

**Urban Municipal Administrators
Association of Saskatchewan**

FINANCIAL STATEMENTS

Year Ended December 31, 2019

Urban Municipal Administrators Association of Saskatchewan

Hudson Bay, Saskatchewan

December 31, 2019

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Independent Auditors' Report

To the Board of Directors
Urban Municipal Administrators Association of Saskatchewan

Opinion

We have audited the financial statements of Urban Municipal Administrators Association of Saskatchewan, (the non-profit), which comprise the Statement of Financial Position as at December 31, 2019 and the Statements of Operations, Changes in Net Assets and Cash Flow 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 non-profit as at December 31, 2019, and results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 non-profit 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 the 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.

In preparing the financial statements, management is responsible for assessing the non-profit'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 non-profit or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the non-profit's financial reporting process.



Auditors' 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 auditors' 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 non-profit'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 non-profit'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 non-profit 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
June 8, 2020

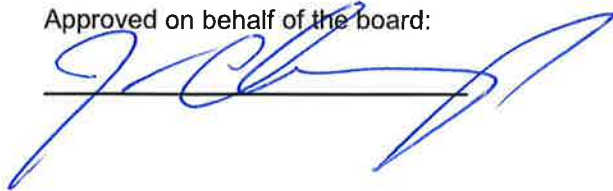
Urban Municipal Administrators Association of Saskatchewan

Hudson Bay, Saskatchewan

Statement of Financial Position as at December 31, 2019

| | 2019 | 2018 (Note 7) |
|---|-------------------|-------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | 35,937 | 25,384 |
| Short-term investments - note 3 | 17,657 | 39,575 |
| Accounts receivable | 712 | |
| Accrued interest receivable | 4,086 | 3,984 |
| Prepaid expenses | 3,938 | 4,726 |
| | <u>62,330</u> | <u>73,669</u> |
| Long-Term Investments - note 4 | <u>315,197</u> | <u>287,229</u> |
| | <u>\$ 377,527</u> | <u>\$ 360,898</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| | <u>0</u> | <u>0</u> |
| Net Assets | | |
| Balance, beginning of year | 360,898 | 355,126 |
| Add: Excess of revenue over expenses for the year | <u>16,629</u> | <u>5,772</u> |
| Balance, end of year | <u>377,527</u> | <u>360,898</u> |
| | <u>\$ 377,527</u> | <u>\$ 360,898</u> |

Approved on behalf of the board:



Urban Municipal Administrators Association of Saskatchewan

Statement of Operations
For the year ended December 31, 2019

| | Budget | 2019 | 2018 (Note 7) |
|---|-----------------|------------------|------------------|
| Revenue | | | |
| Memberships | 76,000 | 84,873 | 73,262 |
| Workshop fund | 50,000 | 53,720 | 60,400 |
| Convention excess (deficiency) - page 9 | (8,700) | (9,731) | (7,227) |
| Certification fees | 27,000 | 21,458 | 29,739 |
| Advertising | 800 | 780 | 830 |
| Interest | 5,000 | 7,348 | 6,623 |
| Other | 200 | 600 | 202 |
| | <u>150,300</u> | <u>159,048</u> | <u>163,829</u> |
| Expenses | | | |
| Audit | 1,400 | 1,484 | 1,378 |
| Bank charges | 200 | 262 | 141 |
| Board of examiners | 23,500 | 18,209 | 24,338 |
| Capital expenditures | 2,000 | 1,356 | |
| Computer and website costs | 2,500 | 2,518 | 5,235 |
| Executive meetings - page 9 | 28,500 | 24,888 | 31,446 |
| Legal and bond | 6,000 | 3,273 | 3,772 |
| Levies and education | 1,800 | 5,000 | |
| Newsletter | 1,500 | 800 | 975 |
| Office supplies and postage | 7,500 | 6,223 | 5,729 |
| Other | 200 | 25 | 153 |
| Wages and benefits | 46,200 | 44,240 | 44,261 |
| Workshops | 30,000 | 34,141 | 40,629 |
| | <u>151,300</u> | <u>142,419</u> | <u>158,057</u> |
| Excess (Deficiency) of Revenue Over Expenses Before Interfund Activity | (1,000) | 16,629 | 5,772 |
| Transfer from accumulated surplus | (5,000) | 0 | 0 |
| Excess of Revenue Over Expenses for the Year After Interfund Activity | <u>\$ 4,000</u> | <u>\$ 16,629</u> | <u>\$ 5,772</u> |

*The notes to financial statements are an integral
part of these financial statements.*

Urban Municipal Administrators Association of Saskatchewan

Statement of Cash Flow
For the year ended December 31, 2019

| | 2019 | 2018 (Note 7) |
|--|------------------|------------------|
| Cash Provided By (Used In): | | |
| Operations | | |
| Excess of revenue over expenses for the year | 16,629 | 5,772 |
| Net change in working capital | <u>(25)</u> | <u>(6,864)</u> |
| | <u>16,604</u> | <u>(1,092)</u> |
| Investing activities | | |
| Additions to investments | (6,051) | |
| Additions to long-term investments | | (207,482) |
| Proceeds on disposal of investments | | 83,534 |
| Proceeds on disposal of long-term investments | | <u>81,009</u> |
| | <u>(6,051)</u> | <u>(42,939)</u> |
| Net Cash Increase (Decrease) for the Year | 10,553 | (44,031) |
| Cash position, beginning of year | <u>25,384</u> | <u>69,415</u> |
| Cash Position, End of Year | <u>\$ 35,937</u> | <u>\$ 25,384</u> |
| Represented By: | | |
| Cash and cash equivalents | <u>\$ 35,937</u> | <u>\$ 25,384</u> |

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

Urban Municipal Administrators Association of Saskatchewan

Notes to Financial Statements
For the year ended December 31, 2019

1. Nature of Operations

The association operates under the authority of The Urban Municipal Administrators Act. The purpose of the association is to provide education, leadership and support services to its members and to promote the association.

