

SPORT NORTH FEDERATION
Financial Statements
Year Ended March 31, 2023

SPORT NORTH FEDERATION
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Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sport North Federation

Opinion

We have audited the financial statements of Sport North Federation (the Federation), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, revenues and expenditures and cash flows 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 Federation as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with 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 ASNPO, 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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:

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Independent Auditor's Report to the To the Members of Sport North Federation *(continued)*

- 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 Federation'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 Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Federation 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.

Hay River, Northwest Territories
May 27, 2023

Ashton Chartered Professional Accountants

SPORT NORTH FEDERATION
Statement of Financial Position
March 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 1,461,919	\$ 1,495,317
Accounts receivable (Note 4)	31,454	15,348
Due from related parties (Note 16)	299,939	303,799
Prepaid expenses	170,364	82,035
GST receivable	135,119	107,709
	2,098,795	2,004,208
Capital assets (Note 5)	5,619	8,191
Investment in Lex Borealis Ltd. (Note 3)	202,144	196,261
Investments (Note 12)	632,226	654,318
	\$ 2,938,784	\$ 2,862,978
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 51,451	\$ 39,899
Current portion of long-term debt (Note 13)	60,000	-
Wages payable	253,940	219,969
Deferred revenue (Note 8)	1,337,835	1,369,091
	1,703,226	1,628,959
Long-term debt (Note 13)	-	60,000
Accrued termination benefits (Note 15)	144,984	124,481
	1,848,210	1,813,440
NET ASSETS		
General fund	928,769	887,733
Restricted fund	139,098	139,098
Reserve fund	22,707	22,707
	1,090,574	1,049,538
	\$ 2,938,784	\$ 2,862,978

ON BEHALF OF THE BOARD

_____ Director

_____ Director

SPORT NORTH FEDERATION
Statement of Changes in Net Assets
Year Ended March 31, 2023

	General Fund	Restricted Fund <i>(Note 16)</i>	Reserve Fund <i>(Note 17)</i>	2023	2022
Net assets - beginning of year	\$ 887,733	\$ 139,098	\$ 22,707	\$ 1,049,538	\$ 1,167,600
Excess (deficiency) of revenues over expenses	41,036	-	-	41,036	(118,061)
Net assets - end of year	\$ 928,769	\$ 139,098	\$ 22,707	\$ 1,090,574	\$ 1,049,539

See notes to financial statements

SPORT NORTH FEDERATION
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	Budget 2023	2023	2022
Revenues			
Core (Schedule 2)	\$ 263,358	\$ 365,604	\$ 328,320
Association Meetings (Schedule 3)	43,400	44,008	14,098
Membership Services (Schedule 4)	128,409	134,229	131,058
Scholarships (Schedule 5)	20,963	19,225	13,000
Awards (Schedule 6)	27,200	9,125	3,000
Hall of Fame (Schedule 7)	43,635	25,681	17,937
Safe Sport (Schedule 8)	-	30,000	-
Multi-sport (Schedule 9)	-	33,000	-
Kidsport (Schedule 10)	118,355	188,353	96,168
Rising Star (Schedule 11)	50,000	70,124	3,000
Coaching (Schedule 12)	70,000	56,288	19,718
Sport Excellence (Schedule 13)	19,930	19,930	19,930
High Performance Coaching (Schedule 14)	19,930	19,930	19,930
AWG 2023 (Schedule 15)	-	1,235,325	-
Golf Tournament (Schedule 16)	-	33,035	16,921
Non-recurring Programs (Schedule 18)	-	15,300	-
She Leads by Sport (Schedule 19)	-	2,500	-
Summary of Games (Schedule 20)	-	11,084	3,271
Canada Winter Games 2023 (Schedule 21)	-	331,890	-
Canada Summer Games 2022 (Schedule 22)	-	248,626	-
	805,180	2,893,257	686,351
Expenses			
Core (Schedule 2)	263,358	358,533	415,538
Association Meetings (Schedule 3)	43,400	44,008	14,098
Membership Services (Schedule 4)	128,409	134,229	131,058
Scholarships (Schedule 5)	20,963	19,225	13,000
Awards (Schedule 6)	27,200	9,125	1,051
Hall of Fame (Schedule 7)	43,635	25,681	17,937
Safe Sport (Schedule 8)	-	30,000	-
Multi-sport (Schedule 9)	-	33,000	-
Kidsport (Schedule 10)	118,355	188,353	96,168
Rising Star (Schedule 11)	50,000	40,258	(2,494)
Coaching (Schedule 12)	70,000	56,288	19,718
Sport Excellence (Schedule 13)	19,930	19,930	19,930
High Performance Coaching (Schedule 14)	19,930	19,930	19,930
AWG 2023 (Schedule 15)	-	1,404,955	-
Golf Tournament (Schedule 16)	-	4,493	6,341
AWG 2022 (Schedule 17)	-	22,152	428
Non-recurring Programs (Schedule 18)	-	-	951
She Leads by Sport (Schedule 19)	-	190	4,418
Summary of Games (Schedule 20)	-	5,001	8,727
Canada Winter Games 2023 (Schedule 21)	-	230,595	669
Canada Summer Games 2022 (Schedule 22)	-	188,986	1,994
Common Vision Champions (Schedule 23)	-	23,172	48,517
	805,180	2,858,104	817,979

