

**Guidelines for the Preparation of
Audited Financial Statements for
Provincial Sport Governing Bodies**

JANUARY
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Introduction

The purpose of the Guidelines for the Preparation of Audited Financial Statements for Provincial Sport Governing Bodies is to guide and inform the Provincial Sport Governing Bodies (PSGBs) and their external auditor of the follow-up process, the various Saskatchewan Lotteries Trust Fund regulations and grant guidelines, and establish a standardized financial statement format.

A major benefit of this handbook is that it draws information from various sources into one document. Thus, it serves as a quick source of reference for the PSGBs and their auditors. It provides auditors with a better understanding of the Trust grants and the eligible expenditures under the various funding blocks of the grants. The handbook describes the Annual Funding spending blocks and the programs and services that are eligible for Trust funding.

As the PSGBs will have an indication of the types of information the auditor will require to perform the audit, they can ensure this type of information is prepared on a timely basis. Thus, the audit can be performed on a more timely and cost-efficient basis, ensuring that the audited financial statements and related follow-up reports are more easily prepared and are submitted to the Trust within the required period.

Financial statements normally include a statement of financial position, statement of operations and net assets and statement of cash flows. Notes to the financial statements and supporting schedules to which the financial statements are cross-referenced are an integral part of such statements. The notes and supporting schedules are useful for the purpose of clarification, or further explanation, of the items in the financial statements. They have the same significance as if the information or explanations were set forth in the body of the statements themselves. They should not, however, be used as a substitute for proper accounting treatment.

Generally accepted accounting principles (GAAP) is the term used to describe the basis on which financial statements are normally prepared. GAAP encompass not only specific rules, practices and procedures relating to particular circumstances but also broad principles and convention of general application. Specifically, GAAP comprise the Accounting Recommendations in the Canadian Institute of Chartered Accountants (CICA) Handbook and, when a matter is not covered by a Recommendation, other accounting principles that either:

- 1) are generally accepted by virtue of their use in similar circumstances by a significant number of entities in Canada: or
- 2) are consistent with the recommendations in the CICA Handbook and are developed through the exercise of professional judgment, including consultation with other informed accountants where appropriate. In exercising professional judgment, established principles for analogous situations dealt with in the CICA Handbook would be taken into account and references would be made to:
 - a) other relevant matters dealt with in the CICA Handbook;
 - b) practice in similar circumstances;
 - c) Accounting Guidelines published by the Accounting Standards Steering Committee;
 - d) abstracts of Issues Discussed by the CICA Emerging Issues Committee;
 - e) International Accounting Standards published by the International Accounting Standards Committee;

- f) standards published by bodies authorized to establish financial accounting standards in other jurisdictions;
- g) CICA research studies; and
- h) other sources of accounting literature such as textbooks and journals.

The relative importance of the various sources is a matter of professional judgment in the circumstances.

The objective of an audit of financial statements is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian GAAP, or in special circumstances another appropriate disclosed basis of accounting. Such an opinion is not an assurance as to the future viability of an entity or an opinion as to the efficiency or effectiveness with which its operations have been conducted. In their performance of an audit of financial statements, the auditor complies with Canadian generally accepted auditing standards (GAAS), which relate to the auditor's qualifications, the performance of the audit and the preparation of his or her report. These standards are set out in the CICA Handbook.

The auditor performs the audit with an attitude of professional skepticism, and seeks reasonable assurance that the financial statements are free of material misstatement. The auditor designs auditing procedures and exercises professional judgment in determining the nature, extent and timing of those procedures, in evaluating their results and in assessing determinations made by management. Absolute assurance in auditing is not attainable as a result of such factors as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much evidence available to the auditor is persuasive rather than conclusive in nature.

General Grant Guidelines

Grants are approved with the understanding that the funds are to be used for eligible purposes adhering to grant policies and guidelines. In the event funds are not used in accordance with policies and guidelines, they will be required to be returned to the Trust.

Sask Sport Inc. uses the audited financial statements presented by each sport organization to monitor the expenditure of grants and to assist in the evaluation of future applications. PSGBs are eligible to apply for Annual Funding grants (see spending block summary following this section).

