

Saskatchewan Association of Recreation Professionals

Financial Statements

For the Year Ended June 30, 2021

Saskatchewan Association of Recreation Professionals

For the Year Ended June 30, 2021

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Audit Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Schedules	11

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, 2021 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, 2021 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.

Regina, Saskatchewan
September 24, 2021

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, 2021

	Note	John Austin Fund 2021	Operating Fund 2021	Combined JAF and Operating Fund 2021	John Austin Fund 2020	Operating Fund 2020
Assets						
Current Assets						
Cash	3.a	68,120	23,641	91,761	(9,264)	25,217
Short term investments	5	285,610	-	285,610	356,835	-
Grant receivable		-	6,720	6,720	-	6,720
Other receivables	4	-	3,103	3,103	-	4,328
Prepaid expenses		-	1,039	1,039	-	531
Total Current Assets		353,730	34,503	388,233	347,571	36,796
Property, plant and equipment, net of accumulated amortization	6	-	844	844	-	372
Total Assets		353,730	35,347	389,077	347,571	37,168
Liabilities and Fund Balances						
Current Liabilities						
Accounts payable and accrued liabilities	7	-	6,249	6,249	-	3,689
Net Assets						
Invested in capital assets		-	844	844	-	372
Available net assets		353,730	28,254	381,984	347,571	33,107
		353,730	29,098	382,828	347,571	33,479
Total Liabilities and Net Assets		353,730	35,347	389,077	347,571	37,168

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, 2021

	John Austin Fund 2021	Operating Fund 2021	Combined JAF and Operating Fund 2021	John Austin Fund 2020	Operating Fund 2020
Revenues					
Saskatchewan Lotteries Trust Fund	-	95,509	95,509	-	92,727
PNPCG	-	26,880	26,880	-	26,880
Memberships (Schedule 1)	-	14,245	14,245	-	15,000
Programs - special events	-	-	-	-	17,152
Investment and other income	16,159	3,863	20,022	10,121	880
Total revenue	16,159	140,497	156,656	10,121	152,639
Expenditures					
Administration (Schedule 2)	-	9,219	9,219	-	8,171
Communication	-	687	687	-	654
Organizational Development (Schedule 3)	-	14,167	14,167	-	27,667
Program Development (Schedule 4)	-	45,191	45,191	-	45,026
Salaries and Benefits	-	85,614	85,614	-	81,492
Total expenditures	-	154,878	154,878	-	163,010
Excess (Deficiency) of revenue over expenditures	16,159	(14,381)	1,778	10,121	(10,371)

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, 2021

	John Austin Fund 2021	Operating Fund 2021	Combined JAF and Operating Fund 2021	John Austin Fund 2020	Operating Fund 2020
Net assets, beginning of year	347,571	33,107	380,678	347,821	32,909
Excess (Deficiency) of revenue over expenditures	16,159	(14,381)	1,778	10,121	(10,371)
Interfund transfer	(10,000)	10,000	-	(10,371)	10,371
Net investment in capital assets	-	(472)	(472)	-	198
Net assets, end of year	353,730	28,254	381,984	347,571	33,107

