

Saskatchewan Volunteer Fire Fighters Association Inc.
Financial Statements
August 31, 2018

Independent Auditor's Report

To the Members of Saskatchewan Volunteer Fire Fighters Association Inc.:

I have audited the accompanying financial statements of Saskatchewan Volunteer Fire Fighters Association Inc., which comprise the statement of financial position as at August 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects the financial position of Saskatchewan Volunteer Fire Fighters Association Inc. as at August 31, 2018 and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Robert D. Szautner
Chartered Professional Accountant

Regina, Saskatchewan
February 11, 2019

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Saskatchewan Volunteer Fire Fighters Association Inc.
Statement of Financial Position

As at August 31, 2018

	2018	2017
Assets		
Current		
Cash	178,299	50,631
Marketable securities (Note 3)	16,617	16,436
Accounts receivable	29,021	25,208
GST receivable	2,601	1,153
Inventory	18,788	17,853
Prepaid expenses and other current assets	1,697	1,633
	247,023	112,714
Capital assets (Note 4)	36,084	45,105
	283,107	157,819
Liabilities		
Current		
Accounts payable	2,543	1,499
Deferred contributions (Note 5)	125,264	21,486
	127,807	22,985
Net Assets		
Unappropriated surplus	155,300	134,834
	283,107	157,819

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Saskatchewan Volunteer Fire Fighters Association Inc.
Statement of Revenues and Expenditures and Changes in Net Assets

For the year ended August 31, 2018

	2018	2017
Revenue		
International fire safety training sales	25,331	70,374
Training programs	19,069	19,849
Fall school	40,800	33,765
Spring school and trade show	53,761	48,147
CISM/CISD contributions	39,331	-
Memorabilia	1,016	2,911
Memberships	45,245	33,454
Sponsorships	13,000	28,000
Interest income	184	452
Donations	6,121	1,043
Other revenue	5,792	2,889
	249,650	240,884
Cost of sales		
Fall school expenses	33,192	20,139
Spring school and trade show expenses	34,658	27,840
Purchases	12,605	71,193
Training program expenses	52,323	43,257
	132,778	162,429
Gross profit	116,872	78,455
Expenses		
Administrative	25,919	22,446
Amortization	9,021	18,093
Bad debts	6,511	-
Meetings and conventions	15,575	22,276
Professional fees	8,532	3,579
Salaries and wages	23,056	23,109
Scholarships	-	500
Vehicle operating	7,792	7,403
	96,406	97,406
Excess (deficiency) of revenues over expenses	20,466	(18,951)
Net assets, beginning of year	134,834	153,785
Net assets, end of year	155,300	134,834

The accompanying notes are an integral part of these financial statements

Saskatchewan Volunteer Fire Fighters Association Inc.

Statement of Cash Flows

For the year ended August 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenues over expenses	20,466	(18,951)
Items not affecting cash:		
Amortization	9,021	18,093
Changes in non-cash working capital:		
Accounts receivable	(3,813)	(2,013)
Prepaid expenses	(64)	65
Inventory	(1,135)	(7,908)
Accounts payable	1,044	(3,693)
Deferred contributions	103,778	21,486
GST receivable	(1,448)	(85)
	127,849	6,994
Investing activities		
Purchase of marketable securities	(181)	(179)
	(181)	(179)
Increase in cash resources	127,668	6,815
Cash resources, beginning of year	50,631	43,816
Cash resources, end of year	178,299	50,631

The accompanying notes are an integral part of these financial statements

Saskatchewan Volunteer Fire Fighters Association Inc.

Notes to the Financial Statements

For the year ended August 31, 2018

1. Nature of operations

The Saskatchewan Volunteer Fire Fighters Association Inc. (the "Association") was incorporated under the Non-Profit Corporations Act of Saskatchewan on December 21, 1990 and is exempt from income tax as a registered charity under the Income Tax Act. The Articles of Incorporation provide that the remaining property of the Association be transferred to the Muscular Dystrophy Association of Canada in event of wind-up.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents consist primarily of commercial paper and deposits with a maturity of three months or less subsequent to year end. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided for on the declining balance method at rates which are estimated to amortize the costs over the useful lives of the assets at the following rates:

Equipment & training aids	20%
Motor vehicles	20%

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.

The Association may receive donated materials and services for its operations. Where the estimated fair value of these donations can be reasonably determined and the materials are used in the normal course of business the donations are recognized as revenue and expense in the financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Income taxes

The Association is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Saskatchewan Volunteer Fire Fighters Association Inc.

Notes to the Financial Statements

For the year ended August 31, 2018

2. Significant accounting policies (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Marketable securities

Marketable securities consist of a GIC maturing July 5, 2019 with an annual interest rate of 1.1%.

4. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	21,635	18,354	3,281	4,101
Motor vehicles	72,058	41,154	30,904	38,630
Furniture and fixtures	6,261	4,362	1,899	2,374
	99,954	63,870	36,084	45,105

5. Deferred contributions

Deferred contributions consist of funding that will be recognized as revenue in the year the related expenses occur.

	2018	2017
Balance beginning of the year	21,486	-
LESS: Amount recognized as revenue in the year	(41,256)	-
PLUS: Restricted contributions received in the year	145,034	21,486
	125,264	21,486

6. Bank indebtedness

The bank operating line of credit is secured by investments. The line of credit has an authorized limit of \$10,000 bearing interest at 3.95%, of which \$10,000 (2017 - \$10,000) remained unused at August 31, 2018.

Saskatchewan Volunteer Fire Fighters Association Inc.

Notes to the Financial Statements

For the year ended August 31, 2018

7. Financial instruments

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk with respect to accounts receivable from customers. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating allowance for bad debts where applicable. There has been no change in credit risk exposure from 2017.

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. Liquidity risk is managed by holding assets that can be readily converted to cash. There has been no change in liquidity risk exposure from 2017.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. The prior year comparative figures were audited by another firm of professional accountants.