

Financial Statements

CPA Saskatchewan Scholarship Fund Inc.

June 30, 2021

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Independent Practitioner's Review Engagement Report

Grant Thornton LLP
Unit #4
130 Robin Crescent
Saskatoon, SK
S7L 6M7

T +1 306 934 3944
www.GrantThornton.ca

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

We have reviewed the accompanying financial statements of CPA Saskatchewan Scholarship Fund Inc. (the "Fund"), which comprise the statement of financial position as at June 30, 2021, and the statement of operations, statement of 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.

Practitioner's 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.

Independent Practitioner's Review Engagement Report (continued)

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Fund derives revenue from the general public in the form of various fundraising projects, donations and contributions from members of the community, the completeness of which is not susceptible to us obtaining evidence we consider necessary for the purpose of the review. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Fund. Therefore, we were unable to determine whether any adjustments might be necessary to donation revenue, deficiency of revenues over expenses, and cash flows from operations for the year ended June 30, 2021, and current assets and net assets as at June 30, 2021.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Fund as at June 30, 2021, 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.

Saskatoon, Canada
November 26, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

CPA Saskatchewan Scholarship Fund Inc.

Statement of Financial Position

Year ended June 30

2021

2020

Assets

Current

Cash	\$ 10,205	\$ 15,674
Due from related parties (Note 3)	32	1,909
Interest receivable	1,800	1,858
	<u>12,037</u>	<u>19,441</u>

Investments (Note 4)	<u>140,965</u>	<u>131,155</u>
	<u>\$ 153,002</u>	<u>\$ 150,596</u>

Net Assets

Unrestricted net assets	87,071	62,228
Externally restricted net assets	<u>65,931</u>	<u>88,368</u>
	<u>\$ 153,002</u>	<u>\$ 150,596</u>

Approved on behalf of the board

Director, D Walker

Director, Julie Isari

CPA Saskatchewan Scholarship Fund Inc.

Statement of Operations

	Unrestricted	Externally Restricted		
	General Fund	Students in Need Fund	2021	2020
Revenue				
Interest income	\$ 684	\$ 1,602	\$ 2,286	\$ 2,845
Donations	<u>6,370</u>	<u>-</u>	<u>6,370</u>	<u>2,845</u>
	<u>7,054</u>	<u>1,602</u>	<u>8,656</u>	<u>5,690</u>
Expenses				
Scholarships and bursary	4,250	2,000	6,250	7,200
(Deficiency) excess of revenue over expenses	<u>\$ 2,804</u>	<u>\$ (398)</u>	<u>\$ 2,406</u>	<u>\$ (1,510)</u>

CPA Saskatchewan Scholarship Fund Inc.
Statement of Changes In Net Assets

Year ended June 30	Unrestricted Net Assets	Externally Restricted Net Assets	2021	2020
Balance, beginning of year	\$ 62,228	\$ 88,368	\$ 150,596	\$ 152,106
(Deficiency) excess of revenue over expense	2,804	(398)	2,406	(1,510)
Transfer (Note 2)	<u>22,039</u>	<u>(22,039)</u>	<u>-</u>	<u>-</u>
Balance, ending of year	<u>\$ 87,071</u>	<u>\$ 65,931</u>	<u>\$ 153,002</u>	<u>\$ 150,596</u>

CPA Saskatchewan Scholarship Fund Inc.

Statement of Cash Flows

Year ended June 30	2021	2020
Operating		
(Deficiency) excess of revenue over expense	<u>\$ 2,406</u>	<u>\$ (1,510)</u>
Change in non-cash working capital items		
Due from related parties	1,878	2,430
Interest receivable	<u>58</u>	<u>(622)</u>
	<u>4,342</u>	<u>298</u>
Investing		
Investments	<u>(9,811)</u>	<u>12,828</u>
Increase (decrease) in cash	(5,469)	13,126
Cash		
Cash, beginning of year	<u>15,674</u>	<u>2,548</u>
Cash, end of year	<u>\$ 10,205</u>	<u>\$ 15,674</u>

CPA Saskatchewan Scholarship Fund Inc.

Notes to the Financial Statements

Year ended June 30, 2021

1. Nature of operations

The CPA Saskatchewan Scholarship Fund Inc. (the "Fund") was incorporated under the Non-Profit Corporations Act of Saskatchewan on May 21, 1991. Membership in the Fund is determined by being a member in good standing of the Chartered Professional Accountants Institute of Saskatchewan.

Given the Fund's status as a Non-Profit Corporation, it is except from payment of income tax under Section 149(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Revenue recognition

CPA Saskatchewan Scholarship Fund Inc. follows the restricted fund method of accounting for contributions.

