

Aboriginal Financial Officers Association of Saskatchewan Inc.

Financial Statements

March 31, 2020



McClelland Debuschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

To the Board of Directors of
Aboriginal Financial Officers Association of Saskatchewan Inc.

Opinion

We have audited the financial statements of Aboriginal Financial Officers Association of Saskatchewan Inc., which comprise the statement of financial position as at March 31, 2020 and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Aboriginal Financial Officers Association of Saskatchewan Inc. as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with the applicable financial reporting framework.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted accounting 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 company 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

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 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, 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 company'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 company'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 company 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.



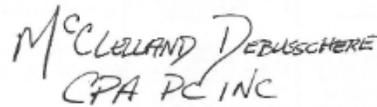
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Other Matter

The financial statements of Aboriginal Financial Officers Association of Saskatchewan Inc. for the year ended March 31, 2019 were audited by another practitioner who expressed an unqualified opinion on those financial statements on June 13, 2019.



Saskatoon, SK
June 1, 2020

Chartered Professional Accountants

Aboriginal Financial Officers Association of Saskatchewan Inc.

Statement of Financial Position

March 31, 2020

	2020	2019 as restated see Note 7
Assets		
Current Assets		
Cash	\$ 59,585	\$ 107,681
Accounts receivable	36,038	7,675
GST receivable	6,152	3,882
Prepaid expenses	556	-
	102,331	119,238
Capital assets (Note 2)	-	52
	\$ 102,331	\$ 119,290
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,000	\$ 10,266
Deferred revenue (Note 3)	79,836	104,358
	85,836	114,624
Net Assets		
Unrestricted net assets	16,495	4,666
	\$ 102,331	\$ 119,290
Commitments (Note 6)		

Approved on Behalf of the Board:

Signature on file _____,

Signature on file _____,

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

Aboriginal Financial Officers Association of Saskatchewan Inc.

Statement of Operations and Net Assets

For the Year Ended March 31, 2020

	2020	2019 as restated see Note 7
Revenue		
ISC Contribution (Note 4)	\$ 354,962	\$ 414,375
Conference registrations and sponsorships	96,207	76,224
Memberships	58,633	55,773
Other revenue	10,178	1,723
Interest earned	4	4
Total revenue	519,984	548,099
Operating expenses		
Travel reimbursement to event attendees	164,808	178,756
Catering	112,205	125,471
Wages and benefits	100,071	95,246
Consultants	64,000	70,050
Office expenses	18,097	23,111
Rental	17,655	17,893
Conferences	15,169	16,980
Professional fees	9,784	10,500
Telephone	3,755	3,571
Memberships and licenses	1,446	351
Insurance	794	1,324
Interest and bank charges	319	432
Amortization	52	15
Total operating expenses	508,155	543,700
Excess of revenue over expenditures for the year	11,829	4,399
Unrestricted net assets - beginning of year	4,666	267
Unrestricted net assets - end of year	\$ 16,495	\$ 4,666

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

Aboriginal Financial Officers Association of Saskatchewan Inc.

Statement of Cash Flows

For the Year Ended March 31, 2020

	2020	2019 as restated see Note 7
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 11,829	\$ 4,399
Non-cash items:		
Amortization	52	15
Change in working capital items:		
Change in accounts receivable	(28,361)	(3,398)
Change in GST receivable	(2,271)	(2,245)
Change in prepaid expense	(556)	560
Change in accounts payable and accrued expenses	(4,267)	4,266
Change in deferred revenue	(24,522)	26,566
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(48,096)	30,163
Net increase (decreases) in cash	(48,096)	30,163
Cash at beginning of period	107,681	77,518
Cash at end of period	\$ 59,585	\$ 107,681

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

Aboriginal Financial Officers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

Aboriginal Financial Officers Association of Saskatchewan Inc. was incorporated in the Province of Saskatchewan on May 14, 2002 under the Non-Profit Corporations Act 1995. The Association's mandate is to provide leadership in First Nation and Aboriginal financial management activities by developing and promoting education, training, information and standards to expand technical capacity for Members and First Nation and Aboriginal Organizations. Due to the nature of its activities as a not-for-profit organization, it is exempt from income tax.

1. Significant Accounting Policies

a. Basis of preparation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit Organizations ("ASNFP") issued by the Accounting Standards Board of CPA Canada and set out in Part III of the CPA Canada Handbook. The organization has chosen to apply the following accounting policies.

b. Cash and cash equivalents

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

c. Capital assets

Capital assets are recorded at cost. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful life. In the year of acquisition, one half the normal rate is applied.

