

**SASKATCHEWAN RUGBY UNION INC.**

**FINANCIAL STATEMENTS**  
**December 31, 2023**

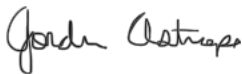
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Saskatchewan Rugby Union Inc.** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement 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.



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Executive Director

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Treasurer



## INDEPENDENT AUDITORS' REPORT

**To the Members,  
Saskatchewan Rugby Union Inc.**

### *Opinion*

We have audited the financial statements of **Saskatchewan Rugby Union Inc.**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its financial performance and 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 Organization 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.

### *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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

### *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.

## INDEPENDENT AUDITORS' REPORT (continued)

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 Organization'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 Organization'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 Organization 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**March 14, 2024**  
**Regina, Saskatchewan**

*Virtus Group LLP*

**Chartered Professional Accountants**

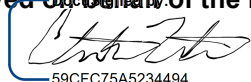
**SASKATCHEWAN RUGBY UNION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

(with comparative figures as at December 31, 2022)

	<b>ASSETS</b>	
	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash	\$ 18,279	\$ 106,284
Accounts receivable	20,869	8,216
Inventory	40,045	34,893
Investment (Note 3)	54,565	52,048
Prepaid expenses	3,304	3,840
	137,062	205,281
<b>Tangible capital assets (Note 4)</b>	11,209	5,309
<b>Sport Legacy Fund receivable (Note 5)</b>	108,758	102,185
	\$ 257,029	\$ 312,775
	<b>LIABILITIES</b>	
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 48,387	\$ 24,138
Funds held in trust (Note 10)	33,870	-
Government remittances payable	2,023	1,814
Deferred revenue (Note 6)	6,000	148,100
	90,280	174,052
<b>Deferred Sport Legacy Fund (Note 5)</b>	108,758	102,185
	199,038	276,237
	<b>NET ASSETS</b>	
<b>Unappropriated surplus</b>	57,991	36,538
	57,991	36,538
	\$ 257,029	\$ 312,775

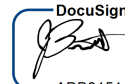
See accompanying notes to the financial statements.

Approved on behalf of the board:



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**SASKATCHEWAN RUGBY UNION INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Saskatchewan Lotteries Trust Fund, Sport Division (Schedule 1)	\$ 299,800	\$ 264,600
Self help (Schedule 2)	234,478	132,882
	<u>534,278</u>	<u>397,482</u>
<b>Expenses</b>		
Administration (Schedule 3)	147,878	167,442
Capacity and Interaction (Schedule 4)	55,796	12,752
Participation (Schedule 5)	204,292	181,871
Excellence (Schedule 6)	74,644	67,379
Membership Assistance Program (Schedule 7)	29,900	32,100
Other (Schedule 8)	315	4,006
	<u>512,825</u>	<u>465,550</u>
<b>Excess (deficiency) of revenue over expenses</b>	21,453	(68,068)
<b>Net assets - beginning of year</b>	<u>36,538</u>	<u>104,606</u>
<b>Net assets - end of year</b>	<u>\$ 57,991</u>	<u>\$ 36,538</u>

See accompanying notes to the financial statements.

**SASKATCHEWAN RUGBY UNION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 21,453	\$ (68,068)
Items not affected by cash:		
Amortization	6,561	7,319
Non-cash operating working capital (Note 7)	(101,041)	26,761
	<u>(73,027)</u>	<u>(33,988)</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to tangible capital assets	(12,461)	-
Change in investments	(2,517)	2,606
	<u>(14,978)</u>	<u>2,606</u>
<b>Decrease in cash</b>	(88,005)	(31,382)
<b>Cash position - beginning of year</b>	<u>106,284</u>	<u>137,666</u>
<b>Cash position - end of year</b>	<u>\$ 18,279</u>	<u>\$ 106,284</u>

See accompanying notes to the financial statements.

**SASKATCHEWAN RUGBY UNION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(with comparative figures for the year ended December 31, 2022)

**1. Nature of operations**

The Saskatchewan Rugby Union Inc. (the "Organization") is a non-profit organization which organizes and administers the sport of rugby in the Province of Saskatchewan. The Organization was continued under the Saskatchewan *Non-profit Corporations Act, 2022*.

**2. Summary of significant accounting policies**

The 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 accounting policies:

*Financial instruments - recognition and measurement*

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization 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 instruments 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.

