

SASKATOON DIVERSITY NETWORK INC.

FINANCIAL STATEMENTS
(unaudited)

AUGUST 31, 2019





BUCKBERGER BAERG
& PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Saskatoon Diversity Network Inc.

We have reviewed the accompanying financial statements of Saskatoon Diversity Network Inc. that comprise the statement of financial position as at August 31, 2019, and the statements of operations and changes in net assets and 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Saskatoon Diversity Network Inc. derives revenue from events, 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 Saskatoon Diversity Network Inc. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to event revenue, excess of revenue over expenses, and cash flows from operations for the year ended August 31, 2019, current assets and net assets as at August 31, 2019. Our conclusion on the financial statements as at, and for the year ended August 31, 2019, was modified accordingly due to the possible effects of this limitation in scope.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (continued)

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 Saskatoon Diversity Network Inc. as at August 31, 2019, 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, SASKATCHEWAN

October 7, 2019

Buckberger Bauer & Partners LLP

Chartered Professional Accountants

SASKATOON DIVERSITY NETWORK INC.

STATEMENT OF FINANCIAL POSITION

(unaudited)

AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets		
Cash	\$ 65,720	\$ 15,209
Accounts receivable	<u>10,000</u>	<u>6,000</u>
	<u>\$ 75,720</u>	<u>\$ 21,209</u>
<u>LIABILITY</u>		
Current liability		
Accounts payable and accrued liabilities	\$ 13,081	\$ 7,569
<u>NET ASSETS</u>		
Balance	<u>62,639</u>	<u>13,640</u>
	<u>\$ 75,720</u>	<u>\$ 21,209</u>

See accompanying notes

Approved by the Board

_____ Member

_____ Member

SASKATOON DIVERSITY NETWORK INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

(unaudited)

YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
Revenues		
Events	\$ 65,930	\$ 54,759
Sponsorships and donations	49,453	45,300
Grant revenue	43,955	14,000
	<u>159,338</u>	<u>114,059</u>
Expenses		
Advertising	14,701	18,348
Event security	3,552	4,611
Food and beverage	8,942	8,360
Fundraising	28,714	24,213
Insurance	2,310	1,633
Merchandise	1,530	8,434
Office	3,756	4,016
Performer fees	11,456	18,462
Professional fees	8,510	5,051
Rental	22,409	28,532
Scholarships	-	500
Travel and automotive	4,459	8,748
	<u>110,339</u>	<u>130,908</u>
Excess (deficiency) of revenues over expenses	48,999	(16,849)
Balance, beginning of year	<u>13,640</u>	<u>30,489</u>
Balance, end of year	<u>\$ 62,639</u>	<u>\$ 13,640</u>

See accompanying notes

SASKATOON DIVERSITY NETWORK INC.

STATEMENT OF CASH FLOWS

(unaudited)

YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 48,999	\$ (16,849)
Net change in non-cash working capital items:		
Accounts receivable	(4,000)	11,547
Prepaid expenses	-	825
Accounts payable and accrued liabilities	<u>5,512</u>	<u>4,696</u>
Net increase in cash during the year	50,511	219
Cash, beginning of year	<u>15,209</u>	<u>14,990</u>
Cash, end of year	<u>\$ 65,720</u>	<u>\$ 15,209</u>

See accompanying notes

SASKATOON DIVERSITY NETWORK INC.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

AUGUST 31, 2019

1. Nature of operations

Saskatoon Diversity Network Inc. (the "organization") is a not-for-profit organization incorporated in the province of Saskatchewan on February 21, 2002 for the purposes of raising awareness of the queer community and culture by facilitating, organizing, promoting, and presenting a queer Pride Festival in Saskatoon, Saskatchewan. The organization is exempt from income taxes under Section 149 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 accounting policies are detailed as follows:

Capital assets

Capital assets are recorded as expenses in the year they are acquired.

Contributed services

Volunteers contribute time to assist the organization in carrying out its activities. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Event revenues, sponsorship, and donations are recognized when received.

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Financial instruments

The organization initially records a financial instrument at its fair value. Changes in fair value are recognized in the statement of operations and changes in net assets.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities.

SASKATOON DIVERSITY NETWORK INC.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

AUGUST 31, 2019

2. Significant accounting policies (continued)

Financial instruments (continued)

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

3. Financial instruments

Credit risk

The organization does have credit risk in accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk

Liquidity risk is the risk the organization may not be able to meet its obligations in accounts payable and accrued liabilities. The organization has a plan in place to meet their obligations as they come due, which is primarily from cash flows from operations and contribution revenues received.

4. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.