

NOVA SCOTIA EQUESTRIAN FEDERATION

FINANCIAL STATEMENTS

March 31, 2019

(Unaudited)



NOVA SCOTIA EQUESTRIAN FEDERATION

FINANCIAL STATEMENTS

March 31, 2019

(Unaudited)

CONTENTS	PAGE
Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

INDEPENDANT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

We have reviewed the accompanying financial statements of Nova Scotia Equestrian Federation, that comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Nova Scotia Equestrian Federation as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

DARTMOUTH, NS

August 27, 2018

Shellnutt Professional Accountants

Chartered Professional Accountants

Licensed Public Accountants

**NOVA SCOTIA EQUESTRIAN FEDERATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
(Unaudited)**

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 96,517	\$ 127,582
Accounts receivable, net	4,900	2,666
Prepaid expenses	487	0
Short-term investments	67,365	64,257
	169,269	194,505
CAPITAL ASSETS (Note 1, 3)	37	110
LONG TERM INVESTMENTS	104,426	101,224
	\$ 273,732	\$ 295,839
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 19,560	\$ 43,275
Payroll deductions payable	3,604	5,930
Deferred revenue	0	5,350
	23,164	54,555
<u>NET ASSETS</u>		
Net assets	250,568	241,284
	\$ 273,732	\$ 295,839

APPROVED BY:

Director _____

Director _____

The accompanying notes form an integral part
of these financial statements

NOVA SCOTIA EQUESTRIAN FEDERATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
REVENUE		
Athlete development	\$ 39,337	\$ 78,688
Organization operations (Note 7)	261,715	264,081
Programs	18,162	18,214
Investment revenue	6,341	1,676
	<u>325,555</u>	<u>362,659</u>
EXPENSES		
Athlete development	23,846	68,210
Organization operations (Note 4, 7)	256,661	230,263
Programs	35,764	34,794
	<u>316,271</u>	<u>333,267</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 9,284</u>	<u>\$ 29,392</u>
Net assets, beginning of year	<u>241,284</u>	<u>211,892</u>
NET ASSETS, END OF YEAR	<u>\$ 250,568</u>	<u>\$ 241,284</u>

The accompanying notes form an integral part
of these financial statements

**NOVA SCOTIA EQUESTRIAN FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
(Unaudited)**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 9,284	\$ 29,392
Items not involving an outlay of cash:		
Amortization	74	74
Net changes in non cash working capital balances *	<u>(34,112)</u>	<u>24,259</u>
	<u>(24,754)</u>	<u>53,725</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(6,311)</u>	<u>(30,760)</u>
	<u>(6,311)</u>	<u>(30,760)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,065)	22,965
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>127,582</u>	<u>104,617</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 96,517</u></u>	<u><u>\$ 127,582</u></u>
 * CASH FLOWS FROM NON CASH WORKING CAPITAL BALANCES ARE COMPRISED OF THE FOLLOWING:		
Accounts receivable	\$ (2,234)	\$ (231)
Prepaid expenses	(487)	0
Accounts payable and accrued expenses	(23,715)	18,628
Payroll deductions payable	(2,326)	512
Deferred revenue	<u>(5,350)</u>	<u>5,350</u>
	<u><u>\$ (34,112)</u></u>	<u><u>\$ 24,259</u></u>

The accompanying notes form an integral part
of these financial statements

**NOVA SCOTIA EQUESTRIAN FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Unaudited)**

1. STATUS AND PURPOSE OF THE ORGANIZATION

The Nova Scotia Equestrian Federation is a not-for-profit organization incorporated under the Societies Act of the Province of Nova Scotia. The mandate is to provide governance related to Equestrian activities within Nova Scotia. The federation is a exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash equivalents are comprised of highly liquid term deposits that are readily convertible to cash with maturities that are less than three months from the date of acquisition.

Use of estimates

When preparing financial statements according to Canadian GAAP, we make estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

Revenue recognition

The federation uses the deferral method for recognizing revenue. As there are no external restrictions, all receipts during the year are recognized as revenue. Membership to the federation is voluntary, therefore, fees are recognized as annual fees are received.

Investments

Investments are recorded at the lower of cost and market value.

Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write off the assets at the undernoted rates. During the year of acquisition amortization is provided at one-half the regular rate.

Computer equipment	Straight line over 3 years
Equipment	Straight line over 3 years
Computer software	Straight line over 3 years
Office furniture	Straight line over 5 years

**NOVA SCOTIA EQUESTRIAN FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Unaudited)**

3. CAPITAL ASSETS

	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value	
				<u>2019</u>	<u>2018</u>
Computer equipment	straight line	\$ 4,023	\$ 4,023	\$ 0	\$ 0
Equipment	straight line	1,518	1,518	0	0
Office furniture	straight line	369	332	37	110
Computer software	straight line	956	956	0	0
		<u>\$ 6,866</u>	<u>\$ 6,829</u>	<u>\$ 37</u>	<u>\$ 110</u>

4. RELATED PARTY TRANSACTIONS

During the year the federation paid to Sport Nova Scotia, a related not-for-profit association, \$12,638 (2018 - \$10,584) for management fees, overhead costs and \$6,279 (2018 - \$7,576) for rent.

5. FINANCIAL INSTRUMENTS

Financial instruments include cash and bank, accounts receivable, short term investments, and accounts payable and accruals. Unless otherwise noted, it is our opinion that the federation is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of the financial approximate their carrying values, unless otherwise noted.

The federation is exposed to financial risk that arises from the fluctuation in interest rates and in the credit quality of its customers.

Credit risk

Credit risk consists principally of cash and banks, short-term investments, and accounts receivable. Cash and short-term investments are maintained with reputable and major financial institutions. The risk of non-performance of these instruments is considered to be remote.

Currency risk

The federation does not have significant currency risk.

**NOVA SCOTIA EQUESTRIAN FEDERATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Unaudited)**

6. FINANCIAL INSTRUMENTS continued

Interest rate risk

The federation is exposed to interest risk with respect to the following financial instruments:

Cash and banks
Short-term investments

There are no derivative financial instruments to mitigate these risks.

Fair value

The cash and banks, short-term investments, accounts receivable, and accounts payable and accruals are short-term financial instruments whose fair value approximates their carrying value.

7. ORGANIZATION OPERATIONS

	<u>2019</u>	<u>2018</u>
REVENUE		
Government assistance	\$ 65,027	\$ 64,634
Memberships	174,693	180,423
Other	21,995	19,024
	<u>\$ 261,715</u>	<u>\$ 264,081</u>
EXPENSES		
Salaries	\$ 150,443	\$ 128,098
Rent	6,279	7,576
Governance	1,851	1,978
Administration	97,659	90,371
Other	355	2,166
Amortization	74	74
	<u>\$ 256,661</u>	<u>\$ 230,263</u>

8. The organization holds an account which is restricted for equine medication control. These funds are no longer collected but the existing funds are restricted therefore not included in the general accounts.