

Saskatchewan Association of Recreation Professionals

Financial Statements

For the Year Ended June 30, 2020

Saskatchewan Association of Recreation Professionals

For the Year Ended June 30, 2020

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Independent Auditors' Report

To the Members of
Saskatchewan Association of Recreation Professionals

We have audited the financial statements of Saskatchewan Association of Recreation Professionals Inc., which comprise the statement of financial position as at June 30, 2020 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, 2020 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.

September 01, 2020

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

Statement of Financial Position

As At June 30, 2020

	Note	John Austin Fund 2020	Operating Fund 2020	Combined JAF and Operating Fund 2020	John Austin Fund 2019	Operating Fund 2019
Assets						
Current Assets						
Cash		(9,264)	25,217	15,953	(22,525)	28,072
Short term investments	5	356,835	-	356,835	370,346	-
Grant receivable		-	6,720	6,720	-	6,720
Other receivables	4	-	4,328	4,328	-	2,691
Prepaid expenses		-	531	531	-	1,467
Total Current Assets		347,571	36,796	384,367	347,821	38,950
Property, plant and equipment, net of accumulated amortization	6	-	372	372	-	570
Total Assets		347,571	37,168	384,739	347,821	39,520
Liabilities and Fund Balances						
Current Liabilities						
Accounts payable and accrued liabilities		-	3,689	3,689	-	3,641
Deferred revenue		-	-	-	-	2,400
		-	3,689	3,689	-	6,041
Net Assets						
Invested in capital assets		-	372	372	-	570
Available net assets		347,571	33,107	380,678	347,821	32,909
		347,571	33,479	381,050	347,821	33,479
Total Liabilities and Net Assets		347,571	37,168	384,739	347,821	39,520

Approved on Behalf of the Board:

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

Saskatchewan Association of Recreation Professionals

Statement of Operations

For the Year Ended June 30, 2020

	John Austin Fund 2020	Operating Fund 2020	Combined JAF and Operating Fund 2020	John Austin Fund 2019	Operating Fund 2019
Revenues					
Saskatchewan Lotteries Trust Fund	-	92,727	92,727	-	90,026
Other Grants (Schedule 1)	-	26,880	26,880	-	30,710
Memberships (Schedule 2)	-	15,000	15,000	-	13,845
Programs - special events	-	17,152	17,152	-	1,019
Investment and other income	10,121	880	11,001	12,885	1,750
Total revenue	10,121	152,639	162,760	12,885	137,350
Expenditures					
Administration (Schedule 3)	-	8,171	8,171	-	12,789
Communication	-	654	654	-	5,510
Organizational Development (Schedule 4)	-	27,667	27,667	-	28,408
Program Development (Schedule 5)	-	41,026	41,026	-	9,911
Roy Ellis Bursary	-	4,000	4,000	-	500
Salaries and Benefits	-	81,492	81,492	-	104,249
Total expenditures	-	163,010	163,010	-	161,367
Excess (Deficiency) of revenue over expenditures	10,121	(10,371)	(250)	12,885	(24,017)

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

Saskatchewan Association of Recreation Professionals

Statement of Changes in Net Assets

For the Year Ended June 30, 2020

	John Austin Fund 2020	Operating Fund 2020	Combined JAF and Operating Fund 2020	John Austin Fund 2019	Operating Fund 2019
Net assets, beginning of year	347,821	32,909	380,730	358,953	32,538
Excess (Deficiency) of revenue over expenditures	10,121	(10,371)	(250)	12,885	(24,017)
Interfund transfer	(10,371)	10,371	-	(24,017)	24,017
Net investment in capital assets	-	198	198	-	371
Net assets, end of year	347,571	33,107	380,678	347,821	32,909