Display booth	20% declining balance method
Computer equipment	30% declining balance method

d. Revenue recognition

The Association uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which 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. Endowment contributions are recognized as a direct increase to net assets.

Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as a revenue when earned.

Membership fees are recognized evenly over the life of the membership. Conference registrations, sponsorships, and other revenue are recognized as revenue in the period which the related expenses are incurred.

Aboriginal Financial Officers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

1. Significant Accounting Policies continued

e. Contributed services

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

f. Use of estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates and may have impact on future periods.

g. Financial instruments

Financial assets include cash and accounts receivable and are measured at amortized cost as presented on the balance sheet. Financial liabilities include accounts payable and deferred revenue and are measured at amortized cost as presented on the balance sheet.

h. Allocation of expenses

The Association engages in the delivery of a number of programs to expand technical competence. The costs of each program include the costs of personnel, supplies and other expenses that are directly related to providing the program. The Association also incurs a number of general support expenses that are common to the administration of the Association and each of its programs.

The Association allocates certain components of its general expense, and applies that basis consistently each year. Amortization is not allocated; other general support expenses are allocated on the following bases: Indirect salaries, occupancy (rent, insurance) and professional fees are allocated based on revenues as an approximation of the amounts required by each program.

Aboriginal Financial Officers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

2. Capital Assets

Capital assets are represented by the following:

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Computer equipment	\$ 5,069	\$ 5,069	\$ -	\$ 12
Display booth	2,160	2,160	-	40
Total	\$ 7,229	\$ 7,229	\$ -	\$ 52

3. Deferred Revenue

Deferred revenue is represented by the following:

	2020	2019
Deferred ISC revenue		
Band Manager Workshop	\$ 14,351	\$ 16,984
Proposal Writing	10,668	9,173
Financial Training	9,343	7,216
Pension Plan Project	5,116	12,399
Human Resources Workshop	563	2,837
Leadership	77	360
Estates Workshop/ IRA Project	-	18,706
	40,118	67,675
Deferred membership revenue		
Corporate memberships	21,879	21,000
Individual memberships	17,839	15,683
	39,718	36,683
Total	\$ 79,836	\$ 104,358

Aboriginal Financial Officers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

4. Funding Reconciliation

	2020	2019
ISC funding per confirmation	\$ 327,405	\$ 441,441
ISC prior year deferred	67,675	40,609
ISC current year deferred	(40,118)	(67,675)
	<u>27,557</u>	<u>(27,066)</u>
ISC revenue per financial statements	\$ 354,962	\$ 414,375

5. Financial Instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, market, other price, or currency risks arising from these financial instruments except as otherwise disclosed. The risks of the association include:

Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transaction to purchase goods and services on credit, borrow funds from creditors, etc. for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Association's future net cash flows for the possibility of a negative cash flow. The Association manages the liquidity risk resulting from its accounts payable by investing in liquid assets.

Credit Risk

Financial instruments that potentially subject the Association to credit risk are accounts receivable. Management performs regular credit assessments on its receivables and provides allowances for potentially uncollectable receivables.

6. Commitments

The Association has entered into a five-year office lease commencing on March 1, 2020 and ending February 28, 2025. For the period from March 1, 2020 to February 28, 2022, the base rent is \$917 per month with estimated occupancy costs of \$555 per month. For the period from March 1, 2022 to February 28, 2025, the base rent is \$1,008 per month with estimated occupancy costs of \$555 per month.

Aboriginal Financial Officers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2020

7. Prior period adjustment

During the year it was discovered that membership revenue was recorded at the full price of the memberships. However, a portion of the revenue should have been deferred as the period of membership coverage relates to the next fiscal period. As a result, deferred revenue was increased by \$36,683 and unrestricted net assets decreased by the same amount of \$36,683.

During the year it was also discovered that a reversal of an amount on the prior year bank reconciliation was not adjusted within the cash accounts. As a result, the cash balance was increased by \$891, expenses decreased by \$891 and unrestricted net assets increased by the same amount of \$891.

8. Subsequent events

The COVID-19 outbreak in Saskatchewan has resulted in the postponement or cancellation of previously planned events as mandated by the government. These recent developments are expected to result in lower revenues and expenses in the subsequent fiscal year which management is planning for and amending operations as needed.

9. Comparative Numbers

Certain comparative amounts may have been reclassified from those previously presented to conform with current year presentation.