

Sharlene Pascoe

Subject: FW: Financial Report from MJRWS
Attachments: Moose Jaw River Watershed Stewards FS 2019 FINAL.pdf

From: admin@mjrriver.ca <admin@mjrriver.ca>
Sent: Tuesday, November 5, 2019 3:59:22 PM
To: Darrin Stephanson <DStephanson@moosejaw.ca>
Cc: carmen.kaweski@mjrriver.ca <carmen.kaweski@mjrriver.ca>
Subject: Financial Report from MJRWS

WARNING, this email originated from outside of the Organization.
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Hi Darrin, .

Attached is our financial audit for 2018/19 project year.

We are asking the city for \$10, 000 again this year.

Thanks,

Carmen Kaweski BSc Hons

Watershed Manager

306-691-3399 office
306-630-5574 cell

Moose Jaw River Watershed Stewards Inc.
#3 - 16 Lancaster Rd. Moose Jaw, SK S6J 1M3

Promoting Environmental Stewardship

FINANCIAL STATEMENTS

Moose Jaw River Watershed Stewards Inc.

Moose Jaw, Saskatchewan

March 31, 2019



Professional Accountants

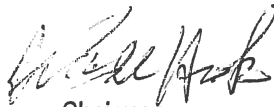
MANAGEMENT RESPONSIBILITY STATEMENT

The management of Moose Jaw River Watershed Stewards Inc. is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian generally accepted accounting principles. The financial statements are considered by management to present fairly the management's financial position and results of operations.

The organization, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Benson Trithardt Noren, Professional Accountants, the shareholders' auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



Chairman

August 30, 2019



Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To: The Directors of
Moose Jaw River Watershed Stewards Inc.

Opinion

We have audited the financial statements of Moose Jaw River Watershed Stewards Inc., which comprise the statement of financial position as at March 31, 2019, and the statements of operations and 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 March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Responsibilities of Management 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 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, 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 either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of the 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.

Moose Jaw, Saskatchewan
August 30, 2019

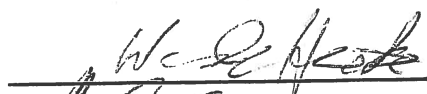
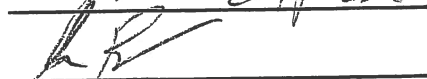
Benson Trithardt Noren
Professional Accountants

Moose Jaw River Watershed Stewards Inc.

STATEMENT OF FINANCIAL POSITION As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 128,455	\$ 93,235
Accounts receivable (note 3)	29,057	63,266
Prepaid expenses	4,328	5,974
GST receivable	<u>609</u>	<u>2,934</u>
	162,449	165,409
PROPERTY, PLANT AND EQUIPMENT (note 4)	<u>4,643</u>	<u>6,132</u>
	<u><u>\$ 167,092</u></u>	<u><u>\$ 171,541</u></u>
LIABILITIES		
CURRENT		
Accounts payable	\$ -	\$ 8,834
Unearned revenue (note 5)	29,138	-
Employee deductions payable	<u>3,405</u>	<u>2,277</u>
	32,543	11,111
NET ASSETS	<u>134,549</u>	<u>160,430</u>
	<u><u>\$ 167,092</u></u>	<u><u>\$ 171,541</u></u>

APPROVED ON BEHALF OF THE BOARD:

 Chairman
 Treasurer

See accompanying notes

BTN

Professional Accountants

Moose Jaw River Watershed Stewards Inc.

STATEMENT OF OPERATIONS AND NET ASSETS For the year ended March 31, 2019

	2019	2018
REVENUES		
Memberships	\$ 29,645	\$ 23,750
Sask Watershed funding	82,075	97,125
Project funding	65,327	73,156
Donations	55	2,119
Agri-Environmental Group Plan funding	-	50,000
Internship grants	-	16,000
Miscellaneous projects and sundry revenue	1,334	8,137
	<u>178,436</u>	<u>270,287</u>
EXPENDITURES (per schedules)		
Administrative & general	83,062	92,348
Field & project expenses	121,255	179,904
	<u>204,317</u>	<u>272,252</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR	(25,881)	(1,965)
NET ASSETS, BEGINNING OF YEAR	<u>160,430</u>	<u>162,395</u>
NET ASSETS, END OF YEAR	<u>\$ 134,549</u>	<u>\$ 160,430</u>

See accompanying notes



Professional Accountants

Moose Jaw River Watershed Stewards Inc.

STATEMENT OF CASH FLOWS For the year ended March 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenditures for the year	\$ (25,881)	\$ (1,965)
Item not affecting cash		
Amortization	<u>1,490</u>	<u>2,029</u>
	(24,391)	64
Change in non-cash working capital items		
Accounts receivable	34,209	16,967
Prepaid expenses	1,646	(2,709)
GST receivable	2,325	(1,625)
Accounts payable	(8,835)	6,579
Unearned revenue	29,138	(41,750)
Employee deductions payable	<u>1,128</u>	<u>2,316</u>
	35,220	(20,158)
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of long term debt	<u>-</u>	<u>(8,473)</u>
NET INCREASE (DECREASE) IN CASH	35,220	(28,631)
CASH, BEGINNING OF YEAR	<u>93,235</u>	<u>121,866</u>
CASH, END OF YEAR	<u>\$ 128,455</u>	<u>\$ 93,235</u>

See accompanying notes



Professional Accountants

Moose Jaw River Watershed Stewards Inc.