Contributions for operating expenses are recognized as revenue in the General Fund, using the deferral method, in the year during which the related expenses are incurred. Restricted contributions for which the Fund does not have a related restricted fund are recognized in the General Fund using the deferral method. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Moreover, the Fund recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would be had to otherwise acquire these supplies and services for its normal operations.

CPA Saskatchewan Scholarship Fund Inc.

Notes to the Financial Statements

Year ended June 30, 2021

2. Significant accounting policies, continued

Fund accounting restricted

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

i) General Fund - the general fund reflects the Fund's operations that are not subject to external restriction.

ii) Debbie Dillon Memorial Fund - reports restricted investment income used to deliver scholarships funded by the Debbie Dillon Memorial Fund contribution. The fund was established in 1992 and the contribution was subject to being held for at least 10 years. As 10 years has passed, the original principal is now available for disbursement on scholarships. The board agreed to move the Debbie Dillon Memorial Fund forward to General Fund for the June 30, 2021 financial statements.

iii) Past President's Fund - reports restricted investment income used to deliver scholarships funded by the Past President's Fund contribution. The fund was established in 1992 and the contribution was subject to being held for at least 10 years. As 10 years has passed, the original principal is now available for disbursement on scholarships. The board agreed to move the Past President's Fund forward to General Fund for the June 30, 2021 financial statements.

iv) Students in Need Fund - reports restricted investment income used to deliver annual scholarships of \$1,000 to 3 students in need as funded by the donor. The fund was created in 2011 by way of a \$75,000 donation which was invested in a GIC with interest to be paid annually. Any fund shortfall from interest earned is to be made up from the principal.

CPA Saskatchewan Scholarship Fund Inc.

Notes to the Financial Statements

Year ended June 30, 2021

2. Significant accounting policies, continued

Investments

The investments are recorded at their fair market value.

Financial instruments

Initial measurement

The Fund initially measures its financial assets and financial liabilities at fair value, except in certain non-arm's lengths transactions.

Subsequent measurement

The Fund subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; derivative contracts, which are measured at fair value; and certain financial assets and financial liabilities which the Fund has elected to measure at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and interest receivable.

Financial instruments measured at fair value include investments.

Impairment

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. Due from related parties

	<u>2021</u>	<u>2020</u>
Due from CPA Saskatchewan	\$ 32	\$ 1,909

The Fund is related to CPA Saskatchewan through common management. CPA Saskatchewan pays for the administrative costs of the Fund. 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

The investments are held in guaranteed investment certificates. The interest rates on the investments range from 0.35 - 2.50% with maturity dates ranging from October 2021 to September 2022. Since these funds are held to earn investment income to support the distribution of scholarships, they are recorded as a long-term asset.

CPA Saskatchewan Scholarship Fund Inc.

Notes to the Financial Statements

Year ended June 30, 2021

5. Fund transactions

The Fund has established three externally restricted funds and an unrestricted General Fund. Interest income is allocated to the General Fund. Interest income earned on the Students in Need GIC is allocated solely to that fund.

The Debbie Dillon and Past Presidents Externally Restricted Funds were moved into the General Unrestricted Fund, as the restrictions on these funds expired several years ago. The Student In Need Bursary Externally Restricted Fund remains as such, leaving only one Externally Restricted Fund for bursaries and the General Unrestricted Fund for all scholarships. The Board agreed to make this change for the June 30, 2021 financial statements.

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

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

	<u>2021</u>	<u>2020</u>
Debbie Dillon Memorial Fund - Restricted Fund		
Balance, beginning of year	\$ 14,258	\$ 13,920
Interest income	-	338
Transfer to unrestricted fund	<u>(14,258)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 14,258</u>
Past President's Fund - Restricted Fund		
Balance, beginning of year	\$ 7,781	\$ 7,597
Interest income	-	184
Transfer to unrestricted fund	<u>(7,781)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 7,781</u>
Students in Need Fund - Restricted Fund		
Balance, beginning of year	\$ 66,329	\$ 67,535
Interest income	1,602	794
Scholarships	<u>(2,000)</u>	<u>(2,000)</u>
	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 65,931</u>	<u>\$ 66,329</u>

CPA Saskatchewan Scholarship Fund Inc.

Notes to the Financial Statements

Year ended June 30, 2021

5. Fund transactions, continued

General Fund - Unrestricted Fund

Balance, beginning of year	\$	62,228	\$	63,054
Balance forward from the Debbie Dillon and Past Presidents Fund		22,039		-
Donations		6,370		2,845
Interest income		684		1,529
Scholarships		<u>(4,250)</u>		<u>(5,200)</u>
Balance, end of year	\$	<u>87,071</u>	\$	<u>62,228</u>
