

**Dance Saskatchewan Inc.**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2022**

# Dance Saskatchewan Inc.

Saskatoon, Saskatchewan

September 30, 2022

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## Table of Contents

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to Financial Statements	7-10



## Independent Auditors' Report

To the Board of Directors  
Dance Saskatchewan Inc.

### *Opinion*

We have audited the financial statements of Dance Saskatchewan Inc., (the organization), which comprise the Statement of Financial Position as at September 30, 2022 and the Statements of Operations, Changes in Net Assets and Cash Flow 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 organization as at September 30, 2022, and results of its operations and its cash flow 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 organization 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.

### *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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the organization'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.

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 organization'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 organization'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 organization 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 that we identify during our audit.

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Saskatoon, SK  
January 5, 2023

**Dance Saskatchewan Inc.**  
Saskatoon, Saskatchewan  
Statement of Financial Position as at September 30, 2022

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	44,801	173,635
Accounts receivable	2,545	23,995
Prepaid expenses	6,419	7,367
	<u>53,765</u>	<u>204,997</u>
<b>Capital Assets - note 4</b>	849	1,550
<b>Other Assets</b>	<u>2,176</u>	<u>2,176</u>
	<u><b>\$ 56,790</b></u>	<u><b>\$ 208,723</b></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities - note 5	11,622	16,082
Deferred revenue - note 6	32,000	200,000
	<u>43,622</u>	<u>216,082</u>
<b>Net Assets</b>		
Invested in capital assets	849	1,550
Unrestricted net assets	12,319	( 8,909)
	<u>13,168</u>	<u>( 7,359)</u>
	<u><b>\$ 56,790</b></u>	<u><b>\$ 208,723</b></u>

Approved on behalf of the board:

*Kathy Bond*

*Karla Klade*

**Dance Saskatchewan Inc.**  
Statement of Changes in Net Assets  
For the year ended September 30, 2022

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	<b>Invested in Capital Assets</b>	<b>Internally- Restricted Net Assets</b>	<b>Unrestricted Net Assets</b>	<b>2022 Total</b>	<b>2021 Total</b>
Balance (deficit), beginning of year	1,550		( 8,909)	( 7,359)	( 21,883)
Excess (deficiency) of revenue over expenses for the year	( 1,974)		22,501	20,527	14,524
Interfund transfers - note 7	<u>1,273</u>		<u>( 1,273)</u>		
Balance (deficit), end of year	<u>\$ 849</u>	<u>\$ 0</u>	<u>\$ 12,319</u>	<u>\$ 13,168</u>	<u>\$( 7,359)</u>

*The notes to financial statements are an integral part of these financial statements.*

**Dance Saskatchewan Inc.**  
Statement of Operations  
For the year ended September 30, 2022

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Sask Lotteries Trust Fund for Sport Culture and Recreation grant	400,000	300,000
Subsidies and grants		69,568
Memberships	6,914	10,619
Donations and fundraising	6,158	243
Workshops and programs	1,902	
Other grants	1,038	1,875
Other	74	184
Interest	9	1
Gain on disposal of capital assets		638
	<u>416,095</u>	<u>383,128</u>
<b>Expenses</b>		
Accounting fees	11,978	13,519
Advertising and promotion	643	
Amortization	1,974	1,550
Audit fees	10,850	12,625
Bad debt		1,026
Consulting fees	17,070	61,259
Contracts	1,775	
COVID-19 support program	7,350	
Data processing	688	322
Grants	250	149,341
Insurance	1,264	2,868
Interest and bank charges	1,618	1,498
Legal fees	9,116	
Licenses and memberships	5,427	5,429
Meals	548	160
Mentorship program	20,000	
Office	6,579	7,684
Partner workshops	1,979	
Professional development	4,189	5,840
Program development and pilots	24,000	
Programming	27,562	11,337
Rent and occupancy costs	25,018	24,908
Repairs and maintenance	265	
Supplies	2,356	2,070
Telephone	5,633	4,475
Travel	6,858	155
TRC initiatives	11,475	
Wages	164,099	55,167
Wage benefits	17,789	5,492
Website development and maintenance	7,215	1,879
	<u>395,568</u>	<u>368,604</u>
<b>Excess of Revenue Over Expenses for the Year</b>	<u>\$ 20,527</u>	<u>\$ 14,524</u>

*The notes to financial statements are an integral  
part of these financial statements.*

**Dance Saskatchewan Inc.**  
Statement of Cash Flow  
For the year ended September 30, 2022

	<b>2022</b>	<b>2021</b>
<b>Cash Provided By (Used In):</b>		
Operations		
Excess of revenue over expenses for the year	20,527	14,524
Add items not requiring cash resources		
Amortization	1,974	1,550
Loss (gain) on disposal of capital assets		( 638)
Net change in working capital	<u>( 150,062)</u>	<u>160,815</u>
	<u>( 127,561)</u>	<u>176,251</u>
Investing activities		
Capital asset purchases	( 1,273)	
Additions to other assets		( 2,076)
Proceeds on disposal of capital assets		<u>638</u>
	<u>( 1,273)</u>	<u>( 1,438)</u>
<b>Net Cash Increase (Decrease) for the Year</b>	( 128,834)	174,813
Cash position, beginning of year	<u>173,635</u>	<u>( 1,178)</u>
<b>Cash Position, End of Year</b>	<u>\$ 44,801</u>	<u>\$ 173,635</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 44,801</u>	<u>\$ 173,635</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	21,450	( 5,775)
- prepaid expenses	948	2,126
Increase (decrease) - accounts payable and accrued liabilities	( 4,460)	( 35,536)
- other current liabilities	<u>( 168,000)</u>	<u>200,000</u>
	<u>\$( 150,062)</u>	<u>\$ 160,815</u>