2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profits using the accounting policies as summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

(b) Investments

Marketable securities represent investments in guaranteed investment certificates and are stated at the lower of cost or market. Portfolio investments are written down to market value in the event of declines in market value that are not considered to be temporary. At year-end, cost was substantially the same as the quoted market value.

(c) Capital assets

Amounts expended for the acquisition of capital assets are recorded as expenditures in the year of acquisition.

(d) Revenue

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Members' fees are set annually by the board of directors and are recognized as revenue proportionately over the fiscal year to which they relate.

Certification fees are recognized as revenue in the period in which certification is granted.

Revenue is recognized when the conference and courses are presented. The liability for the portion of conference and course revenue invoiced but not yet presented is recorded as deferred revenue.

Investment income comprised of interest from cash and fixed income investments are recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest method. Other investment income is recognized when it is received.

Urban Municipal Administrators Association of Saskatchewan

Notes to Financial Statements
For the year ended December 31, 2019

| | 2019 | 2018 |
|---|-------------------|-------------------|
| 3. Short-Term Investments | | |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.5%, maturing October 10, 2019 | | 17,396 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.58%, maturing December 6, 2019 | | 22,179 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.78%, maturing October 10, 2020 | 17,657 | |
| | <u>\$ 17,657</u> | <u>\$ 39,575</u> |
| 4. Long-Term Investments | | |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.8%, maturing March 20, 2020 | 23,483 | 23,068 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2.8%, maturing August 13, 2020 | 65,882 | 64,088 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2.2%, maturing July 29, 2020 | 61,786 | 60,456 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2%, maturing February 10, 2020 | 31,635 | 31,635 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.75%, maturing June 1, 2020 | 10,934 | 10,934 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 1.75%, maturing May 20, 2020 | 21,208 | 21,208 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2.4%, maturing November 29, 2021 | 36,700 | 35,840 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2.6%, maturing January 23, 2023 | 41,040 | 40,000 |
| Description - Bank of Nova Scotia GIC Measurement basis - amortized cost Significant terms - 2.2%, maturing June 7, 2021 | 22,529 | |
| | <u>\$ 315,197</u> | <u>\$ 287,229</u> |

Urban Municipal Administrators Association of Saskatchewan

Notes to Financial Statements
For the year ended December 31, 2019

5. Capital Assets Charged to the Statement of Operations

Capital assets not recorded on the statement of financial position consist of computers used for administrative purposes.

During the year, total capital asset purchases charged to the statement of operations was \$1,356.

6. Employee Benefit Plans

The municipality participates in contributory defined benefit pension plan for all of its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

| | 2019 | 2018 |
|--------------------|---------|---------|
| General members | 9.00 % | 9.00 % |
| Designated members | 12.50 % | 12.50 % |

Contributions to the plan during the year were as follows:

| | | |
|-----------------|----------|----------|
| Benefit expense | \$ 2,215 | \$ 3,294 |
|-----------------|----------|----------|

As per the most recently audited financial statements dated December 31, 2018, the plan surplus is \$463,236,000.

7. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

8. Subsequent Events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The extent of this outbreak and related containment measures could have a material impact on the organization's operations, which cannot be reliably estimated at this time.

Urban Municipal Administrators Association of Saskatchewan

Schedules to Financial Statements
For the year ended December 31, 2019

| | Budget | 2019 | 2018 (Note 7) |
|--|--------------------|--------------------|--------------------|
| 1. Schedule of Convention Excess (Deficiency) | | | |
| Revenue | | | |
| Registrations | 31,000 | 28,065 | 28,790 |
| Donations | 20,000 | 19,500 | 19,000 |
| Golf and tours | 4,500 | 3,963 | 4,725 |
| Exhibits | 7,000 | 9,300 | 6,250 |
| Hospitality room | 800 | 560 | 735 |
| | <u>63,300</u> | <u>61,388</u> | <u>59,500</u> |
| Expenses | | | |
| Badges, trophies, pins and gifts | 6,000 | 6,155 | 5,246 |
| Entertainment | 3,000 | 2,879 | 950 |
| Golf and tours | 12,500 | 10,466 | 12,543 |
| Hospitality room | 800 | 1,125 | 698 |
| Hotels, meals and mileage | 32,000 | 34,362 | 30,007 |
| Printing and supplies | 2,000 | 253 | 233 |
| Rent - equipment | 3,700 | 3,392 | 3,600 |
| Speakers | 12,000 | 12,487 | 13,450 |
| | <u>72,000</u> | <u>71,119</u> | <u>66,727</u> |
| Excess (Deficiency) of Revenue Over Expenses for the Year | <u>\$ (8,700)</u> | <u>\$ (9,731)</u> | <u>\$ (7,227)</u> |
| 2. Schedule of Executive Meetings | | | |
| Directors' room rental | 9,000 | 6,980 | 9,984 |
| Meals | 5,000 | 5,529 | 5,473 |
| Meeting room and service | 500 | | |
| Travel | 14,000 | 12,379 | 15,989 |
| | <u>\$ 28,500</u> | <u>\$ 24,888</u> | <u>\$ 31,446</u> |

*The notes to financial statements are an integral
part of these financial statements.*