

Financial Statements of

**Give Kids A Chance Charity Inc.**

Year ended December 31, 2018

## Management's Responsibility for Financial Reporting

Management has the responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

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 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 report to the Board of Directors prior to the approval of the financial statements for publication.

Independent auditors examine the financial statements and meet with both the Audit Committee and management to review their findings. The independent auditors' report follows. The independent auditors have full and free access to the Audit Committee to discuss their findings regarding the integrity of the Corporation's financial reporting and the adequacy of the system of internal controls.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer



## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of the Canadian Council of Provincial and Territorial Sport Federations

#### *Opinion*

We have audited the accompanying financial statements of the **Give Kids a Chance Charity Inc.** which comprise the statement of financial position as at **December 31, 2018** and the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Give Kids a Chance Charity Inc. as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditors' Report – Continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 21, 2019

Regina, Saskatchewan, Canada

VIRTUS GROUP LLP  
Chartered Professional Accountants

# Give Kids A Chance Charity Inc.


## Statement of Financial Position


December 31, 2018 with comparative figures for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 714,964	\$ 970,618
Short term investments (Note 4)	234,554	240,324
Accounts receivable	18,595	20,197
Inventory	12,353	13,301
Prepaid expenses	439	425
	<u>980,905</u>	<u>1,244,865</u>
Long term assets:		
Long term investments (Note 4)	26,656	32,892
Investment in Sport Legacy Fund (Note 4)	4,750,529	3,554,147
	<u>\$ 5,758,090</u>	<u>\$ 4,831,904</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 114,945	\$ 14,933
Deferred grant revenue	10,000	-
	<u>124,945</u>	<u>14,933</u>
Net assets:		
Restricted net assets	5,573,238	4,762,132
Unrestricted net assets	59,907	54,839
	<u>5,633,145</u>	<u>4,816,971</u>
	<u>\$ 5,758,090</u>	<u>\$ 4,831,904</u>

See accompanying notes to financial statements.

On behalf of the Board:

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

# Give Kids A Chance Charity Inc.

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## Statement of Operations

Year ended December 31, 2018 with comparative figures for 2017

	2018	2017
Revenue:		
Donations (receipted)	\$ 145,931	\$ 119,498
Fundraising and unreceipted donations	710,429	910,737
Project grants	617,845	670,032
Interest	207,545	161,707
Operating grants	1,614,157	1,591,218
Sponsorship	69,500	139,600
	<u>3,365,407</u>	<u>3,592,792</u>
Expenses:		
Administration expenses:		
Bank and credit card fees	2,004	4,505
Conference	3,067	2,240
GST expense	2,425	10,140
Insurance	4,346	3,410
Marketing	14,278	34,440
National affiliation fees KidSport	1,000	1,000
Office and committee expenses	37,328	31,912
Postage	4,601	4,643
Printing	10,253	7,639
Professional fees	6,030	5,194
Salaries and benefits	232,783	220,332
Travel	11,894	12,718
Volunteer recognition	1,283	-
	<u>331,292</u>	<u>338,173</u>
Program expenses:		
Dream Brokers program	192,472	307,272
Jumpstart Afterschool Program	164,501	3,500
KidSport grants distributed	1,686,539	1,682,530
Northern Community and School Recreation Coordinator Program	18,217	112,600
	<u>2,061,729</u>	<u>2,105,902</u>
Fundraising expenses:		
Contract services	-	60,000
Projects	156,066	287,630
Travel	146	734
	<u>156,212</u>	<u>348,364</u>
Total expenses	<u>2,549,233</u>	<u>2,792,439</u>
Excess of revenue over expenses	<u>\$ 816,174</u>	<u>\$ 800,353</u>

See accompanying notes to financial statements.

## Statement of Changes in Net Assets

Year ended December 31, 2018 with comparative figures for 2017

	KidSport	Unrestricted	2018	2017
Net assets, beginning of year	\$ 4,762,132	\$ 54,839	\$ 4,816,971	\$ 4,016,618
Excess of revenue over expenses	811,106	5,068	816,174	800,353
Net assets, end of year	\$ 5,573,238	\$ 59,907	\$ 5,633,145	\$ 4,816,971

## Statement of Cash Flows

Year ended December 31, 2018 with comparative figures for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses for the year	\$ 816,174	\$ 800,353
Items not affected by cash:		
Net change in non-cash working capital items:		
Accounts receivable	1,602	(1,645)
Inventory	948	3,029
Prepaid expenses	(14)	(9)
Accounts payable	100,012	(36,298)
Deferred grant revenue	10,000	-
	928,722	765,430
Investing activities:		
Short term investment purchases	(234,554)	(240,324)
Short term investment redemptions	240,324	345,092
Long term investment purchases	(1,196,724)	(1,187,361)
Long term investment redemptions	6,578	32,534
	(1,184,376)	(1,050,059)
(Decrease) in cash during the year	(255,654)	(284,629)
Cash, beginning of year	970,618	1,255,247
Cash, end of year	\$ 714,964	\$ 970,618

See accompanying notes to the financial statements.

