

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
FINANCIAL STATEMENTS
AUGUST 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of
Saskatchewan Racquetball Association Inc.

Opinion

I have audited the accompanying financial statements of Saskatchewan Racquetball Association Inc., which comprise the statements of financial position as at August 31, 2025 and the statements of operation and cumulative surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Racquetball Association Inc. as at August 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity's internal control.

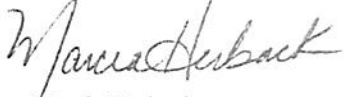
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Regina, Saskatchewan
December 8, 2025


Marcia Herback
CPA, CA

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2025
(with comparative figures for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 49,154	\$ 87,113
Accounts receivable	81,625	57
GST recoverable	4,075	3,267
Prepaid expenses	13,970	3,069
	<u>\$ 148,824</u>	<u>\$ 93,506</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,207	\$ 5,753
Grant repayment (Note 3)	46,824	19,128
	77,031	24,881
SURPLUS		
Unrestricted net assets	71,793	68,625
	<u>\$ 148,824</u>	<u>\$ 93,506</u>

See accompanying notes

Approved on Behalf of the Board

	Director	<i>Randy Van Achte, SRA PRESIDENT</i>
<i>Terra Cowan</i>	Director	Terra Cowan SRA Board member

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
STATEMENT OF OPERATIONS AND CUMULATIVE SURPLUS
FOR THE YEAR ENDED AUGUST 31, 2025
(with comparative figures for 2024)

	2025	2024
Revenue		
Grants		
Sask Lotteries Trust Fund (Schedule 1)	\$ 42,776	\$ 72,872
Self Help revenue (Schedule 2)	<u>6,169</u>	<u>10,415</u>
	<u>48,945</u>	<u>83,287</u>
Expenditure		
Administration (Schedule 3)	30,333	35,587
Capacity/Interaction (Schedule 4)	364	634
Participation (Schedule 5)	500	8,718
Excellence (Schedule 6)	3,178	16,129
Categorical grant expense		
Membership Assistance Payments (Schedule 7)	7,402	11,700
Future best	3,000	6,000
National dues/affiliation	<u>1,000</u>	<u>1,000</u>
	<u>45,777</u>	<u>79,768</u>
Excess of revenues over expenses	3,168	3,519
Cumulative surplus, beginning of year	<u>68,625</u>	<u>65,106</u>
Cumulative surplus, end of year	<u>\$ 71,793</u>	<u>\$ 68,625</u>

See accompanying notes

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2025
(with comparative figures for 2024)

	2025	2024
Operating activities		
Excess of revenues over expenses	\$ 3,168	\$ 3,519
Net change in non-cash operating working capital balances:		
Accounts receivable	(81,568)	134
GST receivable	(808)	(705)
Prepaid expenses	(10,901)	(208)
Accounts payable and accrued liabilities	24,454	(5,860)
Grant repayment	27,696	16,287
Cash provided by (used in) operating activities	(37,959)	13,167
Cash position, beginning of year	87,113	73,946
Cash position, end of year	\$ 49,154	\$ 87,113

See accompanying notes

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2025

1. Status and nature of activities

The Saskatchewan Racquetball Association Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations. The purpose of Saskatchewan Racquetball Association Inc. is to provide training and opportunities for racquetball players in Saskatchewan.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with the Canadian accounting standards for not-for profit organizations using and including the following significant policies:

Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and on term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

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 Saskatchewan Racquetball Association Inc. as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Accordingly, amounts received that relate to the next fiscal period are shown as deferred revenue.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Membership and participation fees are recognized in the year when various sports activities are held.

Interest income is recognized in the period in which it is earned.

Tangible capital assets

The cost of acquiring tangible capital assets is accounted for as an expense of the organization in the year of acquisition.

Financial instruments

The Saskatchewan Racquetball Association Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2025

3. Grant returns payable

Saskatchewan Racquetball Association Inc. receives annual funding from Sask 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 Sask Lotteries Trust Fund for Sport, Culture and Recreation. At August 31, 2025 Saskatchewan Racquetball Association Inc. had \$46,824 in grant returns payable to the Sask Lotteries Trust Fund (2024 - \$19,128).

4. Economic dependence

Saskatchewan Racquetball Association Inc. 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.

5. Financial instruments

Saskatchewan Racquetball Association Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Saskatchewan Racquetball Association Inc.'s exposure and concentrations at August 31, 2025:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization is exposed to credit risk with respect to cash and accounts receivable. The Organization manages its credit risk by placing cash with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2024.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2024.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2024.

6. Comparative figures

Certain figures have been reclassified to conform with current year's presentation.

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025
(with comparative figures for 2024)

	2025	2024
Saskatchewan Lotteries Trust Fund, Sports Division		Schedule 1
Annual funding	\$ 35,374	\$ 61,172
Membership Assistance Program	<u>7,402</u>	<u>11,700</u>
	<u>\$ 42,776</u>	<u>\$ 72,872</u>
Self Help		Schedule 2
Internal		
Competition and clinic fees	\$ 25	\$ 335
Affiliation fees	250	175
Memberships	371	520
External		
Future Best	3,000	6,000
Interest income	1,798	2,660
Other grants	<u>725</u>	<u>725</u>
	<u>\$ 6,169</u>	<u>\$ 10,415</u>

SASKATCHEWAN RACQUETBALL ASSOCIATION INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2025
(with comparative figures for 2024)

	2025	2024
Administration		Schedule 3
Audit and bookkeeping	\$ 6,401	\$ 6,171
Bad debt	-	172
Bank charges	57	128
Insurance	5,369	5,053
Office operations	771	648
Postage/courier	-	59
Staff salaries and benefits	17,735	23,356
	<u>\$ 30,333</u>	<u>\$ 35,587</u>
Capacity/Interaction		Schedule 4
Board and committee meetings	\$ -	\$ 260
Conference and symposium	-	23
Memberships	364	110
National meetings	-	241
	<u>\$ 364</u>	<u>\$ 634</u>
Participation		Schedule 5
Coaching development	\$ -	\$ 1,448
Competitions	500	2,482
Introductory/participation programs	-	4,396
Officials development	-	392
	<u>\$ 500</u>	<u>\$ 8,718</u>
Excellence		Schedule 6
Athlete assistance	\$ 1,400	\$ 3,867
Coaching development	28	1,229
Competition	1,750	6,750
Elite Athlete Support	-	250
Officials development	-	225
Training	-	3,808
	<u>\$ 3,178</u>	<u>\$ 16,129</u>
Membership Assistance Payments		Schedule 7
CAtalyst Racquetball	\$ 5,882	\$ 4,002
City of Yorkton	-	2,498
Racquetball Regina	1,520	2,500
The Nest	-	2,700
	<u>\$ 7,402</u>	<u>\$ 11,700</u>