

**RURAL MUNICIPAL ADMINISTRATORS'
ASSOCIATION OF SASKATCHEWAN**

Financial Statements

Year Ended December 31, 2019

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN
Index to Financial Statements
Year Ended December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8
Membership fees (<i>Schedule 1</i>)	9
Convention (<i>Schedule 2</i>)	10
Board of Examiners (<i>Schedule 3</i>)	11
Administration expense (<i>Schedule 4</i>)	12
Board Meeting and Travel (<i>Schedule 5</i>)	13
Workshop Fund (<i>Schedule 6</i>)	14

INDEPENDENT AUDITOR'S REPORT

To the Members of Rural Municipal Administrators' Association of Saskatchewan

Opinion

We have audited the financial statements of Rural Municipal Administrators' Association of Saskatchewan (the Association), which comprise the statement of financial position as at December 31, 2019, and the 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2019, 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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

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Independent Auditor's Report to the Members of Rural Municipal Administrators' Association of Saskatchewan (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 Association'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 Association'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 Association 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
February 29, 2020


Dudley & Company LLP
Chartered Professional Accountants

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 309,183	\$ 265,244
Accounts receivable	1,659	24,716
Prepaid expenses	2,138	3,506
	<u>312,980</u>	293,466
CAPITAL ASSETS (Note 4)	324	648
LONG TERM INVESTMENTS	<u>30,005</u>	30,005
	<u>\$ 343,309</u>	<u>\$ 324,119</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ -	\$ 373
NET ASSETS		
General fund	<u>343,309</u>	323,746
LIABILITIES AND NET ASSETS	<u>\$ 343,309</u>	<u>\$ 324,119</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Statement of Operations Year Ended December 31, 2019

	2019	2018
REVENUES		
Membership fees <i>(Schedule 1)</i>	\$ 145,810	\$ 133,869
Convention revenue <i>(Schedule 2)</i>	63,265	64,295
Workshop Fund <i>(Schedule 6)</i>	40,094	30,500
Board of Examiners revenue <i>(Schedule 3)</i>	15,744	17,535
Career Fair grant	1,616	2,580
Interest	3,455	2,050
Yearbook revenue	-	55
Other grants	841	826
Miscellaneous revenue	120	-
	270,945	251,710
EXPENSES		
Administration expense <i>(Schedule 4)</i>	55,286	58,204
Board meeting and travel <i>(Schedule 5)</i>	79,299	76,068
Convention expense <i>(Schedule 2)</i>	72,540	88,296
Board of Examiners expense <i>(Schedule 3)</i>	20,651	20,527
Career Fair expense	1,616	2,600
Workshop Fund expense <i>(Schedule 6)</i>	16,183	12,128
Yearbook expense	6,157	-
	251,732	257,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	19,213	(6,113)
OTHER INCOME		
Expense recoveries	350	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 19,563	\$ (6,113)

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN
Statement of Changes in Net Assets
Year Ended December 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 323,746	\$ 329,859
EXCESS OF REVENUES OVER EXPENSES	19,563	(6,113)
NET ASSETS - END OF YEAR	\$ 343,309	\$ 323,746

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Cash receipts from customers	\$ 290,861	\$ 225,024
Cash paid to suppliers and employees	(250,413)	(257,311)
Interest	3,491	2,050
INCREASE (DECREASE) IN CASH FLOWS	43,939	(30,237)
Cash - beginning of year	265,244	295,481
CASH - END OF YEAR	\$ 309,183	\$ 265,244

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Notes to Financial Statements

Year Ended December 31, 2019

1. NATURE OF OPERATIONS

The Rural Municipal Administrators' Association of Saskatchewan (the "association") is a not-for-profit organization operating as a professional body of Rural Municipalities Administrators whose function is to communicate and work with municipal employers and the Provincial Government. The association was incorporated under The Non-profit Corporations Act of Saskatchewan in 1955. The organization is a not-for-profit organization, as described in section 149 of the Income Tax Act, and therefore is not subject to either federal or provincial income taxes.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits which are carried at cost and have maturity dates of six months or less. The carrying amounts approximate fair value because of the short term nature of the investment.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	5 years
Furniture and fixtures	10 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Grants and other revenue related to specific projects are recognized as revenue when the expenditures are incurred. Membership dues are recognized in the fiscal period in which the members services are rendered. Miscellaneous items 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.

