

# **South West District for Culture, Recreation and Sport Inc.**

**Financial Statements**

**For the Year Ended March 31, 2021**

# South West District for Culture, Recreation and Sport Inc.

For the Year Ended March 31, 2021

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## **Independent Auditors' Report**

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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, 2021, 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, 2021 and its financial performance and cash flows for the year then ended March 31, 2021 in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis For Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***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**

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- 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 Accountants

Regina, SK

May 28, 2021

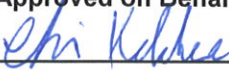

# South West District for Culture, Recreation and Sport Inc.

## Statement of Financial Position

As At March 31, 2021

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash (Note 2b)	98,217	87,453
Accounts receivable (Note 3)	90	585
GST receivable	2,296	1,895
Prepays (Note 4)	1,027	9,801
<b>Total Current Assets</b>	<b>101,630</b>	<b>99,734</b>
<b>Total Assets</b>	<b>101,630</b>	<b>99,734</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Deferred revenue	300	570
<b>Net Assets</b>		
Net assets (deficit)	101,330	99,164
<b>Total Liabilities and Net Assets</b>	<b>101,630</b>	<b>99,734</b>

Approved on Behalf of the Board:

  
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E. Bayan

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, 2021

	2021	2020
<b>Revenue</b>		
Saskatchewan Lotteries Trust Fund	284,000	275,700
Grants other ( <i>Schedule 1</i> )	46,237	54,500
Self-Help ( <i>Schedule 2</i> )	2,516	2,370
<b>Total revenue</b>	<b>332,753</b>	332,570
<b>Operating Expenses</b>		
Community Development ( <i>Schedule 3</i> )	9,290	27,916
District Network Coordination ( <i>Schedule 4</i> )	25,990	42,131
Organizational Capacity ( <i>Schedule 5</i> )	295,307	261,596
<b>Total operating expenses</b>	<b>330,587</b>	331,643
<b>Excess (deficiency) of revenue over expenses</b>	<b>2,166</b>	927

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, 2021

	2021	2020
Net assets, beginning of year	99,164	98,237
Excess (deficiency) of revenue over expenses	2,166	927
<b>Net assets, end of year</b>	<b>101,330</b>	99,164

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, 2021

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess (deficiency) of revenue over expenses	2,166	927
Accounts receivable	495	(21)
GST receivable	(401)	371
Prepays	8,774	(104)
Accounts payable	-	(1,550)
Deferred revenue	(270)	420
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>10,764</b>	<b>43</b>
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>10,764</b>	<b>43</b>
Cash and cash equivalents at beginning of period	87,453	87,410
<b>Cash and cash equivalents at end of period</b>	<b>98,217</b>	<b>87,453</b>

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, 2021

### 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, 2021. 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.

# South West District for Culture, Recreation and Sport Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2021

### 2 Significant Accounting Policies

#### d Financial instruments

The district initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The district subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in index pooled funds that are quoted in an active market, which are measured at fair value

##### 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.

##### 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.

# South West District for Culture, Recreation and Sport Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2021

### 3 Receivables

Accounts receivable consist of the following:

	2021	2020
Abby Recreation	60	-
Shaunavon Wellness and Leisure Committee	30	30
General Participant	-	20
Hazlet Economic Development	-	60
Morse Recreation Board	-	30
Resort Village of Grandview Beach	-	30
SPRA	-	385
Village of Consul	-	30
<b>Total</b>	<b>90</b>	<b>585</b>

### 4 Prepaids

	2021	2020
Southwest Therapeutics	277	1,999
Reactive Designs	-	2,313
Regional Municipal Plaza Inc.	750	5,489
<b>Total</b>	<b>1,027</b>	<b>9,801</b>

### 5 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.

### 6 Grant returned

"Enhanced Member Support Initiative" (EMSI) grant from Saskatchewan Parks and Recreation Association (SPRA) for 2020-21 funding had an unspent amount of \$6,263; 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.**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2021**

### **7 COVID-19**

The Coronavirus was declared a pandemic by the World Health Organization on Mar 11, 2020. This has resulted in significant economic uncertainty and the organization is monitoring its operations and assessing the impact COVID-19 will have on its activities. It is difficult to reliably measure the potential impact of its uncertainty. During the 2020-2021 operating year, District staff worked from home offices and all programming was conducted virtually (on-line) or by other distance methods (phone, email).

# South West District for Culture, Recreation and Sport Inc.

For the Year Ended March 31, 2021

## Schedule 1 - Other Grants Revenue

	2021	2020
SPRA - EMSI/MOU	43,737	50,000
SaskSport - ACSDG	2,500	2,500
SaskCulture-Culture Days	-	2,000
<b>Total revenue</b>	<b>46,237</b>	<b>54,500</b>

## Schedule 2 - Self-Help Revenue

	2021	2020
Membership Fees	1,080	1,470
Programs and Services	-	80
Interest	119	354
Other	1,317	466
<b>Total revenue</b>	<b>2,516</b>	<b>2,370</b>

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, 2021

## Schedule 3 - Community Development

	2021	2020
<b>Access and Participation</b>		
SK Games	65	-
Targeted Programs	2,500	2,603
Advocacy	-	2,991
<b>Leadership Capacity</b>		
Training	2,516	2,554
Workshops	1,780	13,064
Networking	2,429	6,704
<b>Total Community Development</b>	<b>9,290</b>	<b>27,916</b>

## Schedule 4 - District Network Coordination

	2021	2020
Awareness	9,271	17,507
Network Extension	16,719	24,624
<b>Total District Network Coordination</b>	<b>25,990</b>	<b>42,131</b>

## Schedule 5 - Organizational Capacity

	2021	2020
Governance	27,230	9,314
Planning	4,677	3,206
Staffing	197,346	194,102
Office Operations	66,054	54,974
<b>Total Organizational Capacity</b>	<b>295,307</b>	<b>261,596</b>

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