

South West District for Culture, Recreation and Sport Inc.

Financial Statements

For the Year Ended March 31, 2020

South West District for Culture, Recreation and Sport Inc.

For the Year Ended March 31, 2020

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Independent Auditors' Report

To the Board of Directors
South West District for Culture, Recreation and Sport Inc.

Opinion

We have audited the financial statements of South West District for Culture, Recreation and Sport Inc., which comprise the statement of financial position as at March 31, 2020, and Statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, these financial statements present fairly, in all material respects, the financial position of South West District for Culture, Recreation and Sport Inc. as at March 31, 2020 and its financial performance and cash flows for the year then ended March 31, 2020 in accordance with Canadian accounting standards for not-for-profit organizations.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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

Auditors' Responsibility

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 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. Misstatement 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.

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.

Independent Auditors' Report

- 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 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

Priority Accountants CPA

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

Regina, SK

May 22, 2020


South West District for Culture, Recreation and Sport Inc.


Statement of Financial Position

As At March 31, 2020

	2020	2019
Assets		
Current Assets		
Cash (Note 2b.)	\$ 87,453	\$ 87,410
Accounts receivable (Note 3.)	585	564
GST receivable	1,895	2,266
Prepays (Note 4.)	9,801	9,697
Total Current Assets	99,734	99,937
Total Assets	\$ 99,734	\$ 99,937
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5.)	\$ -	\$ 1,550
Deferred revenue	570	150
Total Current Liabilities	570	1,700
Net Assets		
Net assets (deficit)	99,164	98,237
Total Liabilities and Net Assets	\$ 99,734	\$ 99,937

Approved on Behalf of the Board:





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

South West District for Culture, Recreation and Sport Inc.

Statement of Operations

For the Year Ended March 31, 2020

	2020	2019
Revenue		
Saskatchewan Lotteries Trust Fund	\$ 275,700	\$ 267,700
Grants other (Schedule 1)	54,500	53,396
Self-Help (Schedule 2)	2,370	3,658
Total revenue	332,570	324,754
Operating Expenses		
Community Development (Schedule 3)	27,916	22,475
District Network Coordination (Schedule 4)	42,131	35,868
Organizational Capacity (Schedule 5)	261,596	262,777
Total operating expenses	331,643	321,120
Excess (deficiency) of revenue over expenses	\$ 927	\$ 3,634

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

South West District for Culture, Recreation and Sport Inc.

Statement of Changes in Net Assets

For the Year Ended March 31, 2020

	2020	2019
Net assets, beginning of year	\$ 98,237	\$ 94,603
Excess (deficiency) of revenue over expenses	927	3,634
Net assets, end of year	\$ 99,164	\$ 98,237

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

South West District for Culture, Recreation and Sport Inc.

Statement of Cash Flows

For the Year Ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 927	\$ 3,634
Accounts receivable	(21)	(564)
GST receivable	371	(1,219)
Prepays	(104)	5,547
Accounts payable	(1,550)	(691)
Deferred revenue	420	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	43	6,707
Net cash increase (decreases) in cash and cash equivalents	43	6,707
Cash and cash equivalents at beginning of period	87,410	89,458
Cash and cash equivalents at end of period	\$ 87,453	\$ 96,165

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

South West District for Culture, Recreation and Sport Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

1. Nature of entity

South West District for Culture, Recreation and Sport Inc. (the "district"), is a non-profit corporation whose purpose is to promote the development of community sport, culture, and recreation programming the the south west district of Saskatchewan. It was incorporated in 2008, as an amalgamation of the Zone 3 Sports Council, South West Recreation Association, South Central Recreation & Parks Association, and Badlands Recreation Association. Due to the nature of its incorporated status under *the Non-Profit Corporations Act, 1995 of Saskatchewan*, the district is exempt from taxes under *Section 149 of the Income Tax Act, Canada*.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of accounting policies summarized below.

a. Revenue recognition

The district follows the deferral method of accounting for contribution. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are 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 in the year.