The grant applications are approved based on the budget and program detail identified in the grant application. Any changes to this approved budget should be clearly identified in the organization's Board minutes. It is important that Sask Sport Inc. receive accurate information, through the audited financial statements, regarding how funds were expended. Classifications of revenues and expenses should be segregated by program, i.e. as a separate line item or schedule within the financial statement.

Areas that are not eligible for support from Lottery funding are as follows:

- capital expenditures – no support is available for construction, renovation, or upgrading of facilities;
- liquor, social events, banquets, etc.
- cash prizes;
- off-the-continent travel;
- other areas as may be deemed ineligible by Sask Sport Inc.

Self-help funds generated by an organization may be used for these, or any other, purposes.

Under extenuating circumstances, the Trust may give consideration to exceptional needs that are essential to the development of a PSGB but are not currently met through the existing guidelines or areas of support within each spending block. This process involves the PSGB applying for and obtaining written approval from the Trust prior to the expenditure or activity taking place.

Grant follow-ups must be submitted to the Trust within ninety (90) days of an organizations' fiscal year end, unless otherwise specifically indicated within the grant policies. It is expected that audited financial statements can be prepared within 90 days and therefore, no extensions are anticipated.

Grants will be paid no earlier than thirty (30) days prior to the start of an organization's fiscal year.

When there is concern about an organization's ability to be accountable for Trust funds, as in the following situations:

- follow-up reports on previous grants are outstanding,
- the organization ceased to meet eligibility criteria,
- the organization's operations are suspended,

then the Trust may, in consultation with Sask Sport Inc., withhold grant payment(s) until some specified action to rectify the situation has occurred. The organization will be notified in writing of the suspended payments.

Funds may be returned to the Trust under the following circumstances:

- funds are not used in the manner for which they are approved;
- the total grant allocation was not expended within the required fiscal time period;
- the project has been completed and the total grant allocation was not expended;
- the association is unable to meet the follow-up requirements;
- any other reasons which would bring into question the misuse or misappropriation of Trust funds.

Repayment of grant returns is required immediately or the grant follow-up will be considered outstanding. Further funding is not granted to an organization with outstanding follow-up reports.

PSGB Annual Funding Spending Summary

ADMINISTRATION

- To provide financial assistance in support of the administrative functions required for effective and efficient management of the organization.
- A **maximum of 27% of Annual Funding** may be allocated to Administrative expenditures.
- The following areas are eligible for support:
 - Executive Director/Administrator
 - Administrative support staff
 - Relocation, recruitment and selection expenses for administrative staff
 - Office operations expenses including office supplies, phone, photocopying, rent, etc.
 - Insurance
 - Legal
 - Audit
 - Staff travel and sustenance

CAPACITY/INTERACTION

- To provide financial assistance in support of skill and resource development, collaboration and communication that improves organizational effectiveness.
- A **minimum of 3% of Annual Funding** must be spent on Capacity/Interaction related expenditures.
- The following areas are eligible for support:
 - Planning
 - Leadership/Professional development (Volunteer and/or staff)
 - Delegates to conferences/symposiums/national meetings
 - Awards & Recognition
 - Hosting
 - Policy Development and Maintenance
 - Communications (newsletters, websites, etc.)
 - Board and Committee meetings including travel and sustenance
 - Provincial Annual General Meeting
 - Promotions/marketing

PARTICIPATION

- To provide financial assistance in support of grassroots sport programs that will increase the level and quality of active participation of Saskatchewan residents in sport activities.
- A **minimum of 35% of Annual Funding** must be spent on Participation related initiatives.
- Additional requirement in this area:
 - **20% of the minimum 35% must be spent on Introduction and Under-represented Population Initiatives.** Expenditures over and above the categorical grant amounts received for Participation related programs such as Children in Sport and Aboriginal Sport Development grants can be used towards attaining this minimum requirement.
- The Participation Pillar supports the following activities which develop the sport up to and including the provincial level:

Athlete development

- **Introductory programs** (i.e. Learn-to programs, public participation opportunities, new club development, equipment, training, facility rentals, travel & sustenance, etc.).
- **Under-represented population initiatives** (i.e. programs for Aboriginal people, youth at risk, people with a disability, northern residents, economically disadvantaged, etc.)
- **Competition** (i.e. playdowns, local competitions, provincial championships, etc.)