## Notes to the Financial Statements

December 31, 2018 with comparative figures for 2017

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### 1. Nature of Operations

Sask Sport Inc. has incorporated Give Kids A Chance Charity Inc. (The Corporation), a volunteer non-profit corporation with charitable status as a private foundation, in order to operate its charitable programs.

### 2. Summary of Significant Accounting Policies

#### *Restricted net assets:*

The Corporation has internally restricted the net assets for each of the KidSport and Creative Kids programs. These funds are for the exclusive use of these programs.

#### *Income taxes:*

The Corporation is incorporated under the *Non-profit Corporations Act of Saskatchewan*. Under present legislation no income taxes are payable on reported income of the Corporation.

#### *Revenue recognition:*

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### *Inventory:*

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the specific identification method.

#### *Use of estimates:*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation of their collectability and appropriate allowance for doubtful accounts is provided where considered necessary. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

#### *Financial instruments - recognition and measurement:*

Financial assets and financial liabilities are recorded on the statement of financial position when the Corporation becomes a party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in the subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is an amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.



## Notes to the Financial Statements

December 31, 2018 with comparative figures for 2017

### 3. Inventory

Inventory consists entirely of promotional materials.

### 4. Investments

Short term investments consist of:

		2018	2017
Royal Bank Cashable GIC due January 26, 2018	0.65%	\$ -	\$ 5,292
Royal Bank Cashable GIC due February 20, 2018	0.50%	-	4,706
Royal Bank Cashable GIC due March 14, 2018	0.55%	-	200,000
Royal Bank Cashable GIC due March 22, 2018	0.50%	-	21,059
Royal Bank Cashable GIC due June 13, 2018	0.50%	-	3,316
Royal Bank Cashable GIC due August 25, 2018	0.50%	-	5,951
Royal Bank Cashable GIC due January 26, 2019	0.65%	5,326	-
Royal Bank Cashable GIC due February 20, 2019	0.50%	4,730	-
Royal Bank Cashable GIC due March 22, 2019	0.50%	21,165	-
Royal Bank Cashable GIC due March 29, 2019	0.50%	200,000	-
Royal Bank Cashable GIC due June 13, 2019	0.50%	3,333	-
		\$ 234,554	\$ 240,324

Long term investments consist of:

		2018	2017
Unity Credit Union Harvest Term Deposit #001 due October 16, 2021	1.60%	\$ -	\$ 6,578
Unity Credit Union Harvest Term Deposit #002 due October 16, 2021	1.60%	26,656	26,314
		\$ 26,656	\$ 32,892

	2018	2017
Sport Legacy Fund	\$ 4,750,529	\$ 3,554,147

The Sport Legacy Fund is a fundraising program established by the National Sport Trust Fund - Saskatchewan Division for future sustainability of sport programs in Saskatchewan. The Fund is segregated by participating organization. The Fund offers 5% annual growth on fund balances and organizations that contribute are required to leave the original amount of contributions in the Legacy Fund for a minimum of 5 years in order to qualify. A draw down of the funds is made by application and subject to the approval of the National Sport Trust Fund - Saskatchewan Division.

### 5. Related Party Transactions

In 2018 the Corporation received \$1,799,858 (2017 - \$1,734,422) in grants from Sask Sport Inc.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Notes to the Financial Statements

December 31, 2018 with comparative figures for 2017

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### 6. Financial Instruments and Risks

*Fair Value:*

The recorded value of short term investments, accounts receivable and payable approximate fair value for short term items.

*Credit and interest rate risk:*

The Corporation is not subject to significant credit or interest rate risk.

### 7. Economic Dependence

Give Kids A Chance Charity Inc. currently receives significant revenue in grants from Sask Sport Inc. and is therefore dependent upon the continuance of these grants to maintain operations at their current level.

### 8. Comparative Figures

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

# Give Kids A Chance Charity Inc.

## Schedule of KidSport™ Saskatchewan Operations

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Year ended December 31, 2018 with comparative figures for 2017

	2018	2017
Revenue:		
Donations (receipted)	\$ 145,931	\$ 119,498
Fundraising and unreceipted donations	704,965	880,726
Project grants	244,126	246,661
Interest	206,471	190,961
Operating grants	1,604,825	1,583,956
Sponsorship	69,500	139,600
	<u>2,975,818</u>	<u>3,161,402</u>
Expenses:		
Administration expenses:		
Bank and credit card fees	1,880	4,488
Conference	3,067	2,240
Contract services	232,783	220,332
GST expense	2,228	9,972
Insurance	4,346	3,410
Marketing	13,504	33,528
Office and committee expenses	37,328	31,912
National affiliation fees	1,000	1,000
Postage	4,567	4,609
Printing	5,378	4,107
Professional fees	2,703	2,597
Travel	11,894	12,718
Volunteer recognition	1,283	-
Program expenses:		
Grants distributed	1,686,539	1,682,529
Fundraising expenses:		
Contract services	-	60,000
Projects	156,066	287,630
Travel	146	734
	<u>2,164,712</u>	<u>2,361,806</u>
Excess of revenue over expenses	\$ 811,106	\$ 799,596

See accompanying notes to financial statements.