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Financial statements of  
UR Pride Centre for Sexuality &  
Gender Diversity Inc.

August 31, 2020

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## Independent Auditor's Report

To the Board of Directors of  
UR Pride Centre for Sexuality & Gender Diversity Inc.

### Qualified Opinion

We have audited the financial statements of UR Pride Centre for Sexuality and Gender Diversity Inc. (the "Organization"), which comprise the statement of financial position as at August 31, 2020, and the statements of operations, 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 (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2020, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to recorded donations, the excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2020, current assets as at August 31, 2020, and net assets as at September 1 and August 31 for 2020. Our audit opinion on the financial statements for the year ended August 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 qualified audit opinion.

### Other Matter

The financial statements of the Organization for the year ended August 31, 2019 were not audited. We were not engaged to report on the comparative information, and as such, it is unaudited.

### 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 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.

### **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 GAAS 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 GAAS, 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.

*Deloitte LLP*

Chartered Professional Accountants  
November 9, 2020  
Regina, Saskatchewan

**UR Pride Centre for Sexuality & Gender Diversity Inc.****Statement of financial position**

As at August 31, 2020

	Notes	2020 \$	2019 \$ (unaudited)
<b>Assets</b>			
Current			
Cash		<b>315,325</b>	136,161
Accounts receivable		<b>53,291</b>	24,853
Prepaid expenses		<b>9,769</b>	1,934
		<b>378,385</b>	162,948
Capital assets	3	<b>2,060</b>	—
		<b>380,445</b>	162,948
<b>Liabilities and net assets</b>			
Current			
Accounts payable and accrued liabilities		<b>43,644</b>	16,886
Government remittances payable	4	<b>56,229</b>	45,499
Deferred revenue	5	<b>170,289</b>	102,437
		<b>270,162</b>	164,822
Commitments	6		
Net assets	7	<b>110,283</b>	(1,874)
		<b>380,445</b>	162,948

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**UR Pride Centre for Sexuality & Gender Diversity Inc.**

**Statement of operations**

Year ended August 31, 2020

	Operating fund	Bursary fund	Capital asset fund	2020	2019
Notes	\$	\$	\$	\$	\$
					(unaudited)
<b>Revenue</b>					
Grants	<b>328,426</b>	—	—	<b>328,426</b>	177,722
Membership fees	<b>131,855</b>	—	—	<b>131,855</b>	113,727
Government assistance	<b>94,000</b>	—	—	<b>94,000</b>	—
Donations and other contributions	<b>65,819</b>	<b>2,950</b>	—	<b>68,769</b>	59,190
Other revenue	<b>47,177</b>	—	—	<b>47,177</b>	17,553
Crowdfunding and fundraising donations	<b>4,854</b>	—	—	<b>4,854</b>	578
	<b>672,131</b>	<b>2,950</b>	—	<b>675,081</b>	368,770
<b>Expenses</b>					
Salaries and wages	<b>387,079</b>	—	—	<b>387,079</b>	229,890
Office expenses	<b>67,716</b>	—	—	<b>67,716</b>	62,471
Programs, projects and services	<b>63,168</b>	—	—	<b>63,168</b>	77,704
Professional fees	<b>13,294</b>	—	—	<b>13,294</b>	978
Bursary disbursements	—	<b>12,691</b>	—	<b>12,691</b>	9,483
Advertising and promotion	<b>9,142</b>	—	—	<b>9,142</b>	9,450
Other expenses	<b>5,068</b>	—	—	<b>5,068</b>	3,127
Interest and bank charges	<b>2,146</b>	—	—	<b>2,146</b>	1,346
Board expenses	<b>1,643</b>	—	—	<b>1,643</b>	1,525
Insurance	<b>927</b>	—	—	<b>927</b>	3,071
Depreciation	—	—	<b>50</b>	<b>50</b>	—
	<b>550,183</b>	<b>12,691</b>	<b>50</b>	<b>562,924</b>	399,045
<b>Excess (deficiency) of revenues over expenses</b>	<b>121,948</b>	<b>(9,741)</b>	<b>(50)</b>	<b>112,157</b>	<b>(30,275)</b>

The accompanying notes are an integral part of the financial statements.

**UR Pride Centre for Sexuality & Gender Diversity Inc.**  
**Statement of changes in net assets**  
Year ended August 31, 2020

	Operating fund	Bursary fund	Capital asset fund	2020	2019
Notes	\$	\$	\$	\$	\$
					(unaudited)
<b>Net assets, beginning of year</b>	<b>(5,874)</b>	<b>4,000</b>	—	<b>(1,874)</b>	28,401
Excess (deficiency) of revenues over expenses	<b>121,948</b>	<b>(9,741)</b>	<b>(50)</b>	<b>112,157</b>	(30,275)
Interfund transfers	<b>(11,644)</b>	<b>9,534</b>	<b>2,110</b>	—	—
<b>Net assets, end of year</b>	<b>104,430</b>	<b>3,793</b>	<b>2,060</b>	<b>110,283</b>	(1,874)

The accompanying notes are an integral part of the financial statements.