Coaching development

- Grassroots Coach/Technical staff salary and/or expenses
- Volunteer coaching development (i.e. clinics, honorariums, upgrading, technical materials, etc. up to provincial competition level.

Officials development

- Clinics, technical materials, rulebooks, upgrading, etc. up to provincial competition level.

EXCELLENCE

- To provide financial assistance in support of developing a high performance sport program that will contribute to Saskatchewan athletes, teams, coaches and officials in achieving success at regional, national and international levels through fair and ethical means.
- A **minimum of 35% of Annual Funding** must be spent on Excellence related initiatives. Expenditures over and above the categorical grant amounts received for Excellence related programs such as Aboriginal Excellence and Canada Games grants can be used towards attaining this minimum requirement.

- The Excellence Pillar supports the following activities which develop the sport beyond the provincial level (i.e. regional, national or international):

Athlete development

- Talent ID
- Training
- Competition
- Athlete Assistance

Coaching development

- Provincial Coach/Technical staff salary and/or expenses
- Volunteer coaching development (i.e. clinics, honorariums, upgrading, technical materials)

Officials development

- Professional upgrading, travel & sustenance, technical materials

Sport Medicine & Science

- Sport psychology, sport medicine, sport therapy, nutrition, biomechanics, exercise physiology, fitness testing, etc.

The Audit Process

Financial statements must be submitted to the Trust within 90 days of the PSGB's year end. The financial statements must be audited by a firm which is recognized by the Institute of Chartered Accountants of Saskatchewan, the Society of Management Accountants of Saskatchewan, or the Certified General Accountants Association of Saskatchewan.

The firm which performs the audit of the PSGB must follow generally accepted auditing standards as set out in the CICA Handbook. These standards require that the audit be properly planned and supervised. The firm should be selected several months prior to the organization's year end by the Board of Directors. By contacting the firm well in advance of the organization's year end, the terms of engagement, the timing required to finalize the audit within 90 days of the organization's year end, fees, audit approach, etc., can be discussed and finalized. In some circumstances, the audit firm can perform interim audit procedures prior to year end.

The audit firm and the PSGB should discuss and agree on what information will be required for the timely and efficient audit of the organization. Generally, the audit firm will request certain working papers be prepared by the PSGB. The following is a listing of the type of information that may be required by the auditor:

- monthly bank reconciliations and bank statements,
- general ledger, trial balance, disbursements and cash receipts journal,
- detailed accounts payable listing as at the year end date,
- detailed accounts receivable listing as at the year end date as well as an indication of which receivables may be uncollectible,
- inventory listing as at the year end date, including the number of items on hand and the purchase price,
- detailed listing of investments/marketable securities as at year end date,
- detailed listing of fixed asset additions and disposals,
- copies of minutes of board meetings held during the year,
- copies of contracts or leases,
- Sask Sport Inc. funding information including direct confirmation from Saskatchewan Lotteries Trust Fund regarding grant amounts received by the PSGB.

In general terms, all documents (such as invoices, payment vouchers, cancelled cheques, etc.) should be well organized and easily accessible by the auditor. Generally, documents should be filed alphabetically by payee, or numerically by prenumbered document (e.g. cheque number).

It is important to realize that while the organization's auditor may offer suggestions as to financial statement format, the format of the organization's financial statements is the responsibility of the organization itself.

At the completion of its annual audit, an organization should normally receive a report from its auditor discussing any opportunities for improved internal controls or increased operating efficiencies.

Standardized Financial Statement Format

The financial statements for a Sample PSGB contained in Appendix 1 establish the standard format which should be followed in preparing the financial statements for a PSGB. This format enables the PSGB to complete the follow up procedures required by the Trust in an efficient and timely manner.