See notes to financial statements

SPORT NORTH FEDERATION**Statement of Revenues and Expenditures** *(continued)***Year Ended March 31, 2023**

	Budget 2023	2023	2022
Excess (deficiency) of revenues over expenses from operations	-	35,153	(131,628)
Investment income from Lex Borealis Ltd.	-	5,883	13,567
Excess (deficiency) of revenues over expenses	\$ -	\$ 41,036	\$ (118,061)

SPORT NORTH FEDERATION**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 41,036	\$ (118,061)
Items not affecting cash:		
Amortization of capital assets	3,452	5,459
Loss on investments	22,092	16,879
Investment income from Lex Borealis Ltd.	(5,883)	(13,567)
	60,697	(109,290)
Changes in non-cash working capital:		
Accounts receivable	(16,107)	11,283
Accounts payable	11,551	(7,142)
Deferred revenue	(31,256)	236,533
Prepaid expenses	(88,329)	(82,035)
GST receivable	(27,408)	(3,800)
Wages payable	33,971	66,331
Accrued termination benefits	20,503	35,275
	(97,075)	256,445
Cash flow from (used by) operating activities	(36,378)	147,155
Investing activity		
Purchase of capital assets	(880)	-
Financing activity		
Advances to related parties	3,860	(186,286)
Decrease in cash flow	(33,398)	(39,131)
Cash - beginning of year	1,495,317	1,534,448
Cash - end of year	\$ 1,461,919	\$ 1,495,317

See notes to financial statements

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

1. Purpose of the Federation

Sport North Federation (the "Federation") is a not-for-profit organization of Northwest Territories. As a registered charity the Federation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Federation operates to assist in the promotion and development of amateur sport in the Northwest Territories

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNFPO). Canadian accounting standards for not-for-profit organization are part of Canadian GAAP.

Fund accounting

Sport North Federation follows the deferral method of accounting for contributions.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income.

Revenue recognition

The Federation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue on 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminar is held.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	40% declining balance method
Computer software	50% declining balance method

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SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

2. Summary of significant accounting policies (*continued*)

Furniture and fixtures	30% declining balance method
Website	4 years straight-line method

The Federation regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Reserves

Surplus accumulated in the Federation is appropriated to reserves to use as operating revenue in future years as directed by the Minister of Municipal and Community Affairs of the Government of the Northwest Territories.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Government grants

Government grants are recorded when there is a reasonable assurance that the Federation has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Termination benefits

Termination benefits accruing to the employees of the Federation are expensed over time based on the number of years service by employees. The amount accrued in these financial statements is an estimate of the total liability for all employees eligible to receive severance payments upon lay off, separation, or termination.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

3. Interest in Lex Borealis Ltd.

Sport North Federation holds a 25% interest in Lex Borealis Ltd. Sport North Federation exerts significant influence upon the operations of Lex Borealis Ltd., which provides office space to Sport North Federation and other sport related organizations in Yellowknife, Northwest Territories. It is incorporated under the Statutes of the Northwest Territories.

The investment in Lex Borealis Ltd. has been accounted for in Sport North Federation's financial statements using the equity method. Financial statements of Lex Borealis Ltd. are available upon request.

A financial summary of this entity as at March 31, 2023 and for the year then ended is as follows:

LEX BOREALIS LTD.		2023	2022
Balance Sheet			
Total Assets		\$ 837,643	\$ 817,933
Statement of Income (Loss)			
Total Revenues		326,330	254,145
Total Expenses		(295,440)	(270,517)
Net income (loss)		30,890	(16,372)
Statement of Cash Flows			
Cash inflows from Operating Activities		31,017	17,926
Cash outflows from investing activities		(83,603)	(17,481)
Cash inflows from Financing Activities		45,886	13,434
Net increase (decrease) in cash		(6,700)	13,879

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SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

3. Interest in Lex Borealis Ltd. *(continued)*

A summary of the investment in Lex Borealis Ltd. is as follows:

Initial investment	1,000,000
Accumulated deficit	(803,739)
Current year surplus	5,883
	<hr/>
Investment total	<u>202,144</u>

There was a dispute between Lex Borealis Ltd., Sport North Federation, and the Government of the Northwest Territories with respect to the Cooper Building held in Lex Borealis Ltd., which was settled by a legal agreement dated May 3, 2018. The parties acknowledge and agreed that as of the agreement date:

- a) MACA holds an undivided seventy five (75%) percent beneficial interest in the Cooper Building;
- b) Sport North holds an undivided twenty five (25%) percent beneficial interest in the Cooper Building;
- c) Lex holds the legal title to the Cooper Building in trust for the use and benefit of MACA and Sport North.