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 value of financial instruments measured at fair value are recognized in the excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments include cash, accounts receivable, investments, Sport Legacy Fund receivable and accounts payable and accrued liabilities and funds held in trust. The fair value of the items approximate cost given their short term nature.

*Inventory*

Inventories are measured at the lower of cost and net realizable value. Costs are determined using the specific item method. Net realizable value is the estimated selling price in the ordinary course of operations. Inventory consists of promotional items.

*Tangible capital assets*

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

Equipment	3 years
Office furniture	3 years



**SASKATCHEWAN RUGBY UNION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

**2. Summary of significant accounting policies (continued)**

*Revenue recognition*

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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.

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the Saskatchewan Rugby Union Inc. as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation for the year ended December 31, 2023. Accordingly, any amounts not received by year end are shown as grant receivable and any amounts received relating to the next fiscal period are shown as deferred grant revenue.

*Donations in Kind*

Donations of material and services are recorded at fair market value when received if the amount can be reasonably estimated. These donations are disclosed in financial statements as "Donations in kind".

*Income Taxes*

No provision for income taxes has been made in these financial statements as the Organization is a non-profit organization and is exempt from income taxes under Section 149 (1) (l) of the *Income Tax Act*. To the extent the Organization maintains its non-profit status, no income taxes will be payable.

**3. Investments**

	<u>2023</u>	<u>2022</u>
RBC Canadian Short Term Income Fund	\$ 54,565	\$ 52,048

**4. Tangible capital assets**

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 39,112	\$ 29,588	\$ 9,524	\$ 5,309
Office furniture	2,022	337	1,685	-
	<u>\$ 41,134</u>	<u>\$ 29,925</u>	<u>\$ 11,209</u>	<u>\$ 5,309</u>

**5. Sport Legacy Fund**

The receivable from the Sport Legacy Fund and the related liability consists of donations based on various programs and contributions by Sask Sport Inc. These amounts are recorded as deferred revenue until amounts have been received. To qualify for the additional contribution by Sask Sport, the Organization is required to leave the original amount and any additional donations in the Legacy Fund for 5 years.

**6. Deferred revenue**

During 2023, the Saskatchewan Rugby Union Inc. received \$nil (2022 - \$148,100) from the Saskatchewan Lotteries Trust Fund – Sport Division for expenses which will occur in the following fiscal year and \$6,000 (2022 - \$nil) from members for expenses that will occur in the following year.

**SASKATCHEWAN RUGBY UNION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

**7. Non-cash operating working capital**

Details of net change in each element of working capital related to operations excluding cash are as follows:

	<b>2023</b>	<b>2022</b>
<b>(Increase) decrease in current assets:</b>		
Accounts receivable	\$ (12,653)	\$ 4,951
Inventory	(5,152)	18,467
Prepaid expenses	536	6,971
	<u>(17,269)</u>	<u>30,389</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	24,249	(4,024)
Funds held in trust	33,870	-
Government remittances payable	209	(1,304)
Deferred revenue	(142,100)	1,700
	<u>(83,772)</u>	<u>(3,628)</u>
	<u>\$ (101,041)</u>	<u>\$ 26,761</u>

**8. Economic dependence**

The Saskatchewan Rugby Union Inc. currently receives 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.

**9. Financial risk management**

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization 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 Organization is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer. In order to reduce its credit risk, the Organization has adopted credit policies to reasonably assure collection of outstanding receivables. The Organization's bad debt expense is reported on the statement of operations.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization'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 Organization's financial obligations.

*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 Organization's investments in mutual funds expose the Organization to market price risk as such investments are subject to price changes in the open market. The Organization does not use any derivative financial instruments to alter the effects of this risk.

**SASKATCHEWAN RUGBY UNION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**10. Funds held in trust**

At year end, the Organization held funds on behalf of the RRU Summer Sand Volleyball which were forwarded to the Regina Rugby Union in February 2024.