The standard format has been prepared as a general guideline. Although this format should be followed as closely as possible, the sample financial statements do not take all possible alternatives into consideration. Thus, the financial statements should be tailored to meet the needs of the various PSGBs. However, the revenue derived from the Saskatchewan Lotteries Trust Fund MUST be clearly indicated with the words "Saskatchewan Lotteries Trust Fund, Sport Division" or "Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation".

As stated in the introductory section, generally accepted accounting principles should be used in the preparation of the financial statements. Particular attention should be paid to Section 4400 to 4470 Non-Profit Organizations of the CICA Handbook. The recommendations in this section of the CICA Handbook include the following:

- financial statements should be prepared using the accrual basis of accounting;
- donated property, plant and equipment should be recorded at fair value when fair value can be reasonably estimated;
- an organization may choose to record the value of donated materials and services, but should do so only when a fair value can be reasonably estimated and when the materials and services are normally purchased by the organization and would be paid for if not donated;
- the policy followed in accounting for donated materials and services should be disclosed;
- the nature and amount of donated materials and services received in the period and recorded in the financial statements should be disclosed;
- if significant, fixed assets should be capitalized and amortized;
- pledges must be recognized as revenue in the period in which they are received or receivable;
- contributions received for future operating expenses should be recognized as unearned revenue but contributions received for future capital assets should be recognized as revenue in the year the cash is received.
- when allocations of general and/or fundraising costs are made to other functions the organization must disclose the policies related to the allocations, the nature of the expenses being allocated and the basis on which such allocations have been made and the functions to which they have been allocated.
- revenues and expenses must be recognized on a gross basis when an organization is acting as the principal in the subject transactions and may only be reported on a net basis when acting as an agent.

Once the auditors have completed their work, provided the Auditors' Report and the audited statements have been approved by the Board of Directors, the statement of financial position should be signed by two directors of the PSGB, preferably the Treasurer and the President as evidence of the Board's approval. These signed financial statements should be stored in a safe place and should be retained for the life of the organization.

Appendix 1. Sample Financial Statement

**Audited Financial Statements of
Sample PSGB Inc.
Year ended March 31, 2010**

MANAGEMENT'S RESPONSIBILITY COMMUNICATION

**To the Members,
Sample PSGB Inc.**

Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

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.

Ultimate responsibility for financial statements to members lies with the Board of Directors. An Audit Committee of Directors is appointed by the Board to review financial statements in detail with management and to report to the Board of Directors prior to their approval of the financial statements for publication.

Independent auditors appointed by the members audit the financial statements and meet separately with both the Audit Committee and management to review their findings. The independent auditors report directly to the members and their report follows. The independent auditors have full and free access to the Audit Committee to discuss their audit and their findings as to the integrity of the Organization's financial reporting and the adequacy of the system of internal controls.

President

Treasurer

AUDITORS' REPORT

**To the Members,
Sample PSGB Inc.**

We have audited the statement of financial position of **Sample PSGB Inc.** as at March 31, 2010 and the statements of revenues over expenses, net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Sample PSGB Inc.** as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Regina, Canada
May 10, 2010

Sample PSGB Inc.

Statement of Financial Position

March 31, 2010 with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash	\$ xx	\$ xx
Accounts receivable	xx	xx
Investments	xx	xx
Grants receivable (note 4)	xx	xx
Prepaid expenses	xx	xx
Inventory	xx	xx
	xx	xx
Property and equipment (note 5)	xx	xx
	\$ xx	\$ xx
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ xx	\$ xx
Grant returns payable (note 6)	xx	xx
Deferred grant revenue (note 7)	xx	xx
	xx	xx
Net Assets		
Invested in property and equipment	xx	xx
Unrestricted	xx	xx
	xx	xx
	\$ xx	\$ xx

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

Sample PSGB Inc.