4. Accounts receivable

	2023	2022
Other accounts receivable	\$ 39,747	\$ 23,641
Allowance for doubtful accounts	(8,293)	(8,293)
	<hr/>	
	\$ 31,454	\$ 15,348

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 32,582	\$ 26,969	\$ 5,614	\$ 8,184
Furniture and fixtures	13,743	13,738	5	7
Website	49,908	49,908	-	-
	<hr/>			
	\$ 96,233	\$ 90,615	\$ 5,619	\$ 8,191

6. Loan guarantee

The Federation guaranteed a demand line of credit of \$250,000 bearing interest at prime plus 0.80% per annum for Lex Borealis Ltd. a 100% owned company. The guarantee is secured by a general security agreement and a postponement of claim. There was a balance outstanding of \$Nil on March 31, 2023 (2022 - \$Nil).

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

7. KidSport Fund

KidSport Canada received its own RCAA tax number in September, 2007. Effective January 1, 2008 KidSport Canada assumed responsibility for tax receipting and all CRA compliance processes. KidSport Canada is a Registered Canadian Amateur Athletic Association as defined in the Income Tax Act (Canada). By an agreement with KidSport Canada, the Federation is the organization responsible for administering the KidSport Fund in the Northwest Territories. Revenues raised on behalf of KidSport are to be used solely in accordance with the policies and procedures of the KidSport Fund. Unexpended donations at year end are included in deferred revenue (Note 8).

8. Deferred revenue

Special projects deferred revenue represents contributions received from MACA for the Coaching Development Strategy and Traditional Aboriginal Coaching Resources programs which have not been expended. Deferred revenue of the NWT Sport Legacy Fund and KidSport Fund at year end represents unexpended donations. The Deferred Service Agreement and ParticipAction deferred revenue represents unexpended funds received. The NWT Sport and Recreation Council deferred revenue represents grants received that will be expended in the subsequent period. The balance in deferred revenue is made up as follows:

	Balance, Beg. of the year \$	Receipts & Transfers \$	Expenses & Transfers \$	Balance, End of the Year \$
Special projects (Note 9)	\$ 47,940	\$ -	\$ -	\$ 47,940
Def. Service Agreement (Note 10)	101,504	-	-	101,504
NWT Sport Legacy Fund (Note 11)	17,397	-	-	17,397
The KidSport Fund (Note 12)	402,623	-	(41,950)	360,673
ParticipAction	35,399	-	-	35,399
NWT SRC Games Funding	14,327	-	-	14,327
Association Meetings (WCLP)	54,627	-	(4,108)	50,519
KidSport Fund (WCLP)	168,179	6,938	-	175,117
Awards (WCLP)	54,400	21,075	-	75,475
Coaching (WCLP)	85,496	13,441	-	98,937
High Perf. Coaching (WCLP)	14,557	-	-	14,557
Games Management (WCLP)	1,340	-	-	1,340
Membership Services (WCLP)	93,563	-	(29,220)	64,343
Scholarships (WCLP)	28,926	1,738	-	30,664
Hall of Fame (WCLP)	69,333	17,954	-	87,287
Volunteer Orientation (WCLP)	28,627	-	-	28,627
Sport 4 Life (WCLP)	25,159	-	-	25,159
Rising Star (WCLP)	125,694	-	(17,124)	108,570
	\$ 1,369,091	\$ 61,146	\$ (92,402)	\$ 1,337,835

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

9. Special projects

The Federation has entered into agreements with, and on behalf of, MACA for the development of coaching resources for several traditional aboriginal sports. The current year's over funding of these projects is shown below. The net amount represents deferred revenue (Note 8).

	Balance, Beg. of the year \$	Receipts & Transfers \$	Expenses & Transfers \$	Balance, End of the Year \$
Deferred revenue	\$ 47,797	\$ -	\$ -	\$ 47,797
Dene Games	48	-	-	48
Inuit Wrestling	48	-	-	48
Arctic Sports	47	-	-	47
Deferred revenue	\$ 47,940	\$ -	\$ -	\$ 47,940

10. Deferred service agreement

This agreement represents funds to provide coaching and officiating clinics for representatives from Nunavut. Unexpended funds at year end are included in deferred revenue (Note 8).

