

Saskatchewan Volunteer Fire Fighters Association Inc.
Financial Statements
August 31, 2019

Independent Auditors' Report

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

Opinion

I have audited the financial statements of Saskatchewan Volunteer Firefighter's Association Inc. (the Organization), which comprise the statement of financial position as at August 31, 2019, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

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

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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

INDEPENDENT AUDITORS' REPORT *(continued)*

- 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Robert D. Szautner
Chartered Professional Accountant

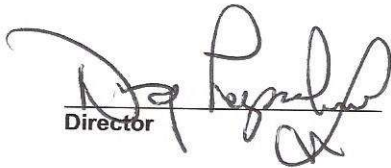
Regina, Saskatchewan
February 28, 2020

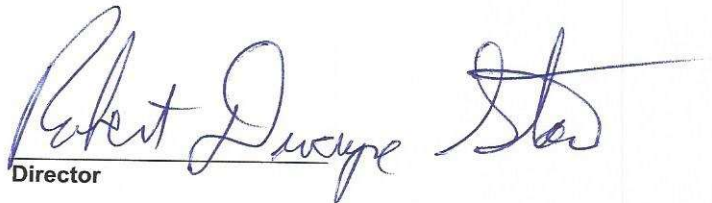
Saskatchewan Volunteer Fire Fighters Association Inc.
Statement of Financial Position

As at August 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	106,015	178,299
Marketable securities (Note 3)	116,799	16,617
Accounts receivable	8,172	29,021
GST receivable	3,344	2,601
Inventory	17,417	18,788
Prepaid expenses and other current assets	1,739	1,697
	<u>253,486</u>	<u>247,023</u>
Capital assets (Note 4)	<u>28,867</u>	<u>36,084</u>
	<u>282,353</u>	<u>283,107</u>
Liabilities		
Current		
Accounts payable	4,048	2,543
Deferred contributions (Note 5)	142,352	125,264
	<u>146,400</u>	<u>127,807</u>
Net Assets		
Unappropriated surplus	135,953	155,300
	<u>282,353</u>	<u>283,107</u>

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, 2019

	2019	2018
Revenue		
International fire safety training sales	35,184	25,331
Training programs	20,353	19,069
Fall school	38,784	40,800
Spring school and trade show	59,664	53,761
CISM/CISD contributions	14,718	39,331
Memorabilia	2,603	1,016
Memberships	47,138	45,245
Sponsorships	34,174	13,000
Interest income	192	184
Donations	1,998	6,121
Other revenue	5,968	5,792
	260,776	249,650
Cost of sales		
Fall school expenses	33,607	33,192
Spring school and trade show expenses	38,405	34,658
Purchases	28,564	12,605
Training program expenses	44,503	52,323
	145,079	132,778
Gross profit	115,697	116,872
Expenses		
Administrative	21,204	25,919
Amortization	7,217	9,021
Bad debts	24,090	6,511
Meetings and conventions	22,190	15,575
Professional fees	7,844	8,532
Salaries and wages	38,436	23,056
Scholarships	700	-
Vehicle operating	13,363	7,792
	135,044	96,406
Excess (deficiency) of revenues over expenses	(19,347)	20,466
Net assets, beginning of year	155,300	134,834
Net assets, end of year	135,953	155,300

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, 2019

	2019	2019
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenues over expenses	(19,347)	20,466
Items not affecting cash:		
Amortization	7,217	9,021
Changes in non-cash working capital:		
Accounts receivable	20,849	(3,813)
GST receivable	(743)	(1,448)
Prepaid expenses	(42)	(64)
Inventory	1,371	(1,135)
Accounts payable	1,505	1,044
Deferred contributions	17,088	103,778
	27,898	127,849
Investing activities		
Purchase of marketable securities	(100,182)	(181)
	(100,182)	(181)
Increase in cash resources	(72,284)	127,668
Cash resources, beginning of year	178,299	50,631
Cash resources, end of year	106,015	178,299

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, 2019

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, 2019

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 two GICs maturing January 22, 2020 and July 6, 2020 with annual interest rates of 2.35% and 1.45%.

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2019 Net book value</i>	<i>2018 Net book value</i>
Equipment	21,635	19,011	2,624	3,281
Motor vehicles	72,058	47,334	24,724	30,904
Furniture and fixtures	6,261	4,742	1,519	1,899
	99,954	71,087	28,867	36,084

5. Deferred contributions

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

	<i>2019</i>	<i>2018</i>
Balance beginning of the year		
LESS: Amount recognized as revenue in the year	125,264	21,486
PLUS: Restricted contributions received in the year	(14,718)	(41,256)
	31,806	145,034
	142,352	125,264

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 4.45%, of which \$10,000 (2018 - \$10,000) remained unused at August 31, 2019.

Saskatchewan Volunteer Fire Fighters Association Inc.
Notes to the Financial Statements

For the year ended August 31, 2019

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 2018.

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 2018.

8. Comparative figures

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