

**SASKATCHEWAN SNOWMOBILE FUND**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2023**

## **Management's Responsibility for Financial Statements**

The Saskatchewan Snowmobile Association Inc. (SSA) is responsible for establishing and maintaining a system of internal control, complying with authorities and maintaining the Saskatchewan Snowmobile Fund's (Fund) financial records and financial statements. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

The SSA Board oversees management in the performance of its financial reporting duties.

The Provincial Auditor of Saskatchewan annually examines the SSA's system of internal control, compliance with authorities and the Fund's financial statements. A copy of the Provincial Auditor's opinion on the financial statements is enclosed.



Kim Bisschop  
SSA Board Chair  
Saskatchewan Snowmobile Association Inc.  
Regina Beach, Saskatchewan  
May 24, 2023

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

### Opinion

We have audited the financial statements of the Saskatchewan Snowmobile Fund, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, 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 Saskatchewan Snowmobile Fund as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 Saskatchewan Snowmobile Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Saskatchewan Snowmobile Fund's 2022-23 Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### 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 public sector accounting standards for Treasury Board's approval, 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 Saskatchewan Snowmobile Fund'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 Saskatchewan Snowmobile Fund's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Saskatchewan Snowmobile Fund'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.

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 Saskatchewan Snowmobile Fund'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 Saskatchewan Snowmobile Fund'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 Saskatchewan Snowmobile Fund's 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 identified during the audit.

Regina, Saskatchewan  
May 24, 2023

Tara Clemett, CPA, CA, CISA  
Provincial Auditor  
Office of the Provincial Auditor

**SASKATCHEWAN SNOWMOBILE FUND  
STATEMENT OF FINANCIAL POSITION**

**STATEMENT 1**

**As at March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Financial Assets</b>		
Cash	\$ 18,271	\$ 33,864
Accounts Receivable (Note 5)	101,432	109,840
GST Receivable	2,496	2,326
Investments (Note 2)	<u>2,700,000</u>	<u>2,410,607</u>
Total Financial Assets	<u>\$ 2,822,199</u>	<u>\$ 2,556,637</u>
<b>Liabilities</b>		
Due to Saskatchewan Snowmobile Association Inc.	\$ -	\$ -
Accounts Payable	<u>10,499</u>	<u>3,730</u>
Total Liabilities	<u>\$ 10,499</u>	<u>\$ 3,730</u>
Net Financial Assets	<u>\$ 2,811,700</u>	<u>\$ 2,552,907</u>
Accumulated Surplus, from Statement 2 (Note 6)	<u><u>\$ 2,811,700</u></u>	<u><u>\$ 2,552,907</u></u>
Contractual Obligations (Note 7)		

(See accompanying notes to the financial statements)

**SASKATCHEWAN SNOWMOBILE FUND  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**STATEMENT 2**

**Year Ended March 31, 2023**

	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>	(Note 4)		
Transfers from Government of Saskatchewan (Note 1)			
Trail Funding	\$ 2,150,000	\$ 2,318,000	\$ 2,180,600
Disaster Recovery Program Funding	215,000	231,800	218,060
Interest and Other Revenue	8,000	37,463	7,652
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	\$ 2,373,000	\$ 2,587,263	\$ 2,406,312
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Expenses</b>			
Trail Funding to Clubs (Note 2)	\$ 1,910,238	\$ 1,962,907	\$ 2,000,319
Disaster Recovery Program Payments (Note 2)	-	-	48,356
Administrative Services (Note 2)	170,000	170,000	159,340
Liability Insurance	65,000	67,752	71,424
Travel and Meetings	7,500	1,898	6,168
Office Expenses	1,300	1,236	926
Marketing and Promotion	55,000	57,050	53,560
Safety Expenses	66,000	67,627	61,381
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenses	\$ 2,275,038	\$ 2,328,470	\$ 2,401,474
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Surplus, for the year	<u>    \$ 97,962</u>	\$ 258,793	\$ 4,838
Accumulated Surplus, beginning of year		<u>2,552,907</u>	<u>2,548,069</u>
Accumulated Surplus, end of year – to Statement 1		<u>    \$ 2,811,700</u>	<u>    \$ 2,552,907</u>

(See accompanying notes to the financial statements)

**SASKATCHEWAN SNOWMOBILE FUND  
STATEMENT OF CASH FLOWS**

**STATEMENT 3**

**Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from (used in) operating activities</b>		
Receipts from Government of Saskatchewan		
Trail Funding	\$ 2,326,360	\$ 2,130,770
Disaster Recovery Program Funding	231,800	218,060
Receipts of Interest and Other Revenue	37,512	7,408
GST Refunds Received	3,734	3,796
Payments to Suppliers and Other	(362,698)	(356,561)
Payments to Clubs for Trail Funding	(1,962,907)	(2,000,319)
Payments to Clubs for Disaster Recovery Program	-	(48,356)
	<u>                    </u>	<u>                    </u>
Total cash flow from operating activities	<u>\$ 273,801</u>	<u>\$ (45,202)</u>
<b>Cash flows (used in) from investing activities</b>		
Purchase of Investments	\$ (2,600,395)	\$ (2,030,049)
Sale of Investments	2,311,001	2,081,011
	<u>                    </u>	<u>                    </u>
Total cash flow used in investing activities	<u>\$ (289,394)</u>	<u>\$ 50,962</u>
Net (decrease) increase in cash	(15,593)	5,760
Cash, beginning of year	<u>33,864</u>	<u>28,104</u>
Cash, end of year	<u><u>\$ 18,271</u></u>	<u><u>\$ 33,864</u></u>

(See accompanying notes to the financial statements)

**SASKATCHEWAN SNOWMOBILE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2023**

**1. Legislative Authority**

The Saskatchewan Snowmobile Fund (Fund) was established pursuant to section 20.7 of *The Snowmobile Act*. The Fund's purpose is to provide funding for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails. The Minister responsible for *The Snowmobile Act* appointed the Saskatchewan Snowmobile Association Inc. to administer the Fund as the Trail Manager. The Trail Manager is responsible for establishing the Trail Funding Program which determines allocation criteria for the distribution of funds in the Fund to the snowmobile clubs that maintain the provincial snowmobile trail system.