**UR Pride Centre for Sexuality & Gender Diversity Inc.****Statement of cash flows**

Year ended August 31, 2020

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
		(unaudited)
<b>Operating activities</b>		
Excess of revenues over expenses	<b>112,157</b>	(30,275)
Items not affecting cash		
Donations and other contributions	<b>(17,000)</b>	(16,828)
Office expenses	<b>17,000</b>	16,828
Depreciation	<b>50</b>	—
	<b>112,207</b>	(30,275)
Changes in non-cash working capital		
Accounts receivable	<b>(28,438)</b>	(12,433)
Prepaid expenses	<b>(7,835)</b>	(1,934)
Accounts payable and accrued liabilities	<b>26,758</b>	14,273
Government remittances payable	<b>10,730</b>	11,710
Deferred revenue	<b>67,852</b>	102,437
	<b>69,067</b>	114,053
Net cash inflows from operating activities	<b>181,274</b>	83,778
<b>Investing activities</b>		
Purchase of capital assets	<b>(2,110)</b>	—
Net cash outflows from investing activities	<b>(2,110)</b>	—
<b>Increase in cash</b>	<b>179,164</b>	83,778
Cash, beginning of year	<b>136,161</b>	52,383
<b>Cash, end of year</b>	<b>315,325</b>	136,161

The accompanying notes are an integral part of the financial statements.

# UR Pride Centre for Sexuality & Gender Diversity Inc.

## Notes to the financial statements

August 31, 2020

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### 1. Description of business

UR Pride Centre for Sexuality & Gender Diversity Inc. (the "Organization") is incorporated under *The Non-Profit Corporations Act of Saskatchewan*. As a not-for-profit corporation, the Organization is exempt from tax under the *Income Tax Act*.

The Organization exists to set the foundation for a safer, healthier and more vibrant community for sexually and gender diverse people in the City of Regina and at the University of Regina.

### 2. Summary of significant accounting policies

#### *Basis of presentation*

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook and include the following significant accounting policies:

#### *Fund accounting*

The Operating Fund accounts for current operations and programs as well as the Organization's general operations. Revenues, expenses, assets and liabilities related to service delivery activities and administration are reported in the Operating Fund.

Revenues, expenses, assets and liabilities related to bursary activities are reported in the Bursary Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to capital assets.

#### *Revenue recognition*

The Organization follows the deferral method of accounting for contributions, whereby externally restricted contributions (grants, donations and other 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.

Membership fees are recorded in the fiscal year to which they relate.

Other revenue from workshops, training sessions, and other events are recognized when the events are held.

Government assistance related to non-capital items is recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and there is reasonable assurance that the Organization has complied with and will continue to comply with all of the conditions of the assistance.

#### *Contributed materials and services*

The Organization receives contributed materials and services in the form of office space from the University of Regina Student's Union, volunteer hours and other in kind and non-monetary contributions. The Organization recognizes contributions of materials and services when:

- a fair value can be reasonably estimated; and
- the services and materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

Contributed materials and services are recorded at their fair value when received.

## **2. Summary of significant accounting policies (continued)**

### *Cash*

Cash is comprised of bank balances.

### *Capital assets*

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Office equipment	5 years	straight-line method

Donated capital assets are recorded at their fair value at the date of contribution (if fair value can be reasonably determined).

When a tangible capital asset no longer contributes to the Organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

### *Financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and government remittances payable.

Transaction costs related to financial instruments measured at amortized cost are added to the carrying value of the asset or netted against the carrying value of the liability and are amortized on a straight-line basis over the expected life of the instrument.

Financial assets measured at amortized cost are tested for impairment if there are indications of possible impairment. The amount of write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the statement of operations.

### *Measurement uncertainty*

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: collectability of amounts receivable, useful life and amortization of capital assets, and government remittances payable. These estimates are reviewed periodically, and adjustments are made, as appropriate, in the statement of operations in the year they become known.

## UR Pride Centre for Sexuality & Gender Diversity Inc.

### Notes to the financial statements

August 31, 2020

## 2. Summary of significant accounting policies (continued)

### *Change in accounting policies*

Prior to September 1, 2019, as the Organization's average annual revenues for the preceding fiscal periods were less than \$500,000, the Organization was permitted to choose not to capitalize or amortize their capital assets and expensed them on acquisition.

As at August 31, 2020, the Organization no longer satisfied the above condition and has accounted for their capital assets in the statement of financial position at cost.

## 3. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2020 Net book value</b>	2019 Net book value
	\$	\$	\$	\$
				(unaudited)
Computer equipment	<b>1,613</b>	—	<b>1,613</b>	—
Office equipment	<b>497</b>	<b>50</b>	<b>447</b>	—
	<b>2,110</b>	<b>50</b>	<b>2,060</b>	—

## 4. Government remittances payable

In the financial statements, management has accrued Goods and Services Tax (GST) payable on the following revenue streams: membership fees and other revenue from workshops and fundraising. Subsequent to year end, management initiated the process of obtaining a ruling from Canada Revenue Agency (CRA) regarding exempt supplies. Actual amounts owing are dependent on the outcome of the ruling by CRA.