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, 2021

	John Austin Fund 2021	Operating Fund 2021	Combined JAF and Operating Fund 2021	John Austin Fund 2020	Operating Fund 2020
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess (Deficiency) of revenue over expenditures	16,159	(14,381)	1,778	10,121	(10,371)
Amortization	-	242	242	-	198
Gain on sale of equipment	-	(274)	(274)	-	-
(Increase) decrease in other receivables	-	1,225	1,225	-	(1,637)
(Increase) decrease in prepaid expenses	-	(508)	(508)	-	936
Increase (decrease) in accounts payable	-	2,560	2,560	-	48
Increase (decrease) in deferred revenue	-	-	-	-	(2,400)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	16,159	(11,136)	5,023	10,121	(13,226)
CASH FLOWS FROM INVESTING ACTIVITIES:					
(Increase) decrease in investments	71,225	-	71,225	13,511	-
Proceeds from sale of equipment	-	450	450	-	-
Purchase of equipment	-	(890)	(890)	-	-
NET CASH USED BY INVESTING ACTIVITIES	71,225	(440)	70,785	13,511	-
Net cash increase (decreases) in cash and cash equivalents	87,384	(11,576)	75,808	23,632	(13,226)
Cash and cash equivalents at beginning of period	347,571	25,217	372,788	347,821	28,072
Interfund Transfer	(10,000)	10,000	-	(10,371)	10,371
Cash Balance	(71,225)	-	(71,225)	(13,511)	-
Cash and cash equivalents at end of period	353,730	23,641	377,371	347,571	25,217
Cash and cash equivalents consist of the following:					
Cash	68,120	23,641	91,761	(9,264)	25,217
Short term investments	285,610	-	285,610	356,835	-
	353,730	23,641	377,371	347,571	25,217

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, 2021

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 the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

The Association uses 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 receipt of goods and services and creation of a legal obligation to pay. Expenses also include 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, 2021 was \$242 (2020 - \$198).

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 not-for-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, 2021

3. Significant Accounting Policies continued

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 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 Fund 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 \$10,000 (2020 – \$10,371) 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, 2021

4. Other receivables

	2021	2020
GST Receivable	\$ 2,835	\$ 1,812
Interest Receivable	166	1,015
Administration Centre Memberships	-	1,501
	102	-
Total	\$ 3,103	\$ 4,328

5. Short term investments

	2021	2020
RBC GIC 007, maturing May 14/22 2.00-2.75%	\$ 46,955	\$ 46,955
RBC GIC 008, matured Jan 6/21, 2.10%	-	36,052
RBC GIC 009, matured Jan 6/21, 2.10%	-	51,332
RBC investment savings - Mutual Funds	238,655	222,496
Total	\$ 285,610	\$ 356,835

6. Property, plant and equipment

Property, plant and equipment consist of the following:

	Cost	Accumulated Depreciation	2021 Net Book Value	2020 Net Book Value
Computer Equipment	\$ 2,340	\$ (1,630)	\$ 710	\$ 204
Furniture	889	(755)	134	168
Total	\$ 3,229	\$ (2,385)	\$ 844	\$ 372

7. Accounts payable & accrued liabilities

	2021	2020
Administration Centre	\$ 527	\$ 555
Guylaine Green Consulting	2,000	-
Accrued audit fees	2,775	2,664
Other accrued expenses	947	470
Total	\$ 6,249	\$ 3,689

Saskatchewan Association of Recreation Professionals Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2021

8. 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.

9. Significant event

The global pandemic declared by the World Health Organization on March 11, 2020 due to the outbreak of COVID-19 has cast uncertainty on the estimates, assumptions and critical judgement exercised by management. Although the development of successful vaccine candidates towards the end of calendar 2020 signals a turning point in the pandemic, uncertainty about the full deployment of these vaccines and continuing public health restrictions indicate that the pandemic will continue to impact the Canadian economy for the foreseeable future.

10. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Saskatchewan Association of Recreation Professionals

For the Year Ended June 30, 2021

Schedule 1 – Memberships

	2021	2020
Professional	12,860	13,500
Student	620	-
Associate	765	1,500
	14,245	15,000

Schedule 2 – Administration

	2021	2020
Amortization	242	198
Office operations	4,161	4,219
Professional fees	3,831	3,754
Legal fees	985	-
	9,219	8,171

Schedule 3 - Organizational Development

	2021	2020
Board of directors	10,706	19,268
Insurance	1,360	1,374
Personnel training and travel	2,101	7,025
	14,167	27,667

Schedule 4 - Program Development

	2021	2020
Advocacy	29,494	24,281
Bursaries and scholarships	4,000	4,000
Education	11,697	7,308
Innovation funds	-	4,727
Networking	-	4,710
	45,191	45,026

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