

NORTH WEST TEACHERS' ASSOCIATION

Financial Statements

Year Ended June 30, 2019

Management's Responsibility

To the members of North West Teachers' Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board is composed of directors who are not employees of the organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The Board is also responsible for recommending the appointment of the organization's external auditors.

Holm Raiche Oberg, Chartered Professional Accountants P.C. Ltd. an independent firm of chartered professional accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and administration to discuss their audit findings.

21-JAN-2020
Date

Alan Rah
President

[Signature]
Treasurer



HRO *Holm Raiche Oberg*
Chartered Professional Accountants P.C. Ltd.

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INDEPENDENT AUDITOR'S REPORT

To the Members of North West Teachers' Association

Opinion

We have audited the financial statements of North West Teachers' Association (the Association), which comprise the statement of financial position as at June 30, 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 Association as at June 30, 2019, and the 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 Association 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 those 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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Graham K. Holm, CPA, CA* (Retired) Loralie A. Raiche, CPA, CA, CFP* Dallan D. Oberg, CPA, CA*

*Denotes a professional corporation



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. 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.

North Battleford, Saskatchewan
January 21, 2020

Holm Raiche Oberg

Chartered Professional Accountants

NORTH WEST TEACHERS' ASSOCIATION
Statement of Financial Position
June 30, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 107,384	\$ 113,873
Inventory <i>(Note 3)</i>	1,275	1,067
	\$ 108,659	\$ 114,940
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,650	\$ 1,650
NET ASSETS		
Unrestricted	107,009	113,290
	\$ 108,659	\$ 114,940

On behalf of the Board

_____ *Director*

_____ *Director*

See notes to financial statements

NORTH WEST TEACHERS' ASSOCIATION

Statement of Operations
Year Ended June 30, 2019

	2019	2018
Revenue		
Employment insurance rebate	\$ 27,916	\$ 27,758
Interest	656	530
Other income	225	150
Public relations	7,800	10,000
Teacher fees	33,630	33,697
	<u>70,227</u>	<u>72,135</u>
Expenses		
Administrative	822	937
Convention	33,259	42,327
Honorarium	23,393	22,158
NWTA meetings	11,110	6,287
Professional fees	1,968	1,901
Public relations	5,956	9,399
	<u>76,508</u>	<u>83,009</u>
Deficiency of revenue over expenses	<u>\$ (6,281)</u>	<u>\$ (10,874)</u>

NORTH WEST TEACHERS' ASSOCIATION**Statement of Changes in Net Assets****Year Ended June 30, 2019**

	2019	2018
Net assets - beginning of year	\$ 113,290	\$ 124,164
Deficiency of revenue over expenses	<u>(6,281)</u>	<u>(10,874)</u>
Net assets - end of year	<u>\$ 107,009</u>	<u>\$ 113,290</u>

NORTH WEST TEACHERS' ASSOCIATION

Statement of Cash Flow
Year Ended June 30, 2019

	2019	2018
Operating activities		
Cash receipts from members and others	\$ 70,227	\$ 72,135
Cash paid to suppliers and members	<u>(76,716)</u>	<u>(67,558)</u>
Increase (decrease) in cash flow	(6,489)	4,577
Cash - beginning of year	<u>113,873</u>	<u>109,296</u>
Cash - end of year	<u>\$ 107,384</u>	<u>\$ 113,873</u>
Cash and cash equivalents consist of:		
Cash	<u>\$ 107,384</u>	<u>\$ 113,873</u>

See notes to financial statements

NORTH WEST TEACHERS' ASSOCIATION**Notes to Financial Statements****Year Ended June 30, 2019**

1. Nature of the association

The North West Teachers' Association (NwTA) is an association representing the teachers employed by the Northwest School Division No. 203.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Outlined below are those policies the association considered particularly significant.

Cash and cash equivalents

The association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, bank lines of credit and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the company cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

Inventory

Inventory is valued at the lower of cost or net realizable value with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs remaining to complete the sale.

Income taxes

As a not-for-profit organization under Section 149 (1) of the *Income Tax Act*, the North West Teachers' Association is exempt from taxes; therefore, no provision for income taxes is recorded in the financial statements.

Revenue recognition

North West Teachers' Association follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Currently, the association has no restricted funds.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Convention fees are recognized as revenue of the unrestricted fund when the convention is held.

Interest income is recognized as revenue of the unrestricted fund when it is earned.

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NORTH WEST TEACHERS' ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2019

2. Significant accounting policies (continued)Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the association's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- the allowance for inventory obsolescence.

Volunteer services

Volunteers contribute a significant amount of time to assist the association in carrying out its activities. Because of the difficulty of determining the fair value of such services, contributed services are not recognized in the financial statements.

3. Inventory

	<u>2019</u>	<u>2018</u>
Merchandise	\$ 1,275	\$ 1,067

4. Financial instruments

The association 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 association's risk exposure and concentration as of June 30, 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its members and accounts payable.