## 5. Deferred revenue

Deferred revenue represents unspent resources that are externally restricted for various programs and initiatives that relate to the subsequent period. Changes in the deferred revenue balance are as follows:

	<b>2020</b>	2019
	\$	\$
		(unaudited)
Balance, beginning of year	<b>102,437</b>	—
Less: Amount recognized as revenue in the year	<b>(333,426)</b>	(177,882)
Plus: Amounts received related to subsequent year	<b>401,278</b>	280,319
Balance, end of year	<b>170,289</b>	102,437

## UR Pride Centre for Sexuality & Gender Diversity Inc.

### Notes to the financial statements

August 31, 2020

#### 6. Commitments

The Organization maintains one bursary for students of the University of Regina and multiple funds that employees, students of the University of Regina and members of the community can access. For the year ended August 31, 2020 the Organization has committed to the following:

- COVID-19 Response Emergency Fund (the "COVID-19 Fund") – In response to COVID-19, the Organization created the COVID-19 Fund to support 2SLGBTQ+ people during the pandemic and crisis, whereby the Organization solicited donations for the COVID-19 Fund and contributed matching funds up to \$1,000 to the Fund. All funds raised will be used for recipients of the COVID-19 Fund, and any unused funds after December 2020 will be reallocated to the General Fund.

The COVID-19 Fund received in excess of \$1,000 in donations, which has been disbursed to fund applicants and as at August 31, 2020, \$793 of the amount the Organization committed to match remains undisbursed.

- University of Regina Donor Gift Agreement - The Organization entered into a Donor Gift Agreement with the University of Regina on January 12, 2018 to create the UR Pride Centre Bursary for an undergraduate student of any faculty at the University. Under this agreement, the Organization will contribute \$1,000 annually for 5 years, ending in 2022. As at August 31, 2020 \$3,000 (\$4,000 in 2019) remains undisbursed.

#### 7. Net assets

	Operating fund	Bursary fund	Capital asset fund	2020	2019
	\$	\$	\$	\$	\$
					(unaudited)
Invested in capital assets	—	—	2,060	2,060	—
Externally restricted	—	—	—	—	—
Internally restricted	—	3,793	—	3,793	4,000
Unrestricted	104,430	—	—	104,430	(5,874)
	<b>104,430</b>	<b>3,793</b>	<b>2,060</b>	<b>110,283</b>	<b>(1,874)</b>

#### 8. Internal restrictions

The Organization has internally restricted the following amounts and may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

- In 2018, the Organization resolved to restrict \$5,000 for the purpose of providing a \$1,000 bursary to undergraduate students of the University of Regina on an annual basis until 2022.
- In 2020, the Organization resolved to restrict \$1,000 for the purpose of providing emergency funds to those in the community impacted by COVID-19.

## **9. Interfund transfers**

The Organization carried out the following interfund transfers during the year:

- Transfer from the Operating Fund to the Bursary Fund of \$9,534 to fund the distribution of bursaries and other amounts to students, community members and employees under the various funds that the Organization maintains.
- Transfer from the Operating Fund to the Capital Asset Fund of \$2,110 to fund the purchase of capital assets, including laptops and other office equipment to facilitate online programming.

## **10. Government assistance**

Government assistance relates to COVID-19 and the federal wage subsidies, Canadian Emergency Wage Subsidy ("CEWS") and Temporary Wage Subsidy ("TWS") available for those entities that qualify. The CEWS program provides a subsidy of up to 75% of employee wages for the period from March 15, 2020 to August 31, 2020. The TWS program is a subsidy equal to 10% of the remuneration paid from March 18 to June 19, 2020, up to \$1,375 for each eligible employee.

## **11. Contributed materials and services**

The Organization has received contributed materials and services in the period in the form of office space from URSU and volunteer hours. The contribution of office space from the URSU is a substantial contribution recorded at the fair value of \$17,000 (\$16,828 in 2019).

Though volunteer hours are immensely valuable to the Organization and in their provision of events, a fair value for these contributions is not readily determinable and no amount has been recognized.

## **12. Financial instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2020:

### *Credit risk*

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is exposed to credit risk on its accounts receivable. The Organization does not have significant exposure to any individual creditor.

### *Liquidity risk*

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and government remittances payable.

**13. COVID-19**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. These public health and emergency measures resulted in an economic slowdown, restrictions on public gatherings and activities. As of the date these financial statements were issued, the Organization continues its operations in providing support services. The Organization applied for government assistance as disclosed in Note 10. The duration and impact of COVID-19 is unknown. Potential impacts include loss of revenue, supply chain disruption, challenges associated with a remote or unavailable workforce and potential asset impairment.