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

Saskatchewan Association of Recreation Professionals

Statement of Cash Flows

For the Year Ended June 30, 2020

	John Austin Fund 2020	Operating Fund 2020	Combined JAF and Operating Fund 2020	John Austin Fund 2019	Operating Fund 2019
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess (Deficiency) of revenue over expenditures	10,121	(10,371)	(250)	12,885	(24,017)
Amortization	-	198	198	-	371
(Increase) decrease in grant receivables	-	-	-	-	500
(Increase) decrease in other receivables	-	(1,637)	(1,637)	-	253
(Increase) decrease in prepaid expenses	-	936	936	-	(925)
Increase (decrease) in accounts payable	-	48	48	-	(3,198)
Increase (decrease) in deferred revenue	-	(2,400)	(2,400)	-	2,400
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	10,121	(13,226)	(3,105)	12,885	(24,616)
CASH FLOWS FROM INVESTING ACTIVITIES:					
(Increase) decrease in investments	13,511	-	13,511	17,765	-
Net cash increase (decreases) in cash and cash equivalents	23,632	(13,226)	10,406	30,650	(24,616)
Cash and cash equivalents at beginning of period	347,821	28,072	375,893	358,953	28,671
Interfund Transfer	(10,371)	10,371	-	(24,017)	24,017
Cash Balance	(13,511)	-	(13,511)	(17,765)	-
Cash and cash equivalents at end of period	347,571	25,217	372,788	347,821	28,072
Cash and cash equivalents consist of the following:					
Cash	(9,264)	25,217	15,953	(22,525)	28,072
Short term investments	356,835	-	356,835	370,346	-
	347,571	25,217	372,788	347,821	28,072

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

Saskatchewan Association of Recreation Professionals

Notes to the Financial Statements

For the Year Ended June 30, 2020

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 - pre 2006	30%
Computer hardware - 2006+	45%
Furniture	20%

Amortization expense for June 30, 2020 was \$198 (2019-\$371).

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

Notes to the Financial Statements

For the Year Ended June 30, 2020

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

The John Austin 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 \$10,371 (2019 - \$24,017) from the John Austin 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, 2020

4. Other Receivables

	2020	2019
GST Receivable	\$ 1,812	\$ 914
Interest Receivable	1,015	1,553
Administration Centre	1,501	-
RBC Visa - Canada post reimbursement	-	224
Total	\$ 4,328	\$ 2,691

5. Investments

	2020	2019
RBC GIC 007, maturing May 14/22 2.00-2.75%	\$ 46,955	\$ 46,955
RBC GIC 008, maturing Jan 6/21, 2.10%	36,052	-
RBC GIC 009, maturing Jan 6/21, 2.10%	51,332	-
RBC investment savings	222,496	214,192
RBC GIC 001, maturing Aug 9/19, 1.50%	-	21,480
RBC GIC 005, maturing Sep 15/19, 2.00%	-	37,884
RBC GIC 006, maturing Dec 11/19, 2.40%	-	49,835
Total	\$ 356,835	\$ 370,346

6. Property, plant and equipment

Property, plant and equipment consist of the following:

	2020		2019	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer Equipment	\$ 3,874	\$ (3,502)	\$ 372	\$ 570
Total	\$ 3,874	\$ (3,502)	\$ 372	\$ 570

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2020

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.

8. Subsequent Event

In March 2020, there was a global outbreak of COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and the quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Saskatchewan Association of Recreation Professionals Inc.

For the Year Ended June 30, 2020

Schedule of Revenue

Schedule 1 - Other Grants

	2020	2019
PNPCG	\$ 26,880	\$ 26,880
SPRA leadership development grant	-	1,000
Summer student grant	-	2,830
Total revenue	\$ 26,880	\$ 30,710

Schedule 2 - Memberships

	2020	2019
Professional	\$ 13,500	\$ 12,440
Affiliate	-	75
Associate	1,500	1,330
Total revenue	\$ 15,000	\$ 13,845

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

Saskatchewan Association of Recreation Professionals Inc.

For the Year Ended June 30, 2020

Schedule of Expenses

Schedule 3 - Administration

	2020	2019
Amortization	\$ 198	\$ 371
Office operations	4,219	8,577
Professional fees	3,754	3,841
Total expenses	\$ 8,171	\$ 12,789

Schedule 4 - Organizational Development

	2020	2019
Board of directors	\$ 19,268	\$ 18,980
Insurance	1,374	1,425
Personnel training and travel	7,025	8,003
Total expenses	\$ 27,667	\$ 28,408

Schedule 5 - Program Development

	2020	2019
Advocacy	\$ 24,281	\$ -
Education	7,308	-
Education assistance	-	2,518
Innovation funds	4,727	-
Networking	4,710	-
Seminars and conferences	-	123
Special projects - Advocacy	-	6,929
Special projects - Professional Development	-	105
Task forces	-	236
Total expenses	\$ 41,026	\$ 9,911

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