Statement of Revenues Over Expenses and Net Assets

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Revenues:		
Saskatchewan Lotteries Trust Fund, Sport Division (schedule 1)	\$ XX	\$ XX
National Sport Organization revenue	XX	XX
Self help (schedule 2)	XX	XX
	XX	XX
Expenses:		
Administration (schedule 3)	XX	XX
Capacity/Interaction (schedule 4)	XX	XX
Participation (schedule 5)	XX	XX
Excellence (schedule 6)	XX	XX
Categorical grant expenses (schedule 7)	XX	XX
Membership Assistance Payments (schedule 8)	XX	XX
Other		
1 Cash prizes	XX	XX
1 Facility construction or upgrading	XX	XX
1 Off continent travel	XX	XX
1 Social events	XX	XX
2 Fundraising expenses	XX	XX
2 Promotional merchandise expense	XX	XX
2 Sponsorship expenses	XX	XX
	XX	XX
Net revenues over expenses	XX	XX
Net assets, beginning of year	XX	XX
Unrealized gains (losses) on available for sale assets	XX	XX
Net assets, end of year	\$ XX	\$ XX

See accompanying notes to financial statements.

NOTES - not part of financial statements:

1. These expense categories are ineligible for Trust Funding.
2. These expenses relate to self help revenues.

Sample PSGB Inc.

Statement of Cash Flows

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Net revenues over expenses	\$ XX	\$ XX
Item not affected by cash:		
Equipment amortization	XX	XX
Net change in non-cash working capital items:		
Accounts receivable	XX	XX
Grants receivable	XX	XX
Prepaid expense	XX	XX
Inventory	XX	XX
Accounts payable	XX	XX
Deferred grant revenue	XX	XX
Grant returns payable	XX	XX
	XX	XX
Investing activities:		
Purchase of investments	XX	XX
Proceeds from disposal of investments	XX	XX
	XX	XX
Increase (decrease) in cash during the year	XX	XX
Cash, beginning of year	XX	XX
Cash, end of year	\$ XX	\$ XX
Interest Paid	\$ XX	\$ XX

See accompanying notes to financial statements.

Sample PSGB Inc.

Notes to Financial Statements

March 31, 2010

1. Nature of operations:

The Sample PSGB Inc. is incorporated under *The Non-profit Corporations Act of Saskatchewan*. The Sample PSGB Inc. exists to coordinate, encourage and facilitate the development of sport XXX in Saskatchewan. As a non profit organization, Sample PSGB Inc. is exempt from income taxes.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for non 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 promotional materials and NCCP manuals.

Property and equipment:

Property and equipment are recorded at cost. Amortization is provided on the straight-line basis at the following rates based on the estimated useful lives of the assets:

Equipment	xx%
Furnishings	xx%

Revenue recognition:

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 Sample PSGB Inc. as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation for the year ended March 31, 2010. 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.

Sample PSGB Inc.

Notes to Financial Statements

March 31, 2010

2. Significant accounting policies continued:

Financial Instruments – recognition and measurement:

All financial assets and financial liabilities are measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, loans and receivables, held to maturity, available for sale or other financial liabilities. Transaction costs are capitalized on initial recognition, except financial instruments designated as held for trading. In those cases, the transaction costs are expensed.

Financial assets and financial liabilities held for trading are measured at fair value with changes in those fair values recognized in other revenue. Financial assets held to maturity, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method of amortization. Available for sale unrestricted net assets represent changes in net assets during a period, arising from unrealized gains and losses on financial assets classified as available for sale. The Organization did not have any unrealized gains or losses on available for sale unrestricted net assets during the period.

Financial instruments - presentation and disclosure

The Organization has chosen to continue to apply the disclosure requirements of section 3861.

Accounts and grants receivable:

Accounts and grants receivable are classified as held for trading and are recorded at fair market value. The fair market value is equal to its carrying value given the short term nature of the amounts.

Investments:

Investments classified as held to maturity are those which the Organization has the intent and ability to hold until maturity. The investments are recorded at amortized cost using the effective interest rate method. Where there has been a decline in value which is not temporary, these investments are valued at net realizable value.

