

Saskatchewan Association of Recreation Professionals Inc.

Audited Financial Statements

For the Year Ended June 30, 2019

Saskatchewan Association of Recreation Professionals Inc.

For the Year Ended June 30, 2019

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Independent Auditors' Report

To the Members of Saskatchewan Association of Recreation Professionals Inc.

We have audited the financial statements of Saskatchewan Association of Recreation Professionals Inc., which comprise the statement of financial position as at June 30, 2019 and the statement of operations, statement of changes in assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

In common with many non-profit organizations, the association derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to a comparison of recorded revenue with bank deposits and we were unable to determine whether any adjustments might be necessary to revenues, excess of revenue, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which might have been necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Association of Recreation Professionals Inc. as at June 30, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 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.

Those charged with governance are responsible for overseeing the Organization'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 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.

Priority Accountants CPA
Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

Regina, SK
August 23, 2019

Priority Accounting Services CPA Prof. Corp.

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Independent Auditors' Report

A further description of the auditor's responsibilities:

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 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 Organization's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Saskatchewan Association of Recreation Professionals Inc.

Statement of Financial Position

As at June 30, 2019

	Note	John Austin Foundation 2019	Operating Fund 2019	Combined JAF and Operating Fund 2019	John Austin Foundation 2018	Operating Fund 2018
Assets						
Current assets						
Cash		\$ (22,525)	\$ 28,072	5,547	\$ (29,158)	\$ 28,671
Short term investments	5	370,346	-	370,346	388,111	-
Grant receivable		-	6,720	6,720	-	7,220
Other receivables	4	-	2,691	2,691	-	2,944
Prepaid expenses		-	1,467	1,467	-	542
Total Current Assets		347,821	38,950	386,771	358,953	39,377
Property, plant and equipment, net of accumulated amortization	6	-	570	570	-	941
Total Assets		\$ 347,821	\$ 39,520	\$ 387,341	\$ 358,953	\$ 40,318
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities		\$ -	3,641	3,641	\$ -	\$ 6,839
Deferred revenue		-	2,400	2,400.00	-	-
		-	6,041	6,041	-	6,839
Net Assets						
Invested in capital assets		-	570	570	-	941
Available net assets		347,821	32,909	380,730	358,953	32,538
		347,821	33,479	381,300	358,953	33,479
Total Liabilities and Net Assets		\$ 347,821	\$ 39,520	\$ 387,341	\$ 358,953	\$ 40,318

Approved on Behalf of the Board:

The accompanying notes are an integral part of these financial statements.

Saskatchewan Association of Recreation Professionals Inc.

Statement of Operations

For the Year Ended June 30, 2019

	John Austin Foundation 2019	Operating Fund 2019	Combined JAF and Operating Fund 2019	John Austin Foundation 2018	Operating Fund 2018
Revenues					
Saskatchewan Lotteries Trust Fund	\$ -	\$ 90,026	\$ 90,026	\$ -	\$ 87,404
Other Grants (Schedule 1)	-	30,710	30,710	-	30,385
Memberships (Schedule 2)	-	13,845	13,845	-	12,375
Directory Advertising	-	-	-	-	380
Programs - special events	-	1,019	1,019	-	-
Investment and other income	12,885	1,750	14,635	7,407	-
Total revenue	12,885	137,350	150,235	7,407	130,544
Expenditures					
Administration (Schedule 3)	-	12,789	12,789	-	16,741
Communication	-	5,510	5,510	-	1,747
Organizational Development (Schedule 4)	-	28,408	28,408	49	23,409
Partnerships and Relationships	-	-	-	-	755
Program Development (Schedule 5)	-	9,911	9,911	-	11,486
Roy Ellis Bursary	-	500	500	-	-
Salaries and Benefits	-	104,249	104,249	-	106,949
Total expenditures	-	161,367	161,367	49	161,087
Excess (Deficiency) of revenue over expenditures	\$ 12,885	\$ (24,017)	\$ (11,132)	\$ 7,358	\$ (30,543)

The accompanying notes are an integral part of these financial statements.