Grants from Sask Lotteries Trust Fund for Sport, Culture, and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the district and approved by Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation for the year ended March 31, 2020. Accordingly, grants received for specific programs which are not expensed during the year are recorded as deferred revenue.

Interest income is recognized in the year earned.

b. Cash and cash equivalents

Cash includes short-term deposits, which are all highly marketable securities with a maturity of three months or less when purchased. Short-term deposits are held to maturity and valued at cost.

c. Property, plant and equipment

In order to match expenditures with grants received, capital asset purchases (net of related trades or sales) are recorded as expenditures in the year acquired.

d. Financial instruments

i. Fair values not materially different from book values

The district has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

South West District for Culture, Recreation and Sport Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

2. Significant Accounting Policies

d. Financial instruments

ii. Not subject to interest, currency or credit risk

Unless otherwise noted, it is management's opinion that the district is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

iii. No significant risk due to short-term maturity

The district is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

e. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit requires 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 revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

3. Receivables

Accounts receivable consist of the following:

	2020	2019
SPRA	\$ 385	\$ 500
SaskCulture	-	64
Village of Consul	30	-
General Participant	20	-
Resort Village of Grandview Beach	30	-
Hazlet Economic Development	60	-
Morse Recreation Board	30	-
Shaunavon Wellness and Leisure Committee	30	-
Total	\$ 585	\$ 564

South West District for Culture, Recreation and Sport Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

4. Prepaids

	2020	2019
Southwest Therapeutics	\$ 1,999	\$ 1,999
Reactive Designs	2,313	2,343
Regional Municipal Plaza Inc.	5,489	5,330
Heritage Hertland Network	-	25
Total	\$ 9,801	\$ 9,697

5. Accounts payable and accrued expenses

Accounts payable consist of the following:

	2020	2019
Coralie Bueckert	\$ -	\$ 1,500
Red Coat Inn	-	25
Akropol Restaurant	-	25
Total	\$ -	\$ 1,550

6. Economic dependence

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

7. Grant returned in previous year

"Enhanced Member Support Initiative" (EMSI) grant from Saskatchewan Parks and Recreation Association (SPRA) for 2018-19 funding had an unspent amount of \$3,104; therefore, it was repaid as part of grant agreement back to SPRA. The amount received for this program has been reported as net amount in Schedule 1 of these statements.

South West District for Culture, Recreation and Sport Inc.

For the Year Ended March 31, 2020

Schedule 1 - Other Grants Revenue

	2020	2019
SPRA - Grants	\$ -	\$ 2,000
SPRA - EMSI/MOU	50,000	46,896
SaskSport - ACSDG	2,500	2,500
SaskCulture-Culture Days	2,000	2,000
Total revenue	\$ 54,500	\$ 53,396

Schedule 2 - Self-Help Revenue

	2020	2019
Membership Fees	\$ 1,470	\$ 1,380
Programs and Services	80	760
Interest	354	365
Other	466	1,153
Total revenue	\$ 2,370	\$ 3,658

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

South West District for Culture, Recreation and Sport Inc.

For the Year Ended March 31, 2020

Schedule 3 - Community Development

	2020	2019
Access and Participation		
Targeted Programs	\$ 2,603	\$ 3,169
Advocacy	2,991	3,635
Leadership Capacity		
Networking	6,704	3,876
Workshops	7,256	9,698
Volunteer Development		
Training	8,362	2,097
Total Community Development	\$ 27,916	\$ 22,475

Schedule 4 - District Network Coordination

	2020	2019
Awareness	\$ 17,507	\$ 17,356
Network Extension	24,624	18,512
Total District Network Coordination	\$ 42,131	\$ 35,868

Schedule 5 - Organizational Capacity

	2020	2019
Governance	\$ 9,314	\$ 18,018
Planning	3,206	7,651
Staffing	194,102	177,643
Office Operations	54,974	59,465
Total Organizational Capacity	\$ 261,596	\$ 262,777

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