

**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**

**FINANCIAL STATEMENTS**

**June 30, 2024**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors,  
CPA Saskatchewan Scholarship Fund Inc.

We have reviewed the accompanying financial statements of **CPA Saskatchewan Scholarship Fund Inc.** (the "Organization") that comprise the statement of financial position as at **June 30, 2024**, and the statements of operations, changes in net assets and statement of 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.

### *Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Basis for Qualified Conclusion*

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been necessary with respect to donations revenue, excess of revenue over expenses, and cash flows from operations.

### *Conclusion*

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Organization as at June 30, 2024, 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.

December 2, 2024  
Regina, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants

**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**  
(with comparative figures as at June 30, 2023)

<b><u>ASSETS</u></b>		<b>2024</b>	<b>2023</b>
<b>Current Assets</b>			
Cash	\$	13,326	\$ 372,906
Interest receivable		10,093	3,085
Due from related parties (Note 3)		10	10
		<u>23,429</u>	<u>376,001</u>
<b>Investments (Note 4)</b>		<u>487,729</u>	<u>128,797</u>
	\$	<u>511,158</u>	<u>\$ 504,798</u>
<b><u>NET ASSETS</u></b>			
<b>Externally restricted fund - Students in Need</b>	\$	67,288	\$ 437,611
<b>General fund</b>		<u>443,870</u>	<u>67,187</u>
		<u>511,158</u>	<u>504,798</u>
	\$	<u>511,158</u>	<u>\$ 504,798</u>

See accompanying notes to the financial statements.

Approved on behalf of the board:





**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**AS AT JUNE 30, 2024**  
(with comparative figures as at June 30, 2023)

		<b>Unrestricted General Fund</b>	<b>Externally Restricted Students in Need Fund</b>	<b>2024</b>	<b>2023</b>
<b>Balance - beginning of year</b>		\$ 437,611	\$ 67,187	\$ 504,798	\$ 154,974
<b>Excess revenue over expenses</b>	(Note 5)	6,259	101	6,360	349,824
<b>Balance - end of year</b>		<u>\$ 443,870</u>	<u>\$ 67,288</u>	<u>\$ 511,158</u>	<u>\$ 504,798</u>

See accompanying notes to the financial statements.

**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
(with comparative figures for the year ended June 30, 2023)

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Donations	\$ 2,020	\$ 352,298
Interest	10,940	3,426
	<u>12,960</u>	<u>355,724</u>
<b>Expenses</b>		
Scholarships and bursary	6,600	5,900
	<u>6,600</u>	<u>5,900</u>
<b>Excess of revenue over expenses</b>	<u>\$ 6,360</u>	<u>\$ 349,824</u>

See accompanying notes to the financial statements.

**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
(with comparative figures for the year ended June 30, 2023)

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used in) operating activities:</b>		
Excess of revenue over expenses	\$ 6,360	\$ 349,824
Non-cash operating working capital (Note 6)	(7,008)	(1,543)
	(648)	348,281
<b>Cash provided by (used in) investing activities:</b>		
Net change in investments	(358,932)	(1,813)
<b>Increase (decrease) in cash</b>	(359,580)	346,468
<b>Cash position - beginning of year</b>	372,906	26,438
<b>Cash position - end of year</b>	\$ 13,326	\$ 372,906

See accompanying notes to the financial statements.

**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

(unaudited)

(with comparative figures for the year ended June 30, 2023)

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**1. Nature of operations**

The CPA Saskatchewan Scholarship Fund Inc. (the "Organization") is incorporated under *The Non-Profit Corporations Act, 2022* in the province of Saskatchewan. Membership in the Organization is composed of members in good standing with the Chartered Professional Accountants of Saskatchewan. The Organization is exempt from income tax under Section 149(1)(l) of *The Income Tax Act*.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following accounting policies:

*Fund accounting*

The accounts of the Organization are maintained in accordance with the principles of fund accounting:

- i) General Fund - reflects the Organization's operations that are not subject to external restriction.
- ii) Students in Need Fund - The fund was created in 2011 with a \$75,000 donation which is invested in GICs. This fund includes the restricted investments and related income and is used to deliver scholarships of \$1,000 to 3 students in need each year. If there is insufficient interest income to fund the scholarships in any year, the principal may be drawn upon.

*Financial instruments - recognition and measurement*

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial instruments measured at fair value are recognized in the excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments consist of cash, interest receivable, due from related parties, investments, accounts payable and accrued liabilities. The fair value of investments approximate the record value based on the terms of the instruments. The fair value of the remaining items approximate cost given their short term nature.

*Investments*

Investments are recorded at cost.

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**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
(unaudited)  
(with comparative figures for the year ended June 30, 2023)

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**2. Summary of significant accounting policies (continued)**

*Revenue recognition*

The Organization follows the restricted method of accounting for contributions.

Contributions for the Students In Need Fund are recognized as revenue in the fund when they are received. Interest revenue on the fund's investments are recognized as revenue, in the fund, as it is earned.

Unrestricted donation revenue is recognized as revenue when it is received. Fundraising revenues are recognized when the fundraising activity occurs. Interest and other revenues are recognized as revenue as it is earned.

*Contributed services*

Contributed goods and services are not recognized within the financial statements.

**3. Due from related parties**

	2024	2023
CPA Saskatchewan	\$ 10	\$ 10

The Organization is related to CPA Saskatchewan through common management and some processing functions. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**4. Investments**

Investments consists of guaranteed investment certificates which bear interest ranging from 3% to 5.25% (2023 - 2.25% to 3.50%) and mature from October 2024 to September 2025 (2023 - Oct 2023 to Sept 2025).

**5. Fund transactions**

The Organization has established one externally restricted fund and a general fund. Interest income earned on the Students in Need investment is allocated to the restricted fund. The remaining interest earned is allocated to the General Fund.

All investment income is to be distributed annually as scholarships, bursaries or grants with all administration costs of the Organization being paid by CPA Saskatchewan.

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**CPA SASKATCHEWAN SCHOLARSHIP FUND INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

(unaudited)

(with comparative figures for the year ended June 30, 2023)

**5. Fund transactions (continued)**

Fund transactions and balances for the period are summarized as follows:

	2024	2023
<b>Students in Need Fund - Restricted</b>		
Balance, beginning of year	\$ 67,187	\$ 66,567
Interest revenue	2,101	2,620
Scholarship expense	(2,000)	(2,000)
Balance, end of year	<u>\$ 67,288</u>	<u>\$ 67,187</u>
	2024	2023
<b>General Fund</b>		
Balance, beginning of year	\$ 437,611	\$ 88,407
Donation revenue	2,020	352,298
Interest revenue	8,839	806
Scholarship expense	(4,600)	(3,900)
Balance, end of year	<u>\$ 443,870</u>	<u>\$ 437,611</u>

**6. Non-cash operating working capital**

Details of net change in each element of working capital related to operations excluding cash are as follows:

	2024	2023
<b>(Increase) decrease in current assets:</b>		
Interest receivable	\$ (7,008)	\$ (1,613)
Due from related parties	-	70
	<u>(7,008)</u>	<u>(1,543)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	-	-
	<u>\$ (7,008)</u>	<u>\$ (1,543)</u>

**7. Financial risk management**

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's exposure to interest rate risk is limited to term GIC investments. The Organization may face increasing interest costs in an increasing interest rate market. This is mitigated through fixed interest rates.