Saskatchewan Association of Recreation Professionals Inc.

Statement of Changes in Net Assets

For the Year Ended June 30, 2019

	John Austin Foundation 2019	Operating Fund 2019	Combined JAF and Operating Fund 2019	John Austin Foundation 2018	Operating Fund 2018
Net assets, beginning of year	\$ 358,953	\$ 32,538	\$ 391,491	\$ 382,138	\$ 32,312
Excess (Deficiency) of revenue over expenditures	12,885	(24,017)	(11,132)	7,358	(30,543)
Interfund transfer	(24,017)	24,017	-	(30,543)	30,543
Net investment in capital assets	-	371	371	-	226
Net assets, end of year	\$ 347,821	\$ 32,909	\$ 380,730	\$ 358,953	\$ 32,538

The accompanying notes are an integral part of these financial statements.

Saskatchewan Association of Recreation Professionals Inc.

Statement of Cash Flows

For the Year Ended June 30, 2019

	John Austin Foundation 2019	Operating Fund 2019	Combined JAF and Operating Fund 2019	John Austin Foundation 2018	Operating Fund 2018
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess (Deficiency) of revenue over expenditures	\$ 12,885	\$ (24,017)	\$ (11,132)	\$ 7,358	\$ (30,543)
Amortization	-	371	371	-	715
(Increase) decrease in grant receivables	-	500	500	-	(500)
(Increase) decrease in other receivables	-	253	253	-	(1,351)
(Increase) decrease in prepaid expenses	-	(925)	(925)	-	(96)
Increase (decrease) in accounts payable	-	(3,198)	(3,198)	-	2,588
Increase (decrease) in deferred revenue	-	2,400	2,400	-	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	12,885	(24,616)	(11,731)	7,358	(29,187)
CASH FLOWS FROM INVESTING ACTIVITIES:					
(Increase) decrease in investments	17,765	-	17,765	(54,779)	-
CASH FLOWS FROM FINANCING ACTIVITIES:					
Purchase of equipment	-	-	-	-	(489)
Net cash increase (decrease) in cash and cash equivalents	30,650	(24,616)	6,034	(47,421)	(29,676)
Cash and cash equivalents at beginning of period	358,953	28,671	387,624	382,138	27,804
Interfund Transfer	(24,017)	24,017	-	(30,543)	30,543
Cash Balance	(17,765)	-	(17,765)	54,779	-
Cash and cash equivalents at end of period	\$ 347,821	\$ 28,072	\$ 375,893	\$ 358,953	\$ 28,671
Cash and cash equivalents consist of the following:					
Cash	\$ (22,525)	\$ 28,072	\$ 5,547	\$ (29,158)	\$ 28,671
Short term investments	370,346	-	370,346	388,111	-
	\$ 347,821	\$ 28,072	\$ 375,893	\$ 358,953	\$ 28,671

The accompanying notes are an integral part of these financial statements.

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

1. Nature of Operations

Saskatchewan Association of Recreational Professionals Inc. ("the Association") is incorporated under the Non-Profit Corporations Act of Saskatchewan whose mission is the ongoing development of leadership excellence of recreation professionals.

2. Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

The entity is using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

3. Significant Accounting Policies

a. Cash and cash equivalents

Cash and cash equivalents includes short-term investments that are carried at market value. Annual increases or decreases in market value are reported in the investment income for the year.

b. Property, plant and equipment

Property, plant and equipment is carried at cost. Amortization is calculated using the declining balance method over estimated useful lives at the following rates:

Computer hardware	30%
Computer hardware	45%
Furniture	20%

Depreciation expense for June 30, 2019 was \$ 371 (2018 - \$ 715).

c. Income taxes

No provision of income tax has been made in the financial statement as the Association is a not-for-profit organization and, to the extent the association maintains its non-profit status, no income tax will be payable

d. Financial instruments

The Association's financial instruments consist of cash, investments, accounts receivable, accounts payable and accruals. Unless otherwise noted it is the board's opinion that the Association is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates the carrying value unless otherwise noted.