11. NWT Sport Legacy Fund

NWT Sport Legacy fund is a fund established and controlled by Sport North Federation. The fund is held in trust by the National Sport Trust Fund which is managed by the Canadian Council of Provincial and Territorial Sport Federations (CCP&TSF). The CCP&TSF is a Registered Canadian Amateur Athletic Association as defined in the Income Tax Act (Canada). Unexpended funds at year end are included in deferred revenue (Note 8).

12. Investments

Investments consist of funds received for the KidSport program that are held for future programming. The investment income (loss) is reported in the Kidsport program (Schedule 10). By an agreement with KidSport Canada, the Federation is granted the fiduciary responsibility and rights for the management of the investments.

13. Long-term debt

	2023	2022
Canada Emergency Business Account (CEBA) loan bearing interest at 0% per annum, until December 31, 2023. If the loan is repaid in full by this date, 25% of the initial \$40,000 and 50% of the secondary \$20,000 will be forgiven. If the loan still outstanding at December 31, 2023, it becomes a 3-year term loan bearing interest at 5% per annum.	\$ -	\$ 60,000
Amounts payable within one year	60,000	-
	\$ 60,000	\$ 60,000

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

14. Project transfers

	Balance, Beg. of the Year \$	Transfers to/ (from) \$	2023
<u>Funding project transfers</u>			
Membership Services	\$ -	\$ (33,000)	\$ (33,000)
Multi Sport	-	33,000	33,000

15. Accrued termination benefits

Employees of the Federation, who resign after a minimum of four years of continuous service, are eligible to receive severance pay, based on the number of years of service, up to a maximum amount totaling 25% of the individual's annual base salary (i.e. thirteen weeks pay). Employees who are laid off after a minimum of one year of continuous service, are eligible to receive severance pay, based on the number of years of service, up to a maximum amount totaling 53.8% of the individual's annual base salary (i.e. twenty eight weeks pay). The amount accrued in these financial statements is an estimate of the total liability for all employees eligible to receive severance pay upon lay off.

16. Related party balances

The Federation incurs certain operating costs on behalf of its members, Territorial Sport Organizations (TSOs), for airfare, freight, photocopies and phone calls, which are charged back to members by way of invoice. Members pay an administrative fee in the amount of one percent of the total airfare cost. All other expenses are invoiced to members at cost incurred by the Federation. Outstanding amounts are due within 30 days from the date of invoicing. Interest at a rate of 2% per month is charged on amounts outstanding greater than 30 days.

Amounts receivable from related parties were outstanding as at March 31, 2023 as follows:

	2023	2022
Aboriginal Sport Circle	\$ 6,354	\$ -
Athletics NWT	9,673	20,252
Basketball NWT	3,094	51,939
Beaufort Delta Sahtu Rec.	-	1
Cross Country NWT	683	683
Golf NT	211	211
Hockey North	10,007	12,471
Hockey NWT	14,055	13,356
Other	(9,657)	-
Lex Borealis Ltd.	95,997	129,492
NWT 5 Pin Bowlers Association	146	146
Mackenzie Recreation Association	(11)	867
NWT Amateur Speedskating Association	72	72
NWT Aurora Horse Association	200	200
NWT Badminton Association	860	860
NWT Biathlon Association	2,149	2,149
CCPTSF	6,600	-
NWT Curling Association	4,490	(1,377)

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SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

16. Related party balances <i>(continued)</i>		
NWT Dog Sledding Association	3,868	5,956
NWT Dog Mushing Association	(4,000)	(4,000)
NWT Figure Skating Association	255	255
NWT Federation of Shooting Sports	100	-
NWT Gymnastics Association	184	184
NWT Judo	(2,020)	120
NWT Karate Association	1,612	2
NWT Kayaking Association	972	982
NWT Recreation and Parks Association	(161)	(161)
NWT School Athletics Federation	100	100
NWT Snowboard Association	150	150
NWT Soccer Association	897	897
NWT Softball Association	330	-
NWT Speed skating Association	12,137	12,137
NWT Squash/Racquets Association	4,760	1,503
NWT Swimming Association	(10,252)	(3,586)
NWT Track & Field Association	37	37
NWT Volleyball Association	90,534	46,123
NWT Wrestling Association	43,509	8,182
NWT WTF Tae Kwon Do Association	2	2
Table Tennis North	4,221	1,820
Tennis NWT	(1,466)	(1,337)
Tennis NWT Junior	-	(250)
GNWT - Municipal and Community Affairs	9,247	3,361
	\$ 299,939	\$ 303,799

17. Restricted fund

Excess revenues are appropriated for future years upon approval by the Minister of MACA.

	2023	2022
Reserves	\$ 139,098	\$ 139,098

18. Reserve fund

The Reserve fund relates to the net surpluses and deficits from various games that occurred in the fiscal years ended March 31, 2013 and prior. Management has set aside these funds for use in future games.

