federation Inc.
Notes to Financial Statements
For the Year Ended December 31, 2023

8. Financial Instruments and Risk continued

Liquidity Risk

Liquidity risk is the risk that the Federation will not be able to meet its financial obligations as they come due. The Federation manages liquidity by maintaining adequate cash on hand to provide for the ongoing management and operations of the Federation. In addition, the Federation continuously monitors and reviews both actual and forecasted cash flows.

Market Risk

The market risk associated with investments is minimized substantially by ensuring that these assets are invested in guaranteed investment certificates or bonds. The rates of these investments are fixed at rates similar to market interest rates.

Interest Risk

The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments subject the Corporation to a fair value risk while the floating rate instruments subject it to a cash flow risk.

9. Economic Dependence

Saskatchewan Horse Federation 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.

10. Donated Services

The work of the Federation is dependent on the voluntary services of many members. Since these services are not normally purchased by the Federation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

11. Income Tax Status

The Federation is exempt from income tax as a non-profit organization.

12. Commitments

The Federation is committed to minimum lease payments on operating leases related to the administration of the Federation as follows:

2024	\$	1,932
2025	\$	1,932
2026	\$	1,932
2027	\$	1,932
2028	\$	483

13. Comparative Figures

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

Saskatchewan Horse Federation Inc.
Revenue Schedules to Financial Statements
For the Year Ended December 31, 2023

	2023	2022
Saskatchewan Lotteries Trust Fund, Sports Division		
Schedule 1		
Annual Funding	\$ 417,900	\$ 366,100
Membership Assistance Program	58,100	57,400
	\$ 476,000	\$ 423,500

Schedule of Memberships
Schedule 2

Individuals	\$ 138,455	\$ 146,887
Corporate	6,760	7,480
	\$ 145,215	\$ 154,367

Schedule of Fundraising (net of expenses)
Schedule 3

AGM fundraising activities	\$ 400	\$ 1,115
Equine expo	2,500	7,500
Grant - SLGA	4,055	3,471
Heritage & Prairie Cup banquet	2,735	2,300
Raffle revenue	27,754	29,656
Raffle expense	(17,883)	(18,187)
	\$ 19,561	\$ 25,855

Schedule of Grants
Schedule 4

Sask Sport - Future Best	\$ -	\$ 1,500
Government of Canada - Student Summer Grant	4,162	-
Government of Saskatchewan - Ag partnership	3,711	3,630
	\$ 7,873	\$ 5,130

Schedule of Sales (net of expenses)
Schedule 5

Hall of Fame banquet	\$ 770	\$ 1,733
Insurance/sanctioning revenue	36,899	49,634
Insurance/sanctioning expense	(33,525)	(29,230)
Manual sales	1,643	1,760
Merchandise sales	326	280
Cost of goods sold	(952)	(1,535)
Western Horse Review revenue	2,680	3,130
Western Horse Review expense	(1,236)	(1,676)
	\$ 6,605	\$ 24,096

Saskatchewan Horse Federation Inc.
Expenditures Schedules to Financial Statements
For the Year Ended December 31, 2023

	2023	2022
Administration		
Schedule 6		
Amortization	\$ 3,608	\$ 1,441
Audit	6,239	5,968
Insurance	2,440	5,669
Legal fees	7,197	30
Office operations		
Bank charges	9,740	9,006
Bookkeeping	3,494	2,770
Office expenses	43,610	39,351
Salaries and benefits	195,074	167,080
Staff travel and recruitment	701	2,430
	\$ 272,103	\$ 233,745

Capacity and Interaction
Schedule 7

Awards and recognition	\$ 45,204	\$ 19,135
Communication	20,851	13,169
Conference/Symposiums	6,947	3,631
Marketing and promotion	9,946	3,893
Meetings		
AGM	9,743	5,751
Board and committee	12,160	10,567
National	1,464	-
Memberships	7,640	8,076
Planning & Policy development	6,388	8,789
Professional and Leadership Development	-	1,640
	\$ 120,343	\$ 74,651

Saskatchewan Horse Federation Inc.
Expenditures Schedules to Financial Statements
For the Year Ended December 31, 2023

