



Kin Canada

Kinsmen • Kinettes • Kin

District 3

District 3 Kin,

Please find attached, the 2021-2022 Financial Statements as prepared by the firm Laskowski & Wright – Chartered Professional Accountants on behalf of Past Governor Michelle (Miller) Stepp and Past District Treasurer Melissa Kirwan. The included audit will be in our FLC report, to be motioned and passed by the membership.

When the 2021 District dues invoices were sent out in October of 2021 the following information regarding the budget was included:

As proposed at the District Convention held virtually on June 12th 2021, the budget indicated a \$5 per member increase in dues to balance the budget, making district dues \$65 per member. This increase was declined by voting membership and instead it was approved to have the \$5 per member come out of our excess funds. Therefore, District dues remained at \$60 per member.

As of September 30, 2021 we had 894 members. At \$5 per member this amounted to using \$4470 of the excess funds. As this is money we have already received, and was already in the bank account, it is not counted as income and therefore is not shown on the audit.

I would like to bring your attention to page 5 of the audit. You will notice that listed under the “(Deficiency) excess of revenues over expenditures” line there is a deficit of \$3292. When you add the use of the \$4470, that was not included as income, the balance at the end of this year is not considered a deficiency and we are under budget by \$1178 (\$4470 Excess Funds - \$3292 Deficiency = \$1178 Under Budget).

If you have any question regarding the audit, please feel free to reach out to myself via email at mkirwan@kincanada.ca.

Yours In Kin,
Melissa Kirwan
Past District Treasurer

2022 – 2023

Assiniboia • Broadview • Coronach • Davidson • Dinsmore • Eastend • Estevan • Gull Lake • Humboldt • Invermay • Jansen • Kerrobert • Kindersley • Kinistino • Lashburn • Lloydminster • Lucky Lake • Macklin • Maidstone • Martensville • Meadow Lake • Melfort • Melville • Moose Jaw • Moosmin • Nipawin • Norquay • North Battleford • Outlook • Parkland • Pilot Butte • Prince Albert • Regina • Rosetown • Saskatoon • Shellbrook • St. Brieux • St. Walburg • Sturgis • Swift Current • Tisdale • Thunder Creek • Unity • U of S • Wadena • Watrous • Weyburn • Wilkie • Wynyard • Yorkton

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Financial Statements

June 30, 2022

Draft - September 21, 2022

Independent Auditor's Report

To the Members of
Kinsmen and Kinette Clubs of Canada

Opinion

We have audited the financial statements of Kinsmen and Kinette Clubs of Canada (District III Executive), which comprise the statement of financial position as at June 30, 2022, and the statements of operations and changes in net assets and cash flows 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 organization as at June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

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 organization 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Independent Auditor's Report, continued

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 organization'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 organization'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 organization 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.

Chartered Professional Accountants

Warman, Saskatchewan
September 19, 2022

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Statement of Financial Position

As at June 30 **2022** 2021

Assets

Current

Cash and short term investments	\$ 60,920	\$ 144,212
Short term investment	8,000	-

	68,920	144,212
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Long-term investments (Note 3)

	72,000	-
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	\$ 140,920	\$ 144,212
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Liability

Current

Accounts payable and accrued liabilities	\$ 3,885	\$ 3,885
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Net Assets

Unrestricted net assets

	137,035	140,327
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	\$ 140,920	\$ 144,212
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Approved by the Board

_____ Director

_____ Director

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Statement of Operations and Changes in Net Assets

