

Saskatchewan Interactive Media Association Inc.
Financial Statements
March 31, 2021

Independent Auditors' Report

To the Members of Saskatchewan Interactive Media Association Inc.:

Opinion

We have audited the financial statements of Saskatchewan Interactive Media Association Inc. (the Entity), which comprise the statement of financial position as at March 31, 2021, and the statement of operations, statement of changes in net assets and statement of 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 Entity as at March 31, 2021 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 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 audit 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 judgement and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT (continued)

- 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 Entity'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 Entity'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 Entity 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.



Regina, Saskatchewan
August 13, 2021

Robert D. Szautner
Chartered Professional Accountant

Saskatchewan Interactive Media Association Inc.

Statement of Financial Position

As at March 31, 2021

	2021	2020
Assets		
Current		
Cash	69,527	74,281
Accounts receivable - WED	-	41,211
Accounts receivable – Creative Saskatchewan	1,856	1,463
GST receivable	6,917	9,887
	78,300	126,842
Liabilities		
Current		
Accounts payable	8,768	85,683
Grants repayable – Creative Saskatchewan	29,567	32,329
	38,335	118,012
Net Assets		
Unappropriated	39,965	8,830
	78,300	126,842

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Saskatchewan Interactive Media Association Inc.

Statement of Operations

For the year ended March 31, 2021

	2021	2020
Revenue		
Grants		
Creative Saskatchewan		
Annual funding	200,000	200,000
Project funding (repayment)	11,972	(18,807)
Innovation Saskatchewan	-	50,000
SaskTel sponsorship	10,500	-
Western Economic Diversification Canada	7,238	135,525
Other income	1,091	2
	230,801	366,720
Expenses		
Advertising	202	1,939
Bank charges	1,576	281
Conferences	544	568
Equipment	4,975	1,398
Insurance	807	807
Meetings	591	1,453
Memberships	287	260
Office	2,763	892
Professional development	1,104	844
Professional fees	4,605	7,099
Projects	11,381	215,932
Rental	2,995	3,057
Salaries and benefits	133,526	142,492
Software licenses	2,558	2,145
Sponsorships	11,500	-
Telephone	2,919	1,668
Travel	2,019	10,758
Website	15,314	1,361
	199,666	392,954
Excess (deficiency) of revenues over expenses	31,135	(26,234)

The accompanying notes are an integral part of these financial statements

Saskatchewan Interactive Media Association Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2021

	<i>2021</i>	<i>2020</i>
Unappropriated surplus, beginning of year	8,830	35,064
Excess (deficiency) of revenues over expenses	31,135	(26,234)
Unappropriated surplus, end of year	39,965	8,830

The accompanying notes are an integral part of these financial statements

Saskatchewan Interactive Media Association Inc.

Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Excess (deficiency) of revenues over expenses	31,135	(26,234)
Change in working capital accounts:		
Accounts receivable	40,818	(35,845)
GST receivable	2,970	(5,601)
Accounts payable	(79,677)	65,804
	(4,754)	(1,876)
Decrease in cash resources	(4,754)	(1,876)
Cash resources, beginning of year	74,281	76,157
Cash resources, end of year	69,527	74,281

The accompanying notes are an integral part of these financial statements

Saskatchewan Interactive Media Association Inc.

Notes to the Financial Statements

For the year ended March 31, 2021

1. Incorporation and commencement of operations

Saskatchewan Interactive Media Association (SIMA) was incorporated under the Non-Profit Corporations Act of Saskatchewan. The purpose of the organization is to represent the media industry to policy makers, educators and consumers.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the following significant accounting policies:

Cash and cash equivalents

The organization's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Revenue recognition

SIMA 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, fundraising and sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

SIMA recognizes the cost of acquisition of capital assets as an expense in the period that the asset is purchased. During the year, capital assets in the amount of \$4,975 (2020 - \$1,398) were expensed.

Measurement uncertainty

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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Income taxes

SIMA is incorporated as a not-for-profit organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes.

Financial instruments

SIMA recognizes its financial instruments when the organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the organization may irrevocably elect to subsequently measure any financial instrument at fair value. The organization has not made such an election during the period. Cash, accounts receivable, and accounts payable have been designated to be subsequently measured at their amortized cost.

Financial asset impairment:

SIMA assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period. If so, the organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current period excess (deficiency) of revenues over expenses.

Saskatchewan Interactive Media Association Inc.

Notes to the Financial Statements

For the year ended March 31, 2021

3. Financial instruments

SIMA as part of its operations carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the organization may not be able to meet a demand for cash or fund its obligations as they come due. The organization is exposed to liquidity risk with respect to its accounts payable. The organization manages its liquidity risk by holding assets that can be readily converted into cash.

4. Economic dependence

The organization receives significant revenue in contracts from Creative Saskatchewan. As a result, the organization is dependent upon the continuance of these contracts to maintain operations at their current level.

5. Impact of Covid

In March 2020, there was a global outbreak of COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.