Accounts and grant returns payable:

Accounts and grant returns payable are classified as other liabilities and are recorded at amortized cost.

Sample PSGB Inc.

Notes to Financial Statements

March 31, 2010

3. Change in accounting policy:

During the year, the Organization adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants (CICA): Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations. The adoption of this new standard did not result in significant changes to the reported results of the Organization.

4. Grants receivable:

	2010	2009
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	\$ xx	\$ xx
Other	xx	xx
	\$ xx	\$ xx

5. Property and equipment:

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Office equipment	\$ xx	\$ xx	\$ xx	\$ xx
Office furnishings	xx	xx	xx	Xx
	\$ xx	\$ xx	\$ xx	\$ xx

6. Grant returns payable:

Sample PSGB Inc. receives annual funding from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation with the understanding that the funds are to be used for eligible purposes adhering to the policies and guidelines. In the event funds are not used in accordance with the policies and guidelines, they must be returned to Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. At March 31, 2010 Sample PSGB Inc. had \$ xx in grant returns payable to the Saskatchewan Lotteries Trust Fund (2009 - \$ xx).

Sample PSGB Inc.

Notes to Financial Statements

March 31, 2010

7. Deferred grant revenue:

During 2010, Sample Provincial Sport Governing Body Inc received \$ xx from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year (2009 - \$ xx).

8. Economic dependence:

Sample PSGB 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.

9. Future accounting policy changes:

The Canadian Institute of Chartered Accountants (CICA) has issued amendments to accounting standards which are not yet effective for the Organization. These changes include:

- Section 1506 Accounting changes has been amended concerning the adoption of International Financial Reporting Standards. *{if applicable}*
- Section 3855 Financial Instruments – Recognition and Measurement has been amended to provide additional guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. This standard will be effective April 1, 2010.

10. Capital management:

The Organization's objective when managing capital is to meet its current objectives as set out within its current strategic operating plan within its annual operating budget. This objective has remained unchanged from the prior period.

The Organization's capital consists of net assets plus deferred capital contributions.

Under the terms of certain of the Organization's funding and debt agreements *{if applicable}*, the Organization must satisfy certain financial reporting and debt covenant criteria. During the period, the Organization was, and continues to be, in compliance with all conditions imposed by its funding and debt agreements.

The Organization manages its capital and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital of the Organization it may revise the amount of funding provided for projects, change the scope of programs delivered, seek to obtain efficiencies and cost reductions, acquire new debt or repay existing debt, acquire or dispose of assets or adjust spending.

There are no other restrictions on the Organization's capital except as otherwise disclosed in these financial statements.

11. Comparative figures:

Sample PSGB Inc.

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

Sample PSGB Inc.

Schedule 1 – Saskatchewan Lotteries Trust Fund – Sport Division

Year ended March 31, 2010 with comparative figures for 2009

		2010		2009
Annual Funding	\$	xx	\$	xx
1 Aboriginal Excellence		xx		xx
4 Canada Games		xx		xx
4 Canada Games Employment		xx		xx
1 Future Best		xx		xx
2 Hosting		xx		xx
3 Membership Assistance Program		xx		xx
1 PSGB Student Athlete Awards		xx		xx
1 Special Projects		xx		xx
1 University Athletic Assistance		xx		xx
	\$	xx	\$	xx

Schedule 2 - Self Help Revenue

Year ended March 31, 2010 with comparative figures for 2009

		2010		2009
Internal				
Competition and Clinic Fees	\$	xx	\$	xx
Membership Fees		xx		xx
Team/Athlete Fees		xx		xx
External				
1 Sask Sport Inc - Aboriginal Excellence		xx		xx
Canadian Sport Center Grant		xx		xx
Donations		xx		xx
Fundraising revenue		xx		xx
Interest		xx		xx
Lottery Commissions		xx		xx
Merchandise sales revenue		xx		xx
National Sport Organization		xx		xx
Sponsorships		xx		xx
	\$	xx	\$	xx

See accompanying notes to financial statements.