19. Economic dependence

The Federation receives approximately 80% of its funding from the Government of the Northwest Territories (GNWT). Should the funding from the GNWT be discontinued, management is of the opinion that continued operations would be doubtful.

SPORT NORTH FEDERATION
Notes to Financial Statements
Year Ended March 31, 2023

20. Financial instruments

The Federation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Federation's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that the Federation will fail to perform its obligations to meet the requirements of the funding agencies. The Federation is exposed to credit risk from funding agencies. In order to reduce its credit risk, the Federation reviews new contribution agreements before accepting the funding to ensure they have the resources to fulfil the necessary criteria.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to this risk mainly in respect of its receipt of funds from funding agencies and other related sources, and its financial liabilities including repayable contributions, deferred contributions and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Federation is mainly exposed to other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Federation is exposed to other price risk through its investment in publically traded securities and exchange traded funds through the Kidsport Investment Fund.

Unless otherwise noted, it is management's opinion that the Federation is not exposed to significant other price risks arising from these financial instruments.

SPORT NORTH FEDERATION
Summary of Programs and Games by Object
Year Ended March 31, 2023

(Schedule 1)

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 800,000	\$ 830,000	\$ 800,000
GNWT WCLP - Games	-	1,432,000	-
Grants	-	33,963	3,000
Administration fees	-	28,062	24,000
Registration fees	1,680	404,568	23,706
Donations	-	77,220	39,882
Interest	-	38,538	6,735
Loss on investments	-	(22,092)	(16,879)
TSO support position funding	-	37,000	34,813
Miscellaneous	3,500	2,742	7,627
Deferred contributions	-	647,552	411,019
Deferred contributions, closing	-	(616,296)	(647,552)
	805,180	2,893,257	686,351
Expenses			
Travel	65,400	1,230,548	10,679
Salaries and wages	366,705	660,630	593,160
Equipment	19,500	424,536	6,978
Grants	126,000	123,938	36,900
Materials and supplies	16,284	87,673	4,085
Professional fees (instructor, contracted service)	75,594	85,977	60,216
Dues and fees	3,700	63,998	7,250
Rental (facility, equipment, vehicles)	23,000	42,074	5,711
Advertising and promotion	14,000	36,424	15,025
Food (events, meetings, etc)	8,100	20,820	4,758
Audit and accounting	20,000	16,565	15,823
Interest and bank charges	2,580	14,023	2,365
Office	12,467	12,141	5,631
Computer equipment and services	8,500	11,626	11,086
Professional development and training	14,500	9,997	2,492
Communications	13,250	7,220	11,989
Legal	1,000	4,793	2,289
Insurance	12,000	4,625	9,035
Postage, freight, courier	400	4,470	668
Amortization	-	3,452	5,459
Miscellaneous	500	14	103
Repairs and maintenance	1,700	-	-
Bad debts (recovery)	-	(7,440)	6,277
	805,180	2,858,104	817,979
Investment income from Lex Borealis Ltd.	-	(5,883)	(13,567)
	805,180	2,852,221	804,412
Excess (deficiency) of revenues over expenses	\$ -	\$ 41,036	\$ (118,061)

See notes to financial statements

SPORT NORTH FEDERATION

Core

(Schedule 2)

Year Ended March 31, 2023

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 263,358	\$ 263,358	\$ 263,358
Grants	-	8,247	-
Administration fees	-	24,937	24,000
TSO support position funding	-	30,000	20,000
Donations	-	6,000	6,000
Interest	-	33,062	6,735
Registration fees	-	-	600
Miscellaneous	-	-	7,627
	263,358	365,604	328,320
Expenses			
Salaries and wages	134,591	256,558	332,784
Audit and accounting	20,000	16,565	15,823
Computer equipment and services	8,500	11,528	11,086
Professional fees (instructor, contracted service)	20,000	10,299	379
Dues and fees	1,700	10,295	2,796
Office	12,467	9,245	5,015
Interest and bank charges	2,400	7,782	1,575
Materials and supplies	-	6,973	79
Professional development and training	7,000	6,123	1,830
Communications	13,100	5,161	5,127
Legal	1,000	4,793	203
Food (events, meetings, etc)	-	3,834	1,856
Amortization	-	3,452	5,459
Insurance	12,000	3,409	9,035
Advertising and promotion	5,000	2,924	4,213
Postage, freight, courier	400	1,587	430
Rental (facility, equipment, vehicles)	5,000	688	5,085
Miscellaneous	-	12	-
Bad debts (recovery)	-	(7,440)	6,277
Equipment	13,000	-	2,279
Repairs and maintenance	1,700	-	-
Travel			
Accommodations	1,500	200	2,269
Tickets (Flights, buses, etc)	3,500	4,057	1,683
Per diems	500	488	255
	263,358	358,533	415,538
Excess (deficiency) of revenues over expenses	\$ -	\$ 7,071	\$ (87,218)

