

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
2017-2018**

**SASKATCHEWAN SNOWMOBILE FUND  
FOR THE FISCAL YEAR ENDING MARCH 31, 2018**



**SASKATCHEWAN SNOWMOBILE ASSOCIATION INC.**

**INTRODUCTION:**

The Saskatchewan Snowmobile Fund (Fund), also called the Trail Fund, was established under *The Snowmobile Act* (Act). The fund provides money for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails.

The legislative authority for the Fund and the specific provisions of the Fund are found in The Act and the Regulations thereunder.

Pursuant to The Act, the Minister appointed the Saskatchewan Snowmobile Association Inc. (SSA) to administer the Fund.

**FUND PURPOSE**

The Snowmobile Fund is administered by the Saskatchewan Snowmobile Association Inc. (Trail Fund Manager).

The Fund provides on-going funds required to operate and maintain safe snowmobile trails in Saskatchewan.

The Fund distributes monies to eligible clubs to maintain and groom snowmobile trails based on a formula agreed upon by all SSA member clubs.

The forty eight (48) trail funded clubs received their trail maintenance payment for the 2016-2017 season on August 1, 2017. The total payout to clubs of \$1,133,566 is recognized as an expense in the 2017-18 fiscal year and was used to maintain 9,208 km of trail.

**COMPARATIVE FIGURES:**

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
# of Clubs Funded	48	47	47	47	47	47
Amount Paid to Clubs	1,133,566	997,962	1,117,160	1,152,390	1,347,158	907,000
# of KM maintained	9,208	10,057	9526	9662	9549	9,795
SGI Snowmobile Registrations	15,160	15,245	15,102	17,964	20,478	23,307

**MANAGEMENT OF KEY RISKS:**

\*Public Awareness

We had another tough season in 2017-2018 with a number of Kms of the provincial trail system closed due to low snow conditions. The low snow situation led to lower than average snowmobile registrations as well a decrease in new snowmobile sales for three years in a row. New snowmobile sales decreased 2.75% from 2760 units in 2016-2017 season to 2684 units in the 2017-2018 season.

\*Safety Promotion

In the 2017/18 season we continued with our province wide snowmobile TV safety awareness campaign. We partnered with SLGA, SGI & SPRA to make this campaign possible. We also continued with the “No Trespassing” message that focused on creating awareness to “Ask before you Ride”. We are disappointed to report that three snowmobile fatalities took place in the province this season. Safety promotion continues to top our list of initiatives; public promotion and education awareness are the key factors to reducing accidents, injuries and fatalities. The SSA provides the Snowmobile Safety Course on-line and in a classroom setting.

\*Enforcement/Compliance

We saw increased communication with the RCMP in the 2017/18 season. There were reports of increased RCMP presence on the trails this season and we are hopeful this will continue. The number of snowmobile related fines issued each year is negligible (2012-44; 2013-50; 2014-30) which indicates a need for a stronger RCMP presence on the trails. We know that alcohol and speed are the two leading factors in snowmobile accidents, incidents, injuries and fatalities and RCMP enforcement would help reduce unfavorable outcomes.

\*Fleet Management

The SSA and Member Clubs continue to work together to find and incorporate efficiencies, safety practices, risk management and undertake an overall assessment of the condition of the fleet of snow groomers.

\*Trail Evaluation Program

The Trail Evaluation Program has become a valuable tool in ensuring snowmobile trail standards are met and adhered to. Ensuring that a province wide standard is in place offers the public the opportunity to use the snowmobile trail system and be confident that the signage, quality and practices are consistent province wide.

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### \*Reporting

Member/Funded Clubs continue to provide detailed reports on trail conditions, trails groomed, KM's groomed, dates and times groomed and expense incurred. This information assists with efficiencies, funding requirements and allows checks with trail Evaluation reports.

### \*Insurance

The insurance requirements continue to be met as per the agreement. The liability insurance also includes the land owners that provide permission to host snowmobile trail on their property.