For the year ended June 30	2022	2021
Revenues		
Membership dues	\$ 52,660	\$ 54,510
Crime stoppers levy	8,760	9,300
Kinsmen Foundation grant	7,546	3,955
District leadership seminar	2,750	-
Miscellaneous income	729	-
Fall Leadership Conference return	500	-
Interest and other	145	95
	<u>73,090</u>	<u>67,860</u>
Expenditures		
Amortization	-	147
CF/Service expense	131	-
Conventions	17,848	222
Crime stoppers donation	8,760	9,300
District outfits	1,174	1,179
Dues relief	12,990	8,820
Executive travel and expenses	6,033	1,946
Honorariums	1,500	3,000
Meetings and seminars	14,490	4,630
Member education and promotion	7,546	-
Miscellaneous	-	202
Office	538	465
Professional fees	3,885	3,770
Trophies and awards	1,487	1,493
	<u>76,382</u>	<u>35,174</u>
(Deficiency) excess of revenues over expenditures	(3,292)	32,686
Balance, beginning of year	<u>140,327</u>	<u>107,641</u>
Balance, end of year	\$ 137,035	\$ 140,327

See accompanying notes

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Statement of Cash Flows

For the year ended June 30	2022	2021
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (3,292)	\$ 32,686
Adjustment for		
Amortization	-	147
	<u>(3,292)</u>	<u>32,833</u>
Change in non-cash working capital items		
Accounts receivable	-	1,260
Prepaid expenses	-	1,500
Accounts payable and accrued liabilities	-	(115)
	<u>(3,292)</u>	<u>35,478</u>
Investing activity		
Purchase of investments	<u>(80,000)</u>	<u>-</u>
(Decrease) increase in cash	(83,292)	35,478
Cash, beginning of year	<u>144,212</u>	<u>108,734</u>
Cash, end of year	<u><u>\$ 60,920</u></u>	<u><u>\$ 144,212</u></u>

Draft - September 21, 2022

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Notes to the Financial Statements

June 30, 2022

1. Nature of operations

Kinsmen and Kinette Clubs of Canada consists of eight districts in Canada, which are administered by an executive elected by the individual clubs in each district. These financial statements present the operations of the executive of District III, which encompasses clubs located within Saskatchewan, but do not include the operations, assets and liabilities of the Kinsmen Foundation Inc., Telemiracle or the District III Office.

Each of the clubs operates independently of the executive of District III and are responsible for their own records. The clubs are not consolidated under these financial statements.

2. Accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Cash and short term investments

Cash consists of balances with financial institutions as well as highly liquid short-term investments.

(b) Equipment

Equipment is recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rate is as follows:

Computer equipment	55%
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(c) Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(d) Revenue recognition

The organization follows the deferral method of accounting for contributions which includes grants and donations.

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

(e) Contributed services

Volunteers contributed time to assist the organization in carrying out its activities. Contributed services are not recognized in the financial statements due to the difficulty in determining fair value.

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Notes to the Financial Statements

June 30, 2022

2. Accounting policies, continued

(f) Financial instruments

The organization's financial instruments consist of cash, accounts receivable, and accounts payable which are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(g) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are useful lives of equipment and collection of accounts receivable.

3. Long term investments

Description	Maturity	Interest	2022	2021
Conexus Credit Union GIC	May 3, 2024	2.50%	\$ 8,000	\$ -
Conexus Credit Union GIC	May 3, 2025	3.00%	8,000	-
Conexus Credit Union GIC	May 3, 2026	3.35%	8,000	-
Conexus Credit Union GIC	May 3, 2027	3.40%	8,000	-
Conexus Credit Union GIC	June 28, 2027	3.65%	40,000	-
			<u>\$ 72,000</u>	<u>\$ -</u>

4. Equipment

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 999	\$ 999	\$ -	\$ -

5. Related party transactions

The District III Executive is the parent club of all the Kinsmen and Kinette clubs in Saskatchewan. Dues, levies and other incomes have been assessed against these clubs at agreed rates. The directors have received reimbursements for expenditures at agreed rates.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Kinsmen and Kinette Clubs of Canada

(District III Executive)

Notes to the Financial Statements

June 30, 2022

6. Financial instruments

(a) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The organization is exposed to interest rate risk as it holds an interest bearing cash account..

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