See notes to financial statements

SPORT NORTH FEDERATION**Association Meetings****(Schedule 3)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 39,900	\$ 39,900	\$ 39,900
Membership fees	3,500	-	-
Deferred contributions, opening	-	54,627	28,825
Deferred contributions, closing	-	(50,519)	(54,627)
	43,400	44,008	14,098
Expenses			
Salaries and wages	2,000	16,467	-
Food (events, meetings, etc)	5,100	4,594	1,246
Advertising and promotion	-	3,447	2,903
Professional fees (instructor, contracted service)	3,500	1,733	7,108
Materials and supplies	1,100	233	97
Computer equipment and services	-	98	-
Postage, freight, courier	-	88	238
Equipment	5,500	-	4,001
Office	-	-	65
Professional development and training	-	-	40
Travel			
Accommodations	6,300	609	54
Tickets (Flights, buses, etc)	13,300	11,421	(1,654)
Per diems	6,600	5,318	-
	43,400	44,008	14,098
Excess of revenues over expenses	\$ -	\$ -	\$ -

See notes to financial statements

SPORT NORTH FEDERATION**Membership Services****(Schedule 4)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 128,409	\$ 128,409	\$ 128,409
Registration fees	-	2,600	3,400
TSO support position funding	-	7,000	14,813
Deferred contributions, opening	-	93,563	77,999
Deferred contributions, closing	-	(64,343)	(93,563)
Funding transfer - WCLP funds	-	(33,000)	-
	128,409	134,229	131,058
Expenses			
Salaries and wages	128,409	128,410	128,415
Equipment	-	3,940	-
Materials and supplies	-	1,160	118
Dues and fees	-	600	439
Advertising and promotion	-	82	-
Office	-	24	-
Food (events, meetings, etc)	-	13	-
Legal	-	-	2,086
	128,409	134,229	131,058
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION**Scholarships****(Schedule 5)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 20,963	\$ 20,963	\$ 20,963
Deferred contributions, opening	-	28,926	20,963
Deferred contributions, closing	-	(30,664)	(28,926)
	20,963	19,225	13,000
Expenses			
Salaries and wages	5,470	10,470	5,500
Grants	14,000	6,500	7,500
Advertising and promotion	-	2,255	-
Materials and supplies	1,493	-	-
	20,963	19,225	13,000
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION**Awards****(Schedule 6)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 27,200	\$ 27,200	\$ 27,200
Donations	-	3,000	3,000
Deferred contributions, opening	-	54,400	27,200
Deferred contributions, closing	-	(75,475)	(54,400)
	27,200	9,125	3,000
Expenses			
Materials and supplies	4,700	3,160	128
Advertising and promotion	2,000	2,846	923
Salaries and wages	2,000	2,000	-
Dues and fees	1,000	1,119	-
Food (events, meetings, etc)	2,000	-	-
Rental (facility, equipment, vehicles)	7,000	-	-
Travel			
Accommodations	2,200	-	-
Tickets (Flights, buses, etc)	6,000	-	-
Per diems	300	-	-
	27,200	9,125	1,051
Excess of revenues over expenses	\$ -	\$ -	\$ 1,949

SPORT NORTH FEDERATION**Hall of Fame****(Schedule 7)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 43,635	\$ 43,635	\$ 43,635
Deferred contributions, opening	-	69,333	43,635
Deferred contributions, closing	-	(87,287)	(69,333)
	43,635	25,681	17,937
Expenses			
Salaries and wages	23,426	23,426	-
Advertising and promotion	1,500	2,255	-
Materials and supplies	4,509	-	-
Miscellaneous	200	-	-
Professional fees (instructor, contracted service)	-	-	17,937
Rental (facility, equipment, vehicles)	5,500	-	-
Travel			
Accommodations	2,000	-	-
Tickets (Flights, buses, etc)	6,000	-	-
Per diems	500	-	-
	43,635	25,681	17,937
Excess of revenues over expenses	\$ -	\$ -	\$ -

See notes to financial statements

SPORT NORTH FEDERATION**Safe Sport****(Schedule 8)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ -	\$ 30,000	\$ -
Expenses			
Professional fees (instructor, contracted service)	-	30,000	-
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION**Multi-sport****(Schedule 9)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
Funding transfer - WCLP funds	\$ -	\$ 33,000	\$ -
Expenses			
Professional fees (instructor, contracted service)	-	33,000	-
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION

Kidsport

(Schedule 10)