### \*Fraud

As the Trail Fund Manager, the SSA follows the guidelines of Saskatchewan Finance, Financial Administration Manual. The manual outlines the financial requirements which include fraud, and reporting of fraud.

### **Management's Responsibility for Financial Statements**

The Saskatchewan Snowmobile Association (Association) is responsible for establishing and maintaining a system of internal control, complying with authorities and maintaining the Saskatchewan Snowmobile Fund's (Fund) financial records and financial statements. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

The Association's Board oversees management in the performance of its financial reporting duties.

The Provincial Auditor of Saskatchewan annually examines the Association's system of internal control, compliance with authorities and the Fund's financial statements. A copy of the Provincial Auditor's opinion on the financial statements is enclosed.



Chris Brewer  
President / CEO  
Saskatchewan Snowmobile Association Inc.  
Regina Beach, Saskatchewan  
June 19, 2018

**SASKATCHEWAN SNOWMOBILE FUND**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2018**



## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Snowmobile Fund, which comprise the statement of financial position as at March 31, 2018, the statements of operations and accumulated surplus, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, 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.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Snowmobile Fund as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan  
June 19, 2018

Judy Ferguson, FCPA, FCA  
Provincial Auditor

**Saskatchewan Snowmobile Fund  
STATEMENT OF FINANCIAL POSITION**

**STATEMENT 1**

**As at March 31**

	<b>2018</b>	<b>2017</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,449	\$ 5,585
Accounts receivable (Note 7)	139,700	55,428
Investments (Note 4)	1,417,853	1,301,795
GST receivable	2,898	2,017
	<u>\$ 1,561,900</u>	<u>\$ 1,364,825</u>
 <b>LIABILITIES</b>		
Due to Saskatchewan Snowmobile Association Inc.	\$ 72	\$ 132
Accounts payable	3,254	3,852
	<u>3,326</u>	<u>3,984</u>
 <b>Net Financial Assets</b>	 <u>\$ 1,558,574</u>	 <u>\$ 1,360,841</u>
 <b>Accumulated Surplus (Statement 2) (Note 8)</b>	 <u>\$ 1,558,574</u>	 <u>\$ 1,360,841</u>
 <b>Contractual Obligations (Note 9)</b>		

(See accompanying notes to the financial statements)

**Saskatchewan Snowmobile Fund  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**STATEMENT 2**

**Year Ended March 31**

	<b>2018</b>		<b>2017</b>
	<u>Budget</u> (Note 5)	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Transfer from General Revenue Fund – Ministry of Parks, Culture and Sport (Note 1):			
Trail Funding	\$1,860,000	\$1,515,708	\$1,409,848
Disaster Recovery Grant Program Funding	186,000	151,502	114,232
Interest and other revenue	2,000	3,647	1,520
	<u>2,048,000</u>	<u>1,670,857</u>	<u>1,525,600</u>
<b>Total Revenues</b>			
<b>EXPENSES</b>			
Trail funding to clubs	1,185,311	1,133,566	993,556
Disaster Recovery Grant Program	-	41,871	56,798
Liability insurance	29,000	27,543	28,375
Administration	155,325	154,698	151,543
Travel and meetings	10,000	9,659	10,230
Marketing and promotion	46,500	51,668	49,018
Safety expenses	51,000	54,119	43,040
	<u>1,477,136</u>	<u>1,473,124</u>	<u>1,332,560</u>
<b>Total Expenses (Note 6)</b>			
Operating Surplus (Deficit) for the year	<u>\$570,864</u>	197,733	193,040
Accumulated Surplus, beginning of year		1,360,841	1,167,801
Accumulated Surplus, end of year – to Statement 1		<u>\$1,558,574</u>	<u>\$1,360,841</u>

(See accompanying notes to the financial statements)

