

REGINA & DISTRICT LABOUR COUNCIL

Financial Statements

Year Ended December 31, 2020

Draft for discussion purposes only

REGINA & DISTRICT LABOUR COUNCIL
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Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Regina & District Labour Council

Opinion

We have audited the financial statements of Regina & District Labour Council (the organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenses, change 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

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 organization in accordance with 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 the financial statements in accordance with ASNPO, 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

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.

(continues)

Independent Auditor's Report to the Shareholders of Regina & District Labour Council *(continued)*

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 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.

Regina, Saskatchewan

Dudley & Company LLP
Chartered Professional Accountants

REGINA & DISTRICT LABOUR COUNCIL
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 61,546	\$ 54,559
Term deposits	22,500	22,500
Accounts receivable	12,046	11,602
Prepaid expenses	796	-
	\$ 96,888	\$ 88,661
 LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable	\$ 18,069	\$ 5,637
 DEFERRED REVENUE	 2,080	 -
	20,149	5,637
 RETAINED EARNINGS	 76,739	 83,024
	\$ 96,888	\$ 88,661

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ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

REGINA & DISTRICT LABOUR COUNCIL
Statement of Revenues and Expenses
Year Ended December 31, 2020

	2020	2019
REVENUES		
Dues	\$ 47,324	\$ 54,550
Christmas dinner donations	10,425	18,155
Registrations	2,165	4,430
Other income	1,518	371
Donations	500	5,278
	<u>61,932</u>	<u>82,784</u>
EXPENSES		
Accounting fees	3,551	3,885
Advertising	4,258	8,644
Insurance	755	755
Meetings and conventions	2,115	5,667
Committee	12,903	6,728
Office	2,747	6,906
Christmas dinner	3,358	19,137
Annual general meeting	266	6,787
Political civic action	15,032	4,740
School supply	1,447	4,697
Merchandise	-	4,674
Rent	9,515	8,597
Reimbursement of lost wages to local	11,767	18,049
Travel	503	3,623
	<u>68,217</u>	<u>102,889</u>
EXCESS (DEFICIENCY) FO REVENUES OVER EXPENSES	<u>\$ (6,285)</u>	<u>\$ (20,105)</u>

REGINA & DISTRICT LABOUR COUNCIL
Statement of Changes in Net Assets
Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 83,024	\$ 103,129
Deficiency of revenues over expenses	<u>(6,285)</u>	<u>(20,105)</u>
NET ASSETS - END OF YEAR	<u>\$ 76,739</u>	<u>\$ 83,024</u>

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REGINA & DISTRICT LABOUR COUNCIL
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 63,568	\$ 84,733
Cash paid to suppliers and employees	<u>(56,581)</u>	<u>(126,837)</u>
INCREASE (DECREASE) IN CASH FLOW	6,987	(42,104)
Cash - beginning of year	<u>77,059</u>	<u>119,163</u>
CASH - END OF YEAR	\$ 84,046	\$ 77,059
CASH CONSISTS OF:		
Cash	\$ 61,546	\$ 54,559
Term deposits	<u>22,500</u>	<u>22,500</u>
	\$ 84,046	\$ 77,059

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REGINA & DISTRICT LABOUR COUNCIL
Notes to Financial Statements
Year Ended December 31, 2020

1. DESCRIPTION OF BUSINESS

Regina & District Labour Council (the "organization") is a not-for-profit organization of Saskatchewan. As a registered charity, the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates on behalf of local unions to lobby issues on their behalf.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Capital assets

Capital assets are expensed in the Statement of Operations in the year of purchase.

Revenue Recognition

Regina & District Labour Council follows the deferral method of accounting for dues and other revenue.

Dues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Adjustments to dues of prior years are made in the accounts in the fiscal year in which settlement is reached.

Registration revenue is recognized as revenue in the year in which the related expenses are incurred.

Donations and other income are recognized as revenue when received.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant Events

On March 11, 2020 the World Health Organization declared a global pandemic for the COVID-19 virus. The overall financial impact on the organization's operations has not yet been determined.

REGINA & DISTRICT LABOUR COUNCIL
Notes to Financial Statements
Year Ended December 31, 2020

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2020.

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 from members. The organization has a significant number of members which minimizes concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its investment in GICs.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments. It is the opinion of management that the risk exposure has not changed from the prior year.

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