

**REGINA GARDEN ASSOCIATES INC.**  
**FINANCIAL STATEMENTS**  
Unaudited  
**JUNE 30, 2020**

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## REVIEW ENGAGEMENT REPORT

To the Members of  
Regina Garden Associates Inc.

I have reviewed the accompanying financial statements of Regina Garden Associates Inc. that comprise the balance sheet as at June 30, 2020, and the statement of operations, change in members' equity and cash flow for the period 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**

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Regina Garden Associates Inc. as at June 30, 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.

Regina, Saskatchewan

September 15, 2020



Marcia Herback

CPA, CA

**REGINA GARDEN ASSOCIATES INC.**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2020**  
(with comparative figures for 2019)  
(Unaudited)

	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 74,314	\$ 43,240
Investments	70,000	135,578
Accounts receivable	<u>2</u>	<u>9,020</u>
	144,316	187,838
<b>Investments (Note 2)</b>	<u>90,000</u>	<u>-</u>
	<u>\$ 234,316</u>	<u>\$ 187,838</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Deferred revenue	\$ 545	\$ 1,920
<b>Net assets</b>		
Cumulative surplus	<u>233,771</u>	<u>185,918</u>
	<u>\$ 234,316</u>	<u>\$ 187,838</u>

See accompanying notes

Approved on Behalf of the Board

C. H. Dimpson Director

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**REGINA GARDEN ASSOCIATES INC.**  
**STATEMENT OF INCOME AND CUMULATIVE SURPLUS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(with comparative figures for 2019)**  
**(Unaudited)**

	2020	2019
<b>Revenue</b>		
Conservatory rentals	\$ 11,905	\$ 19,074
Donations	16,728	24,628
Kids Can Grow Program	11,824	11,633
Events	13,166	19,836
City of Regina grant	18,000	18,000
Farm Credit Canada grant	-	2,500
New floral conservatory contributions	14,085	-
New floral conservatory fundraising	7,236	-
Memberships	<u>3,610</u>	<u>3,600</u>
	<u>96,554</u>	<u>99,271</u>
<b>Expenses</b>		
Concept project	-	30,581
Conservatory plants	18,140	22,143
Conservatory labour	3,600	4,550
Conservatory supplies	2,535	3,032
Conservatory events	5,138	8,882
Administration	5,255	6,749
Insurance	1,202	1,173
Kids Can Grow Program	1,493	1,596
Marketing	3,364	4,564
New floral conservatory	2,509	-
Office supplies	227	99
Open house	-	633
Printing and duplication	61	120
Professional fees	1,082	944
Repairs and maintenance	1,169	929
Telephone	1,903	1,885
Volunteer appreciation (socials, lunches, etc)	<u>3,244</u>	<u>3,136</u>
	<u>50,922</u>	<u>91,016</u>
<b>Surplus (deficit)</b>	<u>45,632</u>	<u>8,255</u>
<b>Other income</b>		
Interest on term deposits	2,146	1,906
Miscellaneous	<u>75</u>	<u>318</u>
	<u>2,221</u>	<u>2,224</u>
<b>Surplus (deficit) for the year</b>	47,853	10,479
<b>Cumulative surplus, beginning of year</b>	<u>185,918</u>	<u>175,439</u>
<b>Cumulative surplus, end of year</b>	<u>\$ 233,771</u>	<u>\$ 185,918</u>

See accompanying notes

**REGINA GARDEN ASSOCIATES INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(with comparative figures for 2019)  
(Unaudited)

	2020	2019
<b>Operating activities</b>		
Surplus for the year	\$ 47,853	\$ 10,479
Net change in non-cash working capital balances		
Investments	65,578	(85,578)
Accounts receivable	9,018	(8,971)
Deferred revenue	(1,375)	(2,180)
Cash provided by (used in) operating activities	<u>121,074</u>	<u>(86,250)</u>
<b>Investing activities</b>		
Change to investments	<u>(90,000)</u>	<u>50,288</u>
Cash provided by (used in) investing activities	<u>(90,000)</u>	<u>50,288</u>
<b>Increase (decrease) in cash</b>	31,074	(35,962)
<b>Cash position, beginning of year</b>	<u>43,240</u>	<u>79,202</u>
<b>Cash position, end of year</b>	<u>\$ 74,314</u>	<u>\$ 43,240</u>

See accompanying notes

**REGINA GARDEN ASSOCIATES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
**(Unaudited)**

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**1. Summary of significant accounting policies**

- (a) The purpose of the Regina Garden Associates Inc. is to support and promote horticultural activities in the City of Regina. This is mainly supported by fundraising activities such as seminars, events and rental of the Conservatory.
- (b) Inventory is recorded at the lower of cost or net realizable value.
- (c) Capital assets are charged against operating revenues when purchased. During the year capital assets in the amount of Nil (2019 - \$1,507) were expensed.
- (d) Revenue is recognized in the period in which it is earned and if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (e) The Regina Garden Associates Inc. 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 subsequently measured at amortized cost include cash and investments.

- (f) The preparation of financial statements in accordance 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**2. Investments**

Investments consist of a term deposit of \$45,000 with an annual interest rate of 1.4% that matures June 2022 and a term deposit of \$45,000 with an annual interest rate of 1.5% that matures June 2023.

**3. Incorporation status**

Regina Garden Associates Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan. According to the provisions of the Income Tax Act, as a registered charitable corporation Regina Garden Associates Inc. is exempt from taxation.

**4. Financial instruments**

The Regina Garden Associates Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's exposure and concentrations at June 30, 2020:

**Credit risk**

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association is exposed to credit risk with respect to cash and investments. The Association manages its credit risk by placing cash and investments with major financial institutions. There has been no change from credit risk exposure from 2019.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Financial instruments (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Association is exposed to liquidity risk with respect to its investments but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2019.

**Interest rate risk**

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk with respect to its cash and investments and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash and investments due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2019.

**5. Economic dependence**

The Regina Garden Associates Inc. has an operating agreement with the City of Regina to run and maintain the Regina Floral Conservatory which is owned by the City of Regina. The Regina Garden Associates Inc. operates out of the Regina Floral Conservatory. Many of the plants in the floral display are purchased by the City of Regina. As a result, the association is dependent upon the continuance of this agreement to maintain operations at their current level.

**6. Subsequent event**

Prior and subsequent to June 30, 2020, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and the Association is monitoring its operations and assessing the impact COVID-19 will have on its activities. Accordingly it is difficult to reliably measure the potential impact of this uncertainty on the Association.

**7. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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