**Saskatchewan Snowmobile Fund  
STATEMENT OF CASH FLOWS**

**STATEMENT 3**

**Year Ended March 31**

	<b>2018</b>	<b>2017</b>
	<hr/>	<hr/>
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund – Ministry of Parks, Culture and Sport:		
Trail Funding	\$ 1,428,708	\$ 1,422,178
Disaster Recovery Grant Program Funding	151,502	114,232
Receipts of interest and other revenue	3,647	1,520
Payments to suppliers	(292,505)	(272,460)
Payments for travel and meetings	(9,659)	(10,230)
GST refund received	2,961	2,996
Transfers to clubs for trail funding	(1,130,838)	(1,014,261)
Transfers to clubs for Disaster Recovery Grant Program	(41,871)	(56,798)
	<hr/>	<hr/>
	111,945	187,177
Cash flows from (used in) investing activities:		
Purchase of investments	(1,328,647)	(1,317,020)
Sale of investments	1,212,566	1,125,962
	<hr/>	<hr/>
	(116,081)	(191,058)
Net (decrease) increase in cash	(4,136)	(3,881)
Cash, beginning of year	<hr/>	<hr/>
	5,585	9,466
Cash, end of year	<u>\$ 1,449</u>	<u>\$ 5,585</u>

(See accompanying notes to the financial statements)

**SASKATCHEWAN SNOWMOBILE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2018**

**1. Legislative authority**

The Saskatchewan Snowmobile Fund (Fund) was established pursuant to section 20.7 of *The Snowmobile Act*. The Fund's purpose is to provide funding for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails. The Minister responsible for *The Snowmobile Act* appointed the Saskatchewan Snowmobile Association Inc. (Association) to administer the Fund as trail manager. The trail manager is responsible for establishing the trail funding allocation criteria for the distribution of the money in the Fund to the snowmobile clubs who maintain the trails.

The Fund received an annual grant based on the number of snowmobile registrations in the province multiplied by the permit fee described in *The Snowmobile Regulations, 1998*. A portion of the grant is used for the Disaster Recovery Grant Program to assist eligible clubs with emergency costs that arise due to circumstances beyond their control, such as extreme weather, fires and floods. One time funding support will be considered so that the club can continue to meet the minimum quality and safety standards expected for designated provincial snowmobile trails.

The agreement between the Ministry of Parks, Culture and Sport and the Association to provide the annual grant expired March 31, 2018. The Association is in the process of negotiating a new agreement pursuant to *The Snowmobile Regulations, 1998*. The Association expects to sign the final agreement in 2018.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards. A Statement of Changes in Net Financial Assets has not been prepared as the information is readily apparent from the financial statements. These statements do not include a Statement of Remeasurement Gains or Losses as the Fund has no activities that give rise to remeasurement gains or losses. As a result, the accumulated surplus is the same as its accumulated operating surplus. The following accounting principles are considered significant:

a) Tangible capital assets

Individual capital assets costing more than \$500 are capitalized.

b) Investments

Investments are recorded at cost.

c) Trail funding to snowmobile clubs

Trail funding to clubs is recorded as an expense when funding requests have been approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. and the clubs have met the eligibility criteria.

d) Disaster Recovery Grant Program

Disaster Recovery Grant Program payments are recorded as an expense when grant requests have been approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. and the clubs have met the eligibility criteria.

e) Revenue

Trail permit revenue is recognized as other revenue when the permit is issued.

Transfer from the General Revenue Fund – Ministry of Parks, Culture and Sport is recognized based on the annual snowmobile registration fees collected by Saskatchewan Government Insurance and remitted to the General Revenue Fund. The transfer is allocated to Trail Funding and Disaster Recovery Grant Program funding as set out in the Fund's agreement with the Ministry of Parks, Culture and Sport.

f) Use of estimates

These statements are prepared in conformity with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

Effective April 1, 2017, the Fund adopted the following new Public Sector Accounting Standards: PS2200 Related Party Disclosure, PS3210 Assets, PS3320 Contingent Assets, PS3380 Contractual Rights, and PS3420 Inter-entity transactions. There was no significant impact to the Fund's financial statements or notes upon adoption of these new standards.