Year Ended March 31, 2023

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 118,355	\$ 118,355	\$ 118,355
Registration fees	-	-	5,847
Donations	-	51,600	21,312
Interest	-	5,477	-
Loss on investments	-	(22,092)	(16,879)
Deferred contributions, opening	-	150,822	118,355
Deferred contributions, closing	-	(115,809)	(150,822)
	118,355	188,353	96,168
Expenses			
Salaries and wages	99,543	99,542	58,375
Grants	10,000	70,469	29,400
Equipment	-	5,250	-
Advertising and promotion	1,500	3,684	4,345
Office	-	2,562	-
Dues and fees	-	1,700	717
Professional development and training	-	513	-
Communications	100	358	2,562
Materials and supplies	1,332	57	-
Food (events, meetings, etc)	-	54	764
Interest and bank charges	180	9	5
Salaries and wages	-	-	-
Rental (facility, equipment, vehicles)	1,000	-	-
Travel			
Accommodations	-	1,360	-
Tickets (Flights, buses, etc)	3,500	1,380	-
Per diems	1,200	1,415	-
	118,355	188,353	96,168
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION**Rising Star****(Schedule 11)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 50,000	\$ 50,000	\$ 50,000
Donations	-	3,000	3,000
Deferred contributions, opening	-	95,828	45,828
Deferred contributions, closing	-	(78,704)	(95,828)
	50,000	70,124	3,000
Expenses			
Grants	35,000	25,258	-
Salaries and wages	15,000	15,000	-
Travel			
Tickets (Flights, buses, etc)	-	-	(2,494)
	50,000	40,258	(2,494)
Excess of revenues over expenses	\$ -	\$ 29,866	\$ 5,494

SPORT NORTH FEDERATION**Coaching****(Schedule 12)****Year Ended March 31, 2023**

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 68,320	\$ 68,320	\$ 68,320
Grants	-	-	3,000
Registration fees	1,680	1,169	237
Miscellaneous	-	240	-
Deferred contributions, opening	-	85,496	33,657
Deferred contributions, closing	-	(98,937)	(85,496)
	70,000	56,288	19,718
Expenses			
Salaries and wages	43,000	40,598	-
Materials and supplies	2,000	3,181	3,236
Professional fees (instructor, contracted service)	-	2,402	9,953
Dues and fees	2,000	1,559	1,500
Professional development and training	7,500	240	482
Rental (facility, equipment, vehicles)	500	64	501
Equipment	-	48	-
Office	-	44	(10)
Food (events, meetings, etc)	-	36	307
Advertising and promotion	2,000	-	528
Communications	-	-	3,221
Grants	4,000	-	-
Travel			
Accommodations	2,000	1,236	-
Tickets (Flights, buses, etc)	6,000	4,930	-
Per diems	1,000	1,950	-
	70,000	56,288	19,718
Excess of revenues over expenses	\$ -	\$ -	\$ -

See notes to financial statements

SPORT NORTH FEDERATION
Sport Excellence
Year Ended March 31, 2023

(Schedule 13)

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 19,930	\$ 19,930	\$ 19,930
Expenses			
Salaries and wages	19,930	19,930	19,930
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION
High Performance Coaching
Year Ended March 31, 2023

(Schedule 14)

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT - WCLP	\$ 19,930	\$ 19,930	\$ 19,930
Deferred contributions, opening	-	14,557	14,557
Deferred contributions, closing	-	(14,557)	(14,557)
	19,930	19,930	19,930
Expenses			
Salaries and wages	19,930	19,930	19,930
Excess of revenues over expenses	\$ -	\$ -	\$ -

SPORT NORTH FEDERATION

AWG 2023

(Schedule 15)

Year Ended March 31, 2023

	Budget (Unaudited) 2023	2023	2022
Revenues			
GNWT WCLP - Games	\$ -	\$ 966,000	\$ -
Registration fees	-	266,200	-
Administration fees	-	3,125	-
	-	1,235,325	-
Expenses			
Equipment	-	195,216	-
Materials and supplies	-	61,387	-
Dues and fees	-	42,818	-
Rental (facility, equipment, vehicles)	-	17,579	-
Advertising and promotion	-	14,466	-
Food (events, meetings, etc)	-	8,211	-
Interest and bank charges	-	2,518	-
Postage, freight, courier	-	812	-
Communications	-	550	-
Office	-	65	-
Travel			
Accommodations	-	20,761	-
Tickets (Flights, buses, etc)	-	1,031,542	-
Per diems	-	9,030	-
	-	1,404,955	-
Deficiency of revenues over expenses	\$ -	\$ (169,630)	\$ -

See notes to financial statements

SPORT NORTH FEDERATION**Golf Tournament****(Schedule 16)****Year Ended March 31, 2023**