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**SASKATCHEWAN RUGBY UNION INC.**  
**Schedule of Revenue**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**Schedule 1 - Sask Lotteries Trust Fund, Sport Division**

	<b>2023</b>	<b>2022</b>
Annual funding	\$ 269,900	\$ 236,400
Membership assistance program	29,900	28,200
	<u>\$ 299,800</u>	<u>\$ 264,600</u>

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**Schedule 2 - Self Help**

	<b>2023</b>	<b>2022</b>
<b>Internal</b>		
Clinic fees	\$ 1,590	\$ 525
Membership fees	37,005	36,394
Team/Athlete fees	77,073	52,535
<b>External</b>		
Fundraising	21,423	684
Grants:		
Community Initiatives Fund	10,000	-
Government of Canada - Summer Jobs	49,316	20,505
Participation Canada Grant	5,000	-
PHE Canada Grant	5,000	-
National Sport Organization	20,000	16,667
Merchandise sales (net costs \$,\$)	2,557	5,380
Other	150	502
Sponsorship	-	1,927
Unrealized gain (loss) on market value of investments	5,364	(2,237)
	<u>\$ 234,478</u>	<u>\$ 132,882</u>

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**SASKATCHEWAN RUGBY UNION INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**Schedule 3 - Administration**

	<b>2023</b>	<b>2022</b>
Amortization	\$ 6,561	\$ 7,319
Audit	6,402	5,859
Bad debts (recovery)	-	120
Insurance	3,736	3,699
Office operations:		
Bank and finance charges	911	585
Bookkeeping	2,343	1,937
Phone	2,956	4,382
Postage	2,140	2,297
Printing and photocopying	7,227	2,813
Rent	13,614	10,198
Supplies	8,313	8,111
Salaries and benefits	93,675	120,122
	<b>\$ 147,878</b>	<b>\$ 167,442</b>

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**Schedule 4 - Capacity and Interaction**

	<b>2023</b>	<b>2022</b>
Awards and recognition	\$ 854	\$ 2,365
Communications	5,274	2,301
Marketing and promotion	7,966	1,736
Meetings:		
Annual general meeting and membership meetings	5,383	2,900
Board and committee meetings	8,386	2,020
Memberships	627	475
Planning and policy development	23,825	-
Professional and leadership development	3,481	955
	<b>\$ 55,796</b>	<b>\$ 12,752</b>

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**Schedule 5 - Participation**

	<b>2023</b>	<b>2022</b>
Athlete development:		
Competition	\$ 14,766	\$ 52,576
Competition-hosting	1,240	241
Introductory programs	99,185	53,246
Under-represented populations	14,953	1,415
Club assistance	-	8,702
Coaches development:		
Introductory clinics	1,923	757
Coaching development	11,256	5,021
Officials development:		
Introductory clinics	150	1,451
Officiating development	6,153	4,093
Technical staff salary and benefits	54,666	54,369
	<b>\$ 204,292</b>	<b>\$ 181,871</b>

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**SASKATCHEWAN RUGBY UNION INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**Schedule 6 - Excellence**

	<b>2023</b>	<b>2022</b>
Athlete development:		
Athlete assistance	\$ 4,410	\$ 3,810
Competition	67,278	52,031
Training	2,956	5,968
Coaches development	-	2,679
Officials development	-	2,891
	\$ 74,644	\$ 67,379

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**Schedule 7 - Membership Assistance Program**

	<b>2023</b>	<b>2022</b>
Campion Grads	\$ 1,559	\$ 932
Condors Rugby Club	1,593	892
Gophers RFC	2,199	2,177
Jr Howlers RFC	-	2,200
Lashburn Lucky	3,950	2,687
Meadow Lake SheDevils	1,832	2,667
Moose Jaw Mini Rugby	1,833	1,811
Moose Jaw Rugby	-	235
Prince Albert Rugby Club	-	686
Ravens RFC	-	742
Regina Highlanders Rugby Club	1,768	1,232
Regina Minor Rugby	-	8,461
Regina Rage WRFC	1,669	781
Regina Rogues RFC	1,794	-
Saskatoon Badger RFC	1,913	1,962
Saskatoon Kirin RFC	1,498	-
Saskatoon Minor Rugby	2,457	-
Saskatoon Wild Oats RFC Men	2,634	2,187
Saskatoon Wild Oats RFC Women	1,213	722
Swift Current Rugby Club	1,988	1,726
	\$ 29,900	\$ 32,100

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**Schedule 8 - Other Expenses**

	<b>2023</b>	<b>2022</b>
Fundraising expense	\$ 315	\$ 171
The Kit Shop	-	3,835
	\$ 315	\$ 4,006

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