

S.O.D. Conservation Action Program Inc.
Financial Statements
March 31, 2018

DRAFT

Independent Auditors' Report

To the Members of S.O.D. Conservation Action Program Inc.:

I have audited the accompanying financial statements of S.O.D. Conservation Action Program Inc., which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows 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.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects the financial position of S.O.D. Conservation Action Program Inc. as at March 31, 2018 and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
July 25, 2018

Robert D. Szautner
Chartered Professional Accountant

S.O.D. Conservation Action Program Inc.
Statement of Financial Position

As at March 31, 2018

	2018	2017
Assets		
Current		
Cash	128,597	-
Accounts receivable	173,056	258,298
	301,653	258,298
Liabilities		
Current		
Bank indebtedness	-	146,086
Accounts payable	173,014	35,000
Deferred contributions	15,000	-
	188,014	181,086
Net Assets		
Unappropriated	113,639	77,212
	301,653	258,298

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

S.O.D. Conservation Action Program Inc.
Statement of Operations and Changes in Net Assets

For the year ended March 31, 2018

	2018	2017
Revenue		
Corporate contributions	60,000	-
Environment Canada	-	9,962
Environment Canada – HSP	66,750	26,250
Environment Canada – GRSG	40,000	100,000
Ministry of Agriculture	10,000	57,975
Ministry of Environment	-	115,000
Frenchman-Wood River WMA	10,000	-
Saskatchewan Cattlemen's Association	10,000	-
Saskatchewan Stock Growers Association	226,746	268,618
Service Canada – summer student grant	4,386	4,028
Miscellaneous	809	1,008
Interest	175	155
	428,866	582,996
Expenses		
Accounting and legal	14,531	18,520
Advertising	3,177	7,756
Bank charges	37	54
Board travel and indemnity	8,908	12,642
Management contract and travel	90,061	99,530
Miscellaneous	1,724	137
Meetings	599	2,810
Office	688	1,230
Producer agreements	33,550	67,820
Project delivery	128,169	282,071
Salaries and wages	89,939	18,368
Sponsorships	-	3,000
Travel	17,487	13,627
Workshops and trade shows	3,569	6,989
	392,439	534,554
Excess of revenues over expenses	36,427	48,442
Unappropriated surplus, beginning of year	77,212	28,770
Unappropriated surplus, end of year	113,639	77,212

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S.O.D. Conservation Action Program Inc.
Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenues over expenses	36,427	48,442
Change in working capital accounts:		
Accounts receivable	85,242	21,024
Deferred contributions	15,000	-
Accounts payable	138,014	(203,584)
	274,683	(134,118)
Increase (decrease) in cash resources	274,683	(134,118)
Cash resources, beginning of year	(146,086)	(11,968)
Cash resources, end of year	128,597	(146,086)

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S.O.D. Conservation Action Program Inc.

Notes to the Financial Statements

For the period ended March 31, 2018

1. Incorporation and commencement of operations

S.O.D. Conservation Action Program (the “organization”) was incorporated in 2014 under the Non-Profit Corporations Act of Saskatchewan. The purpose of the organization is to implement the South of the Divide Multi-species at Risk Action plan.

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:

Revenue recognition

The organization 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.

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

The association 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

The organization 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:

The organization 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.

S.O.D. Conservation Action Program Inc.

Notes to the Financial Statements

For the period ended March 31, 2018

3. Financial instruments

The organization 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 Environment Canada, via Saskatchewan Stock Growers Association, and the Ministry of Environment. As a result, the organization is dependent upon the continuance of these contracts to maintain operations at their current level.

5. Related party transactions

During the year, SODCAP incurred \$54,390 (2017 - \$48,500) in project delivery expenses and \$8,216 (2017 - \$8,912) in travel expenses which were paid to the board member(s) of SODCAP. These payments were in accordance with the Conflict of Interest bylaw. These transactions occurred in the normal course of operations and were measured at the exchange amount, which is the consideration established and agreed to by the related parties.