	2023	2022
Participation		
Schedule 8		
Athlete development		
Competitions	\$ 44,571	\$ 32,481
Introductory programs	10,584	10,428
Coaching development	3,922	6,657
Officials development	3,770	2,109
Salaries and benefits	22,923	22,517
	\$ 85,770	\$ 74,192

Excellence		
Schedule 9		
Athlete development		
Athlete assistance	\$ 28,600	\$ 13,050
Competition	48,111	42,073
Talent ID	30,728	3,000
Coaching development	4,923	6,732
Officials development	4,150	4,730
Salaries and benefits	22,923	22,518
	\$ 139,435	\$ 92,103

Saskatchewan Horse Federation Inc.
Expenditures Schedules to Financial Statements
For the Year Ended December 31, 2023

	2023	2022
Membership Assistance Program Grants		
Schedule 10		
Club Name		
Aberdeen Sunset Riders	\$ 1,000	\$ 1,000
Battlefords Quarter Horse Club Inc.	1,000	643
Biggar Recreational Valley Inc.	1,350	1,150
Bridge City Polocrosse Inc.	1,350	1,000
Cadillac Light Horse Club	408	1,150
Canadian Ranch Roping Association	-	1,000
Carrot River Light Horse Club	-	1,150
Classique Equestrian Club Inc.	1,100	1,000
Corman Park Horse Riders	1,000	1,150
Davidson Riding Club (Brightwater Riding Club)	-	408
Delisle Riding Club	1,000	826
Dusty Riders 4H Light Horse	1,000	1,000
Eastend Light Horse Improvement Society	1,000	1,000
Grasswood Fillies Inc.	1,225	1,150
Heartland Pony Club	1,225	1,150
Horse Trials SK	1,100	-
Last Mountain Riding Club	-	1,000
Maple Creek Light Horse Association	-	1,150
Melfort Agricultural Society	1,225	-
Midwest Roping Association	1,225	1,000
Mirror Image Vaulters Inc.	1,000	-
North East Riding Club	1,000	1,150
Park Valley Pony Club	1,100	1,150
Parkland Riding Club	-	900
Prairie Arabian Working Western & Sport Horse Association	-	1,280
Prairie Carriage Driving Club	1,350	1,150
Prairie Mentoring Centre for Therapeutic Riding	-	1,280
Prairie N Forest Equestrian Club	1,350	1,150
Prairie Sport Horse Association	1,000	-
Qu'Appelle Horse Pullers	-	1,000
Red Deer Saddle Club	-	1,000
Regina District Dressage Association	1,500	1,000
Sask Clydesdale Association	1,100	1,000
Sask Cutting Horse Association	1,800	1,370
Sask Equestrian Vaulting Association	1,500	1,280
Sask High School Rodeo Association	1,500	-

(continues)

Saskatchewan Horse Federation Inc.
Expenditures Schedules to Financial Statements
For the Year Ended December 31, 2023

	2023	2022
Sask Hunter Jumper Association	1,350	1,000
Sask Long Riders	1,350	1,150
Sask Morgan Horse Club	1,100	1,000
Sask Mountain Trail Club	-	1,000
Sask Paint Horse Club	-	1,369
Sask Quarter Horse Association	1,800	1,000
Sask Reined Cow Horse Association	1,800	-
Sask Reining Horse Association	1,800	1,369
Sask Regional Pony Club	1,000	1,150
Sask Riding Club Assoc	1,800	1,369
Sask Valley Riding Club	1,350	1,150
Sask Western Dressage Association	1,800	1,369
Sask Working Teamsters Association	-	1,000
Saskatoon Dressage Club	1,500	1,369
Saskatoon Riding Club	1,500	1,150
Saskatoon Team Penning Club	1,800	1,369
Sunshine Vaulters	1,000	1,000
Tally Ho Equestrian	1,800	1,369
Val Marie 4H Light Horse Club	1,500	1,280
Vanscoy Multiple 4H Club	1,225	1,150
Victoria Plains Horse Club	1,225	1,000
Wheels & Saddles Drive / Riding	1,000	1,150
Total MAP Grants	\$ 58,108	\$ 57,400