SCHEDULES TO THE FINANCIAL STATEMENTS **For the year ended March 31, 2019**

	2019	2018
SCHEDULE OF ADMINISTRATIVE & GENERAL		
Accounting & Legal	\$ 5,492	\$ 6,794
Office administrator	13,729	27,785
Administrative travel	732	67
Office supplies	6,348	6,083
Office rent	17,064	16,753
Training and seminars	1,196	2,558
Advertising	4,363	3,270
Directors' meetings & mileage	12,365	10,093
Insurance & registration	7,954	3,835
Interest and bank charges	25	242
Memberships	4,459	4,940
Telephone & Internet	5,633	5,224
Vehicle expenses	2,062	2,675
Bad debt expense	150	-
Amortization	<u>1,490</u>	<u>2,029</u>
	<u>\$ 83,062</u>	<u>\$ 92,348</u>
SCHEDULE OF FIELD & PROJECT EXPENSES		
Technicians' wages & benefits	\$ 115,112	\$ 132,282
Mileage & accommodations	2,626	9,458
Project expenses	<u>3,517</u>	<u>38,164</u>
	<u>\$ 121,255</u>	<u>\$ 179,904</u>

See accompanying notes



Professional Accountants

Moose Jaw River Watershed Stewards Inc.

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2019

1. NATURE OF OPERATIONS

Moose Jaw River Watershed Stewards Inc. was incorporated under The Non-Profit Corporations Act, 1995 on February 6, 2006 . The corporation is exempt from paying income taxes.

The objectives of the corporation include promoting beneficial management practices that either minimize or mitigate adverse effects on soil, air and or water quality in the Moose Jaw River Watershed, to protect groundwater and community water wells from contamination, to encourage greater involvement of the general public in watershed management practices and to take a planned approach to source water protection within the watershed. The corporation will conduct extension events, develop educational materials and source funding for this purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Revenue recognition

Revenues from government and agency grants are recognized as they are earned. Some grants are related to costs incurred and are recognized on a percentage of completion basis. Grants that are not contingent upon the completion of certain goals or expenditure levels are recognized as they become known. Revenues from donations are recognized upon receipt and memberships are recognized as they are earned. Revenues from project funding are recognized when the project has been completed.

Unearned Revenue

Unearned revenue consists of government and municipal grants and membership fees. The unearned revenue from grants relate to projects that have not been completed at the year end. These revenues will be recognized as earned when the requirements of the funding bodies are met. Memberships are sold on a fiscal year basis, and any receipts paid prior to billing are recognized as unearned revenue.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principals 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 balance sheet date and the reported amounts of revenues and expenses during the reporting period. Estimates include useful life of depreciable assets, percentage of completion of projects and allowance for doubtful accounts. Actual results could differ from those estimates.

Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities. These instruments are initially measured at fair value. Subsequently, the carrying value approximates fair value given their short-term maturities.

Moose Jaw River Watershed Stewards Inc.

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued

In-kind Contributions

Some grants that are earned by the organization recognize various costs contributed by the organization. These include facilities, supplies, directors' time and mileage. For purposes of these financial statements, these in-kind contributions are not reported.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

Buildings - shed	10%
Field equipment	30%
Computer equipment	45 & 100%

3. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Grants	\$ 7,776	\$ 49,168
Memberships	17,215	10,032
Revenue Canada payroll	<u>4,066</u>	<u>4,066</u>
	<u>\$ 29,057</u>	<u>\$ 63,266</u>

Amounts written off to bad debts for the year amounted to \$150 (2018 - \$100).

Moose Jaw River Watershed Stewards Inc.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2019

4. PROPERTY, PLANT AND EQUIPMENT

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles	\$ 28,610	\$ 26,607	\$ 2,003	\$ 2,861
Buildings - shed	1,343	987	356	395
Field equipment	13,016	11,127	1,889	2,361
Computer equipment	5,242	5,204	38	69
Office equipment	1,848	1,491	357	446
Computer software	1,626	1,626	-	-
	<u>\$ 51,685</u>	<u>\$ 47,042</u>	<u>\$ 4,643</u>	<u>\$ 6,132</u>

Amortization for the year amounted to \$1,490 (2018 - \$2,029).

5. UNEARNED REVENUE

	<u>2019</u>	<u>2018</u>
Prepaid Memberships	\$ 24,638	\$ -
Sask Energy - weed control for 2020	<u>4,500</u>	<u>-</u>
	<u>\$ 29,138</u>	<u>\$ -</u>

6. CONTRACTS AND COMMITMENTS

The organization earns grants and other income by entering into various contracts. Related to those contracts, the organization has also made various commitments for providing technical expertise and administrative and other services. These commitments are in the normal course of business of the organization.

7. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Moose Jaw River Watershed Stewards Inc.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2019

7. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES, continued

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts.

(b) Credit risk

The organization does have credit risk in accounts receivable of \$29,057 (2018 - \$63,266). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material.