The Fund receives transfers from Saskatchewan Government Insurance in accordance with *The Snowmobile Act* based on the number of snowmobile registrations in the province multiplied by the permit fee described in *The Snowmobile Regulations, 1998*. The transfers are allocated to trail funding and Disaster Recovery Program funding as set out in the Saskatchewan Snowmobile Association Inc.'s agreement with the Ministry of Parks, Culture and Sport.

The Ministry of Parks, Culture and Sport oversees the Trail Manager and the Fund's activities as set out in an agreement with the Saskatchewan Snowmobile Association Inc. in place until March 31, 2028.

**2. Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards. A Statement of Changes in Net Financial Assets has not been prepared as the information is readily apparent from the financial statements. These statements do not include a Statement of Remeasurement Gains or Losses as the Fund has no activities that give rise to remeasurement gains or losses. As a result, the accumulated surplus is the same as its accumulated operating surplus.

The following accounting principles are considered significant:

- a) Investments – Investments are recorded at cost. The Fund deals exclusively with the Royal Bank of Canada for banking and investing services. The Fund holds a Royal Business Premium Investment Account which pays monthly interest based on fluctuating market interest rates. The Fund also holds cashable Guaranteed Investment Certificates.
- b) Tangible Capital Assets – Individual capital assets costing more than \$500 are capitalized and amortized over a useful life of three years for computers and five years for equipment. The Fund currently holds no capital assets.
- c) Trail Funding to Clubs – The Trail Funding Program provides financial assistance to eligible clubs that maintain the provincial snowmobile trail system. Trail funding to clubs total expense is determined from the prior year's accumulated surplus. Eligible clubs apply to the Trail Funding Program and are allocated a portion of the available

funds based on an assessment of various operational elements. Cheques were sent to clubs in August 2022 and recorded as an expense at that time.

- d) Disaster Recovery Program Payments – The Disaster Recovery Program provides financial assistance to eligible clubs for emergency costs that arise due to circumstances beyond their control, such as extreme weather, fires and floods. Disaster Recovery Program payments utilize funds held in reserve. The funds held in reserve are limited to a maximum of \$500,000 at each fiscal year end. Payments are recorded as an expense when all eligibility criteria are met, including project completion.
- e) Administrative Services – The Saskatchewan Snowmobile Association Inc. provides the Fund with administrative services, which are outlined in the Memorandum of Understanding between the Saskatchewan Snowmobile Association Inc. and the Fund effective for the years ending March 31, 2023 to March 31, 2025.
- f) Use of Estimates – These statements are prepared in conformity with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

### **3. Financial Instruments**

The nature of the Fund's operations results in a statement of financial position that consists primarily of financial instruments including cash, accounts receivable, GST receivable, investments, and accounts payable. The fair value of the instruments approximates their carrying value due to their immediate or short-term nature. The risks that arise from the financial instruments are credit risk and liquidity risk.

Credit risk arises from accounts receivable and investments. Credit risk from the potential non-payment of accounts receivable is minimal as they are due from the Government of Saskatchewan and the Royal Bank of Canada. Credit risk from investments is limited as they are held in interest bearing products.

Liquidity risk is the risk that the Fund cannot meet its financial obligations as they are due. All of the Fund's financial obligations are due within one year. The Fund has sufficient cash and liquid investments available to meet its obligations.

### **4. Budget**

The 2022/23 budget presented in the financial statements was approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. on March 23, 2022.

### **5. Related Parties**

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to enterprises that the Government jointly controls. Related parties also

encompass key management personnel including Board members and the Executive Director of the Fund. The Fund is related to the Saskatchewan Snowmobile Association Inc. because they share key management personnel.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. Accounts receivable includes \$99,550 (2022 - \$107,910) from the Government of Saskatchewan. In addition, the Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

## 6. Accumulated Surplus

The Fund intends to pay trail funding to clubs in the amount of \$2,221,700 (from the 2022/23 accumulated surplus) during August 2023. This amount is subject to approval by the Board of Directors of the Saskatchewan Snowmobile Association Inc.

The Fund currently holds \$500,000 in reserve, to be available as needed for Disaster Recovery Program payments.

	2023	2022
Proposed Trail Funding to Clubs	\$ 2,221,700	\$ 1,962,907
Disaster Recovery Program Reserve	500,000	500,000
Unappropriated Net Financial Assets	90,000	90,000
Accumulated Surplus	<u>\$ 2,811,700</u>	<u>\$ 2,552,907</u>

## 7. Contractual Obligations

In January 2022, the Saskatchewan Snowmobile Association Inc. and the Fund signed a Memorandum of Understanding that sets out fees for administrative services and grant funding provided from April 1, 2022 to March 31, 2025. The Fund is obligated to pay the Saskatchewan Snowmobile Association Inc. the following amounts in future years:

2023/24	\$ 207,500
2024/25	\$ 212,500