### **3. Financial instruments**

The Fund's financial instruments include cash, accounts receivable, investments, accounts payable, GST receivable, and due to Saskatchewan Snowmobile Association Inc. Information about the fair value of investments is disclosed in Note 4. The fair value of the other instruments approximates their carrying value due to their immediate or short-term nature.

The nature of the Fund's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk and liquidity risk.

Credit risk arises from accounts receivable and investments. Credit risk from the potential non-payment of accounts receivable is minimal because all of the Funds' receivable is from the General Revenue Fund – Ministry of Parks, Culture, and Sport. Credit risk from investments is limited as the Fund only holds units in a pooled fund consisting of high quality, short-term debt securities.

Liquidity risk is the risk that the Fund cannot meet its financial obligations as they are due. All of the Fund's financial obligations are due within one year. The Fund has sufficient cash and highly liquid investments available to meet its obligations.

#### 4. Investments

The Fund holds units in the RBC Canadian T-Bill Fund, which invests in high quality, short-term debt securities such as treasury bills. The RBC Canadian T-Bill Fund has no fixed interest rate and its returns are based on the success of the fund manager. The fair value of investments approximates their carrying value due to their short-term nature.

#### 5. Budget

The budget presented in the financial statements was approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. on January 20, 2017.

#### 6. Expense by Object

The Saskatchewan Snowmobile Association Inc. (SSAI) provides the Fund with administrative services. The cost for administrative services is based on the fee for services as outlined in the Memorandum of Understanding between the SSAI and the Saskatchewan Snowmobile Fund effective for the years ending March 31, 2017 to March 31, 2019.

	2018	2017
	<u>Total</u>	<u>Total</u>
Transfers for Trail Funding	\$1,133,566	\$993,556
Transfers for Disaster Recovery Grant Program	41,871	56,798
Administrative Services from SSAI	147,210	144,325
Travel and meetings	9,659	10,230
Postage	6,368	6,218
Printing	857	718
Office Supplies	95	128
Bank charges	168	154
Liability Insurance	27,543	28,375
Marketing & Promotion	51,668	49,018
Safety Expenses	54,119	43,040
	<u>\$1,473,124</u>	<u>\$1,332,560</u>

#### 7. Related parties

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to enterprises that the Government jointly controls. Related parties also encompass key management personnel including Board members and the

President/CEO of the Fund. The Fund is related to Saskatchewan Snowmobile Association Inc. because they share key management personnel.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. Accounts receivable includes \$139,700 (2017-\$52,700) from the General Revenue Fund – Ministry of Parks, Culture and Sport. In addition, the Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

#### **8. Designated assets**

The Fund intends to pay, from the 2017-18 accumulated surplus, a transfer to clubs for trail funding in the amount of \$1,221,740. This amount is subject to Board approval and will be paid in the 2018-19 year.

The 2017-18 accumulated surplus includes \$282,906 held in reserve to be available as needed to support requests from the Disaster Recovery Grant Program.

#### **9. Contractual Obligations**

The Fund is obligated to pay the Saskatchewan Snowmobile Association Inc. (SSAI) for services as outlined in the Memorandum of Understanding between the SSAI and the Fund. Fees of \$177,190 will be paid to the SSAI during the 2018-2019 year.