	2023	2022
Revenues		
Registration fees	\$ 19,415	\$ 10,351
Donations	13,620	6,570
	33,035	16,921
Expenses		
Materials and supplies	2,283	248
Communications	836	-
Advertising and promotion	604	450
Equipment	520	-
Dues and fees	250	1,757
Food (events, meetings, etc)	-	411
Office	-	18
Miscellaneous	-	100
Professional fees (instructor, contracted service)	-	3,357
	4,493	6,341
Excess of revenues over expenses	\$ 28,542	\$ 10,580

See notes to financial statements

SPORT NORTH FEDERATION**AWG 2022****(Schedule 17)****Year Ended March 31, 2023**

	2023	2022
Expenses		
Grants	\$ 21,712	\$ -
Advertising and promotion	440	428
Deficiency of revenues over expenses	\$ 22,152	\$ 428

SPORT NORTH FEDERATION**Non-recurring Programs****(Schedule 18)****Year Ended March 31, 2023**

	2023	2022
Revenues		
Grants	\$ 15,300	\$ -
Expenses		
Communications	-	246
Food (events, meetings, etc)	-	37
Office	-	543
Rental (facility, equipment, vehicles)	-	125
	-	951
Excess (deficiency) of revenues over expenses	\$ 15,300	\$ (951)

SPORT NORTH FEDERATION**She Leads by Sport****Year Ended March 31, 2023****(Schedule 19)**

	2023	2022
Revenues		
Miscellaneous	\$ 2,500	\$ -
Expenses		
Advertising and promotion	140	-
Materials and supplies	42	177
Professional fees (instructor, contracted service)	8	4,176
Communications	-	65
	190	4,418
Excess (deficiency) of revenues over expenses	\$ 2,310	\$ (4,418)

SPORT NORTH FEDERATION**Summary of Games****(Schedule 20)****Year Ended March 31, 2023**

	2023	2022
Revenues		
Registration fees	\$ 11,084	\$ 3,271
Expenses		
Equipment	3,451	-
Per diems	803	-
Interest and bank charges	747	784
Dues and fees	-	40
Travel		
Tickets (Flights, buses, etc)	-	7,903
	5,001	8,727
Excess (deficiency) of revenues over expenses	\$ 6,083	\$ (5,456)

SPORT NORTH FEDERATION
Canada Winter Games 2023
Year Ended March 31, 2023

(Schedule 21)

	2023	2022
Revenues		
GNWT WCLP - Games	\$ 270,000	\$ -
Registration fees	56,400	-
Grants	5,490	-
	331,890	-
Expenses		
Equipment	108,300	-
Rental (facility, equipment, vehicles)	23,544	-
Food (events, meetings, etc)	3,163	-
Advertising and promotion	2,669	-
Dues and fees	2,525	-
Materials and supplies	2,510	-
Insurance	1,216	-
Interest and bank charges	1,072	-
Postage, freight, courier	861	-
Office	6	-
Travel		
Accommodations	23,644	-
Tickets (Flights, buses, etc)	45,704	-
Per diems	15,381	669
	230,595	669
Excess (deficiency) of revenues over expenses	\$ 101,295	\$ (669)

SPORT NORTH FEDERATION
Canada Summer Games 2022
Year Ended March 31, 2023

(Schedule 22)

	2023	2022
Revenues		
GNWT WCLP - Games	\$ 196,000	\$ -
Registration fees	47,700	-
Grants	4,926	-
	248,626	-
Expenses		
Equipment	107,810	-
Salaries and wages	28,011	-
Materials and supplies	5,599	-
Interest and bank charges	1,894	-
Postage, freight, courier	1,055	-
Advertising and promotion	450	-
Dues and fees	276	-
Office	194	-
Rental (facility, equipment, vehicles)	43	-
Food (events, meetings, etc)	32	-
Travel		
Accommodations	1,477	-
Tickets (Flights, buses, etc)	29,712	1,994
Per diems	12,433	-
	188,986	1,994
Excess (deficiency) of revenues over expenses	\$ 59,640	\$ (1,994)

SPORT NORTH FEDERATION**Common Vision Champions****(Schedule 23)****Year Ended March 31, 2023**

	2023	2022
Expenses		
Professional fees (instructor, contracted)	\$ 8,535	\$ 17,306
Professional development and training	3,122	139
Dues and fees	2,856	-
Materials and supplies	1,087	-
Food (events, meetings, etc)	885	136
Communications	315	768
Salaries and wages	289	28,231
Advertising and promotion	165	1,239
Rental (facility, equipment, vehicles)	155	-
Postage, freight, courier	66	-
Equipment	-	698
Travel		
Accommodations	1,479	-
Tickets (Flights, buses, etc)	4,218	-
Deficiency of revenues over expenses	\$ 23,172	\$ 48,517