NOTES - not part of financial statements:

1. Expenses should be reported separately under Categorical grants.
2. Expenses should be reported separately under Capacity/Interaction. If the PSGB ran the event rather than giving a grant to the host organization, expenses could be reported in either Participation or Excellence depending on the type of event, but should be identified separately.
3. Expenses should be tracked separately with each recipient listed in the schedule.
4. Expenses should be tracked separately under Categorical grants or under Excellence.

Sample PSGB Inc.

Schedule 3 - Administration Expenses

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Audit	\$ xx	\$ xx
Insurance	xx	xx
Legal	xx	xx
Office operations		
Phone/fax	xx	xx
Printing/photocopying	xx	xx
Rent	xx	xx
Supplies	xx	xx
Staff relocation, recruitment & selection	xx	xx
Staff salaries & benefits	xx	xx
Staff travel	xx	xx
	\$ xx	\$ xx

Schedule 4 – Capacity/Interaction

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Awards and recognition	\$ xx	\$ xx
Communications (<i>ie website</i>)	xx	xx
Conferences and symposiums	xx	xx
Hosting	xx	xx
Marketing and promotions	xx	xx
Meetings		
Annual General Meeting	xx	xx
Board and committee meetings	xx	xx
National meetings	xx	xx
Memberships (<i>in other organizations - NSO etc</i>)	xx	xx
Planning and policy development	xx	xx
Professional and leadership development (<i>board or staff</i>)	xx	xx
	\$ xx	\$ xx

See accompanying notes to financial statements.

Sample PSGB Inc.

Schedule 5 – Participation

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Athlete Development		
Competition	\$ XX	\$ XX
Introductory programs	XX	XX
Under-represented population initiatives	XX	XX
Coaches Development		
Salary and benefits	XX	XX
Coach travel	XX	XX
Introductory coaching clinics and coach professional development	XX	XX
Officials Development		
Introductory clinics	XX	XX
Technical materials	XX	XX
	\$ XX	\$ XX

Schedule 6 – Excellence

Year ended March 31, 2010 with comparative figures for 2009

	2010	2009
Athlete Development		
Athlete Assistance	XX	XX
Competition	XX	XX
Talent identification	XX	XX
Training	XX	XX
Coaching and Coach Development		
Coaching development	XX	XX
Salary and benefits	XX	XX
Coach travel	XX	XX
Officials Development		
Officials travel	XX	XX
Professional upgrading	XX	XX
Sport Medicine and Science	XX	XX
	\$ XX	\$ XX

See accompanying notes to financial statements.

Sample PSGB Inc.

Schedule 7 – Categorical Grant Expenses

Year ended March 31, 2010 with comparative figures for 2009

	2010		2009
1 Aboriginal Excellence			
Capacity	\$	xx	\$
Coaching development		xx	xx
Officials development		xx	xx
Sport medicine and science		xx	xx
Talent identification		xx	xx
Training and competition		xx	xx
		xx	xx
2 Canada Games			
Capital technical equipment		xx	xx
Coaching development		xx	xx
Competition/hosting		xx	xx
Officials development		xx	xx
Sport medicine and science		xx	xx
Talent identification		xx	xx
Training		xx	xx
		xx	xx
2 Canada Games Coach Employment			
Salary & benefits		xx	xx
Relocation/recruitment/selection		xx	xx
Travel & sustenance		xx	xx
Professional development		xx	xx
Office space & services		xx	xx
		xx	xx
Future Best		xx	xx
PSGB Student Athlete Awards		xx	xx
Special Projects		xx	xx
University Athletic Assistance		xx	xx
	\$	xx	\$
		xx	xx

NOTES - not part of financial statements:

1. Can be reported under Participation. Refer to grant application and guidelines to verify line items required for the specific grant cycle.

2. Can be reported under Excellence but must be separately listed by line item.

Schedule 8 – Membership Assistance Grant Payments

Year ended March 31, 2010 with comparative figures for 2009

	2010		2009
Club A	\$	xx	\$
Club B		xx	xx
Club C		xx	xx
	\$	xx	\$
		xx	xx

See accompanying notes to financial statements.