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

3. Significant Accounting Policies

e. Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in 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.

f. Fund accounting

The Association maintains its accounts in accordance with the principles of fund accounting and follows the restricted fund method of accounting for revenue. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

The operating fund accounts for the Association's operating activities. The John Austin Foundation Fund accounts for the investments in the Foundation. The purpose of the John Austin Foundation Fund is to assure financial stability upon which the Association may operate and grow.

The John Austin Foundation Fund was established by the membership to guarantee the future of the Saskatchewan Association of Recreation Professionals and to generate funds to be used for the advancement of recreation as a profession.

The Foundation is managed by members of the Association Board. The Association typically accesses funds to an annual maximum of \$10,000 at the discretion of the Board. During the year the Board allocated \$24,017 (2018 - \$30,543) from the John Austin Foundation Fund to the operating fund.

g. Financial Risk Management

The Association has a risk management framework to monitor, evaluate and manage the principle risk assumed with financial instruments. The significant risks to which the Association is exposed are:

Interest rate risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's exposure to interest rate risk is limited to the value of cash surrender value of life insurance policies.

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

4. Other Receivables

	2019	2018
GST Receivable	\$ 914	\$ 1,040
Yara Centre - damage deposit	-	605
RBC Visa - Canada post reimbursement	224	-
Interest Receivable	1,553	1,299
Total	\$ 2,691	\$ 2,944

5. Investments

	2019	2018
RBC GIC 001, maturing Aug 9/19, 1.5%	\$ 21,481	\$ 43,496
RBC GIC 005, maturing Sep 15/19, 2.00%	37,884	37,141
RBC GIC 006, maturing Dec 11/19, 2.40%	49,835	-
RBC GIC 007, Maturing May 14/22, 2.00-2.75%	46,955	-
RBC investment savings	214,192	204,225
Laurentian Bank GIC, maturing Jul 16, 2018, 1.95%	-	49,790
RBC GIC 002, maturing Nov 3,18, 1.30%	-	6,504
RBC GIC 003, Maturing May 6/19, 1.70%	-	46,955
Total	\$ 370,347	\$ 388,111

6. Property, plant and equipment

Property, plant and equipment consist of the following:

	2019		2018	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer Equipment	\$ 3,874	\$ (3,304)	\$ 570	\$ 941
Total	\$ 3,874	\$ (3,304)	\$ 570	\$ 941

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

7. Economic Dependence

The Association currently receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the association is dependent upon the continuance of these grants to maintain operations at their current level.

Saskatchewan Association of Recreation Professionals Inc.

For the Year Ended June 30, 2019

Schedule of Revenue

Schedule 1 - Other Grants

	2019	2018
PNPCG	\$ 26,880	\$ 26,880
SPRA leadership development grant	1,000	-
Summer student grant	2,830	3,505
Total revenue	\$ 30,710	\$ 30,385

Schedule 2 - Memberships

	2019	2018
Professional	\$ 12,440	\$ 9,900
Affiliate	75	1,695
Associate	1,330	780
Total revenue	\$ 13,845	\$ 12,375

The accompanying notes are an integral part of these financial statements.

Saskatchewan Association of Recreation Professionals Inc.

For the Year Ended June 30, 2019

Schedule of Expenses

Schedule 3 - Administration

	2019	2018
Amortization	\$ 371	\$ 715
Office operations	8,577	12,506
Professional fees	3,841	3,520
Total expenses	\$ 12,789	\$ 16,741

Schedule 4 - Organizational Development

	2019	2018
Board of directors	\$ 18,980	\$ 14,562
Insurance	1,425	1,452
Personnel training and travel	8,003	7,395
Total expenses	\$ 28,408	\$ 23,409

Schedule 5 - Program Development

	2019	2018
Education assistance	\$ 2,518	\$ 5,058
Membership engagement strategy	-	297
Seminars and conferences	123	130
Special projects - Advocacy	6,929	3,674
Special projects - Professional Development	105	2,240
Task forces	236	-
Other expenses	-	87
Total expenses	\$ 9,911	\$ 11,486

The accompanying notes are an integral part of these financial statements.