**UNAUDITED PAYEE LIST FOR THE FISCAL YEAR 2017-2018**

**SUPPLIERS RECEIVING \$20,000.00 OR MORE**

**Saskatchewan Snowmobile Association**

Third Party Liability Insurance	27,543
Administration	147,210

**TRAIL FUND PAYOUT BASED ON SNOWMOBILE REGISTRATIONS RECEIVED  
IN THE 2016-2017 SNOWMOBILE SEASON**

**TRAIL FUND PAYOUT**

<b>#</b>	<b>Club Name</b>	<b>Total Paid Aug. 2017</b>
201	Archerwill Drift Riders	25,017
101	Battlefords Trail Breakers	21,555
203	Border Explorers Snowmobile Club	4,219
301	Broadview Snow Busters	17,930
302	Calling Lake Cruisers	17,290
205	Candle Lake Sno Drifters	39,245
103	Canwood Sno-Blazers	5,848
104	Chitek Lake Bush Buddies Inc.	22,575
335	Crossroad Sno-Diggers	14,354
303	Cupar Snowmobile Club	10,910
343	Elbow Lake Sno Drifters	6,847
208	Esker Bear Trails Inc.	49,282
304	Esterhazy Super Sledders	21,227
333	Estevan Snowmobile Club	40,140
125	Goodsoil Ridge Riders	5,684
313	Grenfell Snowdrifters	9,183
210	Hudson Bay Trail Riders	118,727
308	Kamsack Snow Drifters	6,858
211	Kelvington Trailblazers	66,092
212	Lakeland Snowmobile Club	64,274
309	Last Mountain Lake Drifters	10,536
107	Leoville Snow Drifters Inc.	11,111
217	Melfort & District Trail Riders	10,778
218	Mistatim Snow Packers	12,754
311	Moose Mountain Snowmobile Club	43,112
219	Naicam Snowblasters Inc	44,048
109	Northern Lights Snowmobile Assoc.	12,324

<b>220</b>	<b>Pasquia Snow Goers</b>	<b>35,967</b>
<b>221</b>	<b>Porcupine Trail Blasters Inc.</b>	<b>22,988</b>
<b>316</b>	<b>Prairie &amp; Pine Sno Riders Inc.</b>	<b>28,031</b>
<b>222</b>	<b>Prince Albert Trail Riders</b>	<b>6,251</b>
<b>236</b>	<b>Quill Lake Trail Twisters</b>	<b>7,269</b>
<b>318</b>	<b>Rhein Sno Cruzers</b>	<b>8,290</b>
<b>223</b>	<b>Rough Riders Snowmobile Club</b>	<b>41,351</b>
<b>112</b>	<b>Saskatoon Snowmobile Club</b>	<b>6,186</b>
<b>320</b>	<b>Showstoppers Snowmobile Club</b>	<b>14,666</b>
<b>322</b>	<b>Souris River Snowmobile Club</b>	<b>23,551</b>
<b>332</b>	<b>S.E. Sask Stubble Jumpers</b>	<b>44,976</b>
<b>329</b>	<b>Springside Snowmobile Club</b>	<b>1,643</b>
<b>114</b>	<b>Thickwood Trails Snowmobile Club</b>	<b>16,650</b>
<b>115</b>	<b>Timber Trails Sno Riders</b>	<b>23,749</b>
<b>225</b>	<b>Tisdale Snowmobile Club</b>	<b>11,875</b>
<b>324</b>	<b>Trakkers Snow Club</b>	<b>9,313</b>
<b>339</b>	<b>Trans Canada Trail Drifters</b>	<b>13,629</b>
<b>312</b>	<b>Tri-Valley Trails Inc.</b>	<b>27,330</b>
<b>226</b>	<b>Twin Lakes Trail Blazers</b>	<b>19,573</b>
<b>232</b>	<b>Whiteswan Snow Hawks</b>	<b>25,852</b>
<b>327</b>	<b>Yorkton Sno-Riders Club Inc.</b>	<b>32,506</b>
	<b>TOTAL</b>	<b>\$1,133,566</b>

**CLUBS PAID IN AUGUST 2017**

**Note: Payout in August 2017 is from registrations received in the 2016-2017 Fiscal Year Ending March 31, 2017.**