

**NOVA SCOTIA EQUESTRIAN FEDERATION**

**FINANCIAL STATEMENTS**

**March 31, 2021**



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## **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, 2021, 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, 2021, 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 25, 2021

*Shellnutt Professional Accountants*

Chartered Professional Accountants

**NOVA SCOTIA EQUESTRIAN FEDERATION  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 192,345	\$ 108,485
Accounts receivable, net	1,926	2,655
Short-term investments	67,614	67,215
	261,885	178,355
<b>CAPITAL ASSETS (Note 1, 3)</b>	3,947	0
<b>LONG TERM INVESTMENTS</b>	116,487	99,974
	<b>\$ 382,319</b>	<b>\$ 278,329</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 10,216	\$ 20,690
Payroll deductions payable	4,608	3,863
Deferred revenue	5,257	4,000
	20,081	28,553
<b><u>NET ASSETS</u></b>		
<b>Net assets</b>	362,238	249,776
	<b>\$ 382,319</b>	<b>\$ 278,329</b>

**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, 2021**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Technical/Competitive Programs	\$ 33,983	\$ 77,228
Organization operations (Note 7)	370,040	263,883
Participatory Programs	18,860	15,957
Investment revenue (loss)	16,888	(2,617)
	<u>439,771</u>	<u>354,451</u>
<b>EXPENSES</b>		
Technical/Competitive Programs	61,676	74,864
Organization operations (Note 4, 7)	223,750	237,607
Participatory Programs	41,883	42,772
	<u>327,309</u>	<u>355,243</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 112,462</u>	<u>\$ (792)</u>
Net assets, beginning of year	<u>249,776</u>	<u>250,568</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 362,238</u></u>	<u><u>\$ 249,776</u></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, 2021**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 112,462	\$ (792)
Items not involving an outlay of cash:		
Amortization	789	37
Net changes in non cash working capital balances *	<u>(7,743)</u>	<u>8,121</u>
	<b><u>105,508</u></b>	<b><u>7,366</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase/Redemption of investments	(16,912)	4,602
Purchase of property, plant and equipment	<u>(4,736)</u>	<u>0</u>
	<b><u>(21,648)</u></b>	<b><u>4,602</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	83,860	11,968
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>108,485</u>	<u>96,517</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 192,345</u></b>	<b><u>\$ 108,485</u></b>
<b>* CASH FLOWS FROM NON CASH WORKING CAPITAL BALANCES ARE COMPRISED OF THE FOLLOWING:</b>		
Accounts receivable	\$ 729	\$ 2,245
Prepaid expenses	0	487
Accounts payable and accrued expenses	(10,474)	1,130
Payroll deductions payable	745	259
Deferred revenue	<u>1,257</u>	<u>4,000</u>
	<b><u>\$ (7,743)</u></b>	<b><u>\$ 8,121</u></b>

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, 2021**

**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 Assests**

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, 2021**

**3. CAPITAL ASSETS**

	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
				<b>2021</b>	<b>2020</b>
Computer equipment	straight line	\$ 9,715	\$ 5,768	\$ 3,947	\$ 0
Equipment	straight line	1,518	1,518	0	0
Office furniture	straight line	369	369	0	0
Computer software	straight line	956	956	0	0
		<u>\$ 12,558</u>	<u>\$ 8,611</u>	<u>\$ 3,947</u>	<u>\$ 0</u>

**4. RELATED PARTY TRANSACTIONS**

During the year the federation paid to Sport Nova Scotia, a related not-for-profit association, \$8,263 (2020 - \$12,240) for management fees, overhead costs and \$6,387 (2020 - \$7,480) 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, 2021**

**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><b>2021</b></u>	<u><b>2020</b></u>
<b>REVENUE</b>		
Government assistance	\$ 150,469	\$ 66,730
Federal COVID-19 relief funding	36,193	0
Memberships	158,633	175,014
Other	24,745	22,139
	<u><b>\$ 370,040</b></u>	<u><b>\$ 263,883</b></u>
<b>EXPENSES</b>		
Salaries	\$ 127,692	\$ 124,994
Rent	6,387	7,480
Governance	0	3,186
Administration	88,652	101,547
Other	230	363
Amortization	789	37
	<u><b>\$ 223,750</b></u>	<u><b>\$ 237,607</b></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.