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RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN
Notes to Financial Statements
Year Ended December 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Voluntary services

The operation of the association is partially dependent on voluntary services. Since these services would not normally be purchased by the organization and because of difficulty of determining the fair market value of donated services, these donated services are not recognized in these statements.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 1,621	\$ 1,297	\$ 324	\$ 648
Furniture and fixtures	974	974	-	-
	\$ 2,595	\$ 2,271	\$ 324	\$ 648

5. FINANCIAL INSTRUMENTS - MEASUREMENT AND IMPAIRMENT

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, if any, in equity instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable. At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired, and if so, reduces the carrying amount accordingly.

6. FINANCIAL INSTRUMENTS - RISK EXPOSURES

Like any entity, the organization is potentially exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. These include credit, liquidity, market, currency, interest rate and other price risks. None of these risk exposures are considered by management to be material, and there have been no changes in the organization's risk exposures from the prior year.

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Membership fees

(Schedule 1)

Year Ended December 31, 2019

	2019	2018
Active membership fees	\$ 136,045	\$ 126,119
Associate membership fees	9,765	7,750
	<u>\$ 145,810</u>	<u>\$ 133,869</u>

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Convention

(Schedule 2)

Year Ended December 31, 2019

	2019	2018
Convention revenue		
Golf fees	\$ 11,365	\$ 10,825
Commercial sponsorship	36,950	39,270
Gang of Three Golf sponsorship	3,000	3,000
Trade show booths	11,950	11,200
	<u>\$ 63,265</u>	<u>\$ 64,295</u>
Convention expense		
Golf	\$ 14,850	\$ 17,797
Visiting fraternal delegate expense	4,045	3,630
Monday social	5,498	7,019
Coffee and juice service	8,766	8,557
Audio/Visual service	8,303	7,424
Tuesday luncheon	8,571	15,676
Wednesday noon luncheon	9,545	10,184
Wednesday banquet entertainment	-	2,940
Hospitality suite	155	222
Seminars and speaker	900	-
Room rentals	10,000	10,841
Door prizes	850	888
Trade show expenses	202	1,870
Printing, postage, and stationery	855	1,248
	<u>\$ 72,540</u>	<u>\$ 88,296</u>

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Board of Examiners

(Schedule 3)

Year Ended December 31, 2019

	2019	2018
Board of Examiners revenue		
SARM Grants - Board of Examiners	\$ 4,744	\$ 5,035
Fees - C Certificates	4,500	5,000
Fees - A Certificates	5,000	7,000
Fees - Superior A Certificates	1,500	500
	<u>\$ 15,744</u>	<u>\$ 17,535</u>
Board of Examiners expense		
Board secretary travel	\$ 300	\$ -
Board secretary services	8,199	8,726
Supplies and stationary	643	199
Phone, postage, and courier	146	581
Office inspection services	11,363	11,021
	<u>\$ 20,651</u>	<u>\$ 20,527</u>

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN

Administration expense (Schedule 4) Year Ended December 31, 2019

	2019	2018
Audit	\$ 2,442	\$ 2,331
Bank service charges	254	236
Certificates, awards, and pins	-	603
Curling expense	555	760
Train the Trainer expense	708	732
Salary - executive director	29,687	30,542
Benefits - executive director	6,022	6,603
Fraternal delegates expense	2,833	4,182
RMAA president honorarium	3,216	3,219
Insurance and bond	4,847	4,137
Travel costs	631	-
Postage	362	882
Public relations expense	51	53
Stationary and supplies	1,179	2,322
Telephone	64	50
Website maintenance	883	778
Workers' Compensation Board levy	118	100
Amortization expense	324	324
Shipping and courier	1,110	-
Bad debt expense	-	350
	<u>\$ 55,286</u>	<u>\$ 58,204</u>

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN**Board Meeting and Travel**
Year Ended December 31, 2019**(Schedule 5)**

	2019	2018
Executive board meetings	\$ 60,287	\$ 60,522
Committee meetings	15,837	12,900
Divisional meeting	1,629	2,119
Board member travel	1,471	-
Courier and freight	75	69
Workshop Fund - director expense	-	458
	<u>\$ 79,299</u>	<u>\$ 76,068</u>

See notes to financial statements

RURAL MUNICIPAL ADMINISTRATORS' ASSOCIATION OF SASKATCHEWAN**Workshop Fund****(Schedule 6)****Year Ended December 31, 2019**

	2019	2018
Revenue		
RMAA hosted workshop registrations	\$ 24,935	\$ 17,325
RMAA share of UMASS hosted workshops	15,159	13,175
Revenue total	\$ 40,094	\$ 30,500
Expenses		
RMAA hosted workshop expenses	\$ 11,451	\$ 8,161
UMASS share of RMAA workshop profit	4,732	3,967
Expenses total	\$ 16,183	\$ 12,128

See notes to financial statements