*The notes to financial statements are an integral  
part of these financial statements.*



**Dance Saskatchewan Inc.**  
Notes to Financial Statements  
For the year ended September 30, 2022

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**1. Nature of Operations**

The organization was incorporated under the Non-Profit Corporations Act of Saskatchewan. Dance Saskatchewan Inc. serves and supports the development and delivery of dance throughout Saskatchewan. They facilitate the creation and sharing of dance, gather and distribute dance information, advocate and promote dance, and enable dance accessibility through programs and funding. The organization, as a registered charity, is not subject to income tax.

**2. Significant Accounting Policies**

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) using the accounting policies as summarized below:

(a) Fund accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund

The operating fund reflects the primary operations of the organization.

(ii) Invested in Capital Assets fund

The invested in capital assets fund is a restricted fund that reflects the equity of the organization in capital assets after taking into consideration any associated long-term debt. Expenses consist primarily of amortization of capital assets and interest expense.

(iii) Internally-Restricted fund

The internally-restricted fund is a restricted fund that reflects net assets restricted in their use by the board of directors. These funds can be accessed by passing of a board motion and their purpose can be changed by the board at any time.

(b) Cash and cash equivalents and bank overdraft

Cash and cash equivalents and bank overdraft represents cash on hand and cash held in banks, net of bank overdraft.

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization.

The assets are amortized using the following methods and rates:

	<b>Method of Amortization</b>	<b>Rate of Amortization</b>
Furniture, fixtures and equipment	straight-line	3-5 years
Library resources	straight-line	10 years
Computer equipment	straight-line	3 years

**Dance Saskatchewan Inc.**  
Notes to Financial Statements  
For the year ended September 30, 2022

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2. **Significant Accounting Policies** - continued

(d) Revenue

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Rentals, memberships and other operating revenues are recognized as revenue in the year to which they relate when the service has been provided and collection is reasonably assured.

(e) Donated materials and services

The organization benefits from the donation of materials and services. These financial statements reflect the value of donations-in-kind received during the year to the extent that they would be paid for in the normal operations of the organization's activities and the fair value can be reasonably estimated. Volunteer hours are not recognized in these financial statements due to the difficulty in determining fair value.

(f) Financial instruments

*Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

(g) Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires 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 amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they became known.

**Dance Saskatchewan Inc.**  
Notes to Financial Statements  
For the year ended September 30, 2022

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**3. Risks Arising from Financial Instruments**

The organization is not exposed to significant risks through its financial instruments with the exception of credit risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization does not have a significant exposure to any individual customer. The organization provides credit to its clients in the normal course of operations.

**4. Capital Assets**

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
Furniture, fixtures and equipment	15,902	( 15,902)		893
Library resources	85,389	( 85,389)		114
Computer equipment	14,451	( 13,602)	849	543
	<u>\$ 115,742</u>	<u>\$( 114,893)</u>	<u>\$ 849</u>	<u>\$ 1,550</u>
			<b>2022</b>	<b>2021</b>

**5. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following items:

Accounts payable	1,622	1,561
Government remittances		21
Accrued liabilities	10,000	14,500
	<u>\$ 11,622</u>	<u>\$ 16,082</u>

**6. Deferred Revenue**

Deferred revenues relate to grants received before year end that relate to the next fiscal year.

Balance, beginning of year	200,000	0
Less: amount recognized as revenue	( 200,000)	
Plus: amount received	32,000	200,000
Balance, end of year	<u>\$ 32,000</u>	<u>\$ 200,000</u>

**Dance Saskatchewan Inc.**  
Notes to Financial Statements  
For the year ended September 30, 2022

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**7. Interfund Transfers**

During the year the organization transferred \$1,273 from the Operating fund to the Invested in Capital Assets fund for the purchase of capital assets.

**8. Commitments**

On February 12, 2021, Dance Saskatchewan Inc. signed a lease agreement with 102055626 Saskatchewan Ltd. to lease units 100, 102, 103, 104 - 309 Fairmont Drive in Saskatoon, Saskatchewan. The lease agreement is for five years with future annual rents (equal monthly payments) as follows (excluding GST):

October 1, 2022 to September 30, 2023	24,300
October 1, 2023 to September 30, 2024	24,300
October 1, 2024 to September 30, 2025	<u>24,300</u>
Total future minimum lease payments	<u>\$ 72,900</u>

**9. Economic Dependence**

Approximately 96% of the organization's revenues earned during the year were derived from the Sask Lotteries Trust Fund for Sport Culture and Recreation grant.