

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

**October
2011**

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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 the 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 Saskatchewan Lotteries Trust Fund.

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 based on performance area goals & eligible expenditures as outlined in the following section. They may be eligible to apply for other specific use grants as well.

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 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 expenses that the Sport Funding Committee of Saskatchewan Lotteries Trust may deem inappropriate.

Under extenuating circumstances, the Trust may give consideration to circumstances that are essential to the development of a provincial sport governing body but cannot be met or are limited through the existing guidelines. The process for requesting an extenuating circumstances review is provided within the application.

Annual Funding and most other grant follow-ups must be submitted to the Saskatchewan Lotteries Trust Fund 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 will be prepared and approved by the Board within 90 days of the fiscal year end.

Annual funding grants will be paid in two installments. Associations will receive their first payment following the satisfactory approval of their application submission, but no earlier than thirty (30) days prior to the start of an organization's fiscal year. This payment will be based on 50% of their current level. The second grant payment will be paid out upon satisfactory review and approval of the follow-up report which will be used to determine the total eligible Annual Funding grant.

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 Saskatchewan Lotteries Trust Fund 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 Performance Area Goals & Eligible Annual Funding Expenditures

ADMINISTRATION

- Organizations are supported for the administrative functions required for effective and efficient management of the organization.

- 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

Capacity

- A provincial sport system comprised of individuals, communities, organizations and institutions with financial and material resources and the knowledge and skills to enhance their capacity to support increased participation and excellence.

Interaction

- The essential components of the sport system that are required to enhance excellence and participation are in place to meet the needs of athletes/participants in an ever changing sport environment.

- 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

- Saskatchewan residents from all segments of society will engage in quality sport program that will provide opportunities for communities, volunteers and athletes to participate in sport.
- Activities which develop the sport up to and including the provincial level are eligible in this area as follows:

Athlete development

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

Coaching development

- Provincial Coach/Technical staff salary and/or expenses
- Volunteer coaching development - 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

- Create an increases pool of Saskatchewan athletes, teams, coaches and officials who are systematically achieving success at regional, national and international levels through fair and ethical means.
- Activities which develop the sport beyond the provincial level (i.e. regional, national or international) are eligible in this area as follows:

Athlete development

- Talent ID
- Training
- Competition
- Athlete Assistance

Coaching development

- Provincial Coach/Technical staff salary and/or expenses
- Volunteer coaching development - clinics, honorariums, upgrading, technical materials for coaching past the provincial level.

Officials development

- Professional upgrading, travel & sustenance, technical materials for officials development past the provincial level.

Sport Medicine & Science

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

The Audit Process

Audited financial statements approved by the PSGB's Board, 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 by the Board of Directors and appointed by the membership at the Annual General Meeting for the following fiscal year end. The PSGB should contact the firm well in advance of the organization's year end in order to finalize the terms of engagement and the timing required to finalize the audit within 90 days of the organization's 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 Part III Accounting Standards for Not for 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, 2012**

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **Sample PSGB Inc.** which comprise the statement of financial position as at March 31, 2012, and the statements of revenues over expenses, 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 generally accepted accounting principles, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Sample PSGB Inc. as at March 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 25, 2012

Regina, Saskatchewan

Chartered Accountants

Sample PSGB Inc.

Statement of Financial Position

March 31, 2012 with comparative figures for 2011

	2012	2011
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, 2012 with comparative figures for 2011

	2012	2011
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, 2012 with comparative figures for 2011

	2012	2011
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, 2012

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, 2012. 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, 2012

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, 2012

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:

	2012	2011
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	\$ xx	\$ xx
Other	xx	xx
	\$ xx	\$ xx

5. Property and equipment:

	Cost	Accumulated Amortization	2012 Net Book Value	2011 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, 2012 Sample PSGB Inc. had \$ xx in grant returns payable to the Saskatchewan Lotteries Trust Fund (2011 - \$ xx).

Sample PSGB Inc.

Notes to Financial Statements

March 31, 2012

7. Deferred grant revenue:

During 2012, Sample Provincial Sport Governing Body Inc received \$ xx from the Saskatchewan Lotteries Trust Fund for expenses which will occur in the following fiscal year (2011 - \$ 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, 2012.

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:

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, 2012 with comparative figures for 2011

		2012		2011
Annual Funding	\$	xx	\$	xx
1 Future Best		xx		xx
4 High Performance Coach Employment		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, 2012 with comparative figures for 2011

		2012		2011
Internal				
Competition and Clinic Fees	\$	xx	\$	xx
Membership Fees		xx		xx
Team/Athlete Fees		xx		xx
External				
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, 2012 with comparative figures for 2011

	2012	2011
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, 2012 with comparative figures for 2011

	2012	2011
Awards and recognition	\$ xx	\$ xx
Communications (ie website)	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 (in other organizations - NSO etc)	xx	xx
Planning and policy development	xx	xx
Professional and leadership development (board or staff)	xx	xx
	\$ xx	\$ xx

See accompanying notes to financial statements.

Sample PSGB Inc.

Schedule 5 – Participation

Year ended March 31, 2012 with comparative figures for 2011

	2012	2011
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, 2012 with comparative figures for 2011

	2012	2011
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, 2012 with comparative figures for 2011

	2012		2011	
Future Best	\$	xx	\$	xx
1 High Performance Coach Employment		xx		xx
PSGB Student Athlete Awards		xx		xx
Special Projects		xx		xx
University Athletic Assistance		xx		xx
	\$	xx	\$	xx

NOTES – not part of financial statements:

1. Can be reported under Excellence but must be separately listed.

Schedule 8 – Membership Assistance Grant Payments

Year ended March 31, 2012 with comparative figures for 2011

	2012		2011	
Club A	\$	xx	\$	xx
Club B		xx		xx
Club C		xx		xx
	\$	xx	\$	xx

See accompanying notes to financial statements.