

PSAC PRAIRIE REGION
Financial Statements
Year Ended December 31, 2017

Draft for discussion purposes only

PSAC PRAIRIE REGION
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Year Ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Members of PSAC Prairie Region

We have audited the accompanying financial statements of PSAC Prairie Region, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PSAC Prairie Region as at December 31, 2017 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
May 17, 2018

PSAC PRAIRIE REGION
Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 541,351	\$ 788,862
Accounts receivable	-	300
	\$ 541,351	\$ 789,162
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,500	\$ 5,500
Deferred revenue <i>(Note 4)</i>	536,851	783,662
	\$ 541,351	\$ 789,162

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

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PSAC PRAIRIE REGION
Statement of Revenues and Expenses
Year Ended December 31, 2017

	2017	2016
REVENUES		
PSAC National	\$ 202,516	\$ 193,814
Regional convention	294,507	90,664
Political action	45,823	33,000
Regional Women's Committee	17,540	8,372
Regional Health & Safety Activities	35	10,000
Area Council	17,732	6,139
Human Rights Committee	5,139	3,892
Regional Polcomm Activities	5,000	5,000
Promotional items	3,378	-
PSUW Scholarship	2,469	-
Interest income	1,572	1,810
Miscellaneous income	36,715	16,858
	632,426	369,549
EXPENSES		
Advertising and promotion	14,728	421
Assistance	34,402	30,927
Communications	33,212	30,347
Council members	4,118	11,245
Donations	8,050	14,531
Federations of Labour	575	-
Interest and bank charges	650	299
Meetings	23,603	3,719
Memberships	3,336	3,336
Office	30,144	20,478
Other	9,643	9,323
PRC meetings	132,800	113,720
Professional fees	6,214	5,500
Projects and events	15,761	8,500
Regional council - convention	116,278	-
Scholarship	2,469	-
Subsidies	166,450	-
Travel and loss of salaries	25,814	114
Youth outreach and camps	4,179	2,546
	632,426	255,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE DEFERRED REVENUE TRANSFER	-	114,543
(Transfer to) recognition of deferred revenue	-	(114,543)
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

PSAC PRAIRIE REGION
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Cash receipts from PSAC National	\$ 384,342	\$ 350,918
Cash paid to suppliers and members	(632,775)	(249,206)
Interest received	1,572	1,812
Bank charges paid	(650)	(299)
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH	(247,511)	103,225
CASH - BEGINNING OF YEAR	<hr/> 788,862	685,637
CASH - END OF YEAR	<hr/> \$ 541,351	<hr/> \$ 788,862

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PSAC PRAIRIE REGION
Notes to Financial Statements
Year Ended December 31, 2017

1. DESCRIPTION OF OPERATIONS

PSAC Prairie Region is a division of PSAC National. It serves active locals on the prairies. The organization is exempt from income taxes on its earnings under section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

PSAC Prairie Region 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2017.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from members registering for convention. The organization has a very small number of these transactions therefore the concentration of credit risk is minimized.

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Year Ended December 31, 2017

4. DEFERRED REVENUE

Unused revenue amounts are recorded as deferred revenue, rather than net assets, as they are advances from PSAC National and are therefore repayable until used. The total amount of deferred revenue is represented by amounts received for the following areas of activity:

	<u>2017</u>	<u>2016</u>
Regional Council	\$ 153,529	\$ 279,514
Regional Hardship	82,548	83,158
Political Action	77,873	82,022
Building the Union	65,082	65,255
Regional Convention	25,264	59,485
Regional Women's Committee	35,075	33,431
Regional Health & Safety	45,122	25,493
PSUW Scholarship	27,531	-
Human Rights Committee	20,981	17,829
Area Councils	3,016	14,602
Regional Polcomm	1	6,751
PSAC Social Justice Fund Manitoba	750	1,500
Credit Union Shares	79	79
Excess (deficiency) of revenues over expenses allocated to deferred revenue	-	114,543
	<u>\$ 536,851</u>	<u>\$ 783,662</u>

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