

**SASKATCHEWAN NATURAL HISTORY SOCIETY
(SASK NATURE)**

Financial Statements

Year Ended March 31, 2018

Auditor's Report

Balance Sheet

Statement of Revenue and Expenditures

Statement of Accumulated Surplus

Statement of Cash Flows

Schedules to Financial Statements

Notes to Financial Statements



Independent Auditor's Report

To the Members of the Saskatchewan Natural History Society:

I have audited the accompanying financial statements of the Saskatchewan Natural History Society, which comprise the statement of financial position as at March 31, 2018, and the statements of revenue and expenditures, accumulated surplus, trust fund obligations, and cash flows for the year 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Society and I was not able to determine whether any adjustments might be necessary to any revenue, net revenue for the year, assets and unappropriated surplus at the end of the year.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of the Saskatchewan Natural History Society as at March 31, 2018 and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'Robert D Szautner'.

Regina, Saskatchewan
May 28, 2018

Robert D. Szautner
Chartered Professional Accountant

SASKATCHEWAN NATURAL HISTORY SOCIETY

Statement of Financial Position March 31, 2018 with comparative figures for 2017

	2018	2017
Assets		
Operating Fund - Current Assets		
Cash and Cash Equivalents	\$ 308,234	\$ 164,280
Accounts Receivable	112,329	221,118
Inventory	19,498	20,769
Prepaid Expenses (Note 5)	27,916	31,663
Investments (Note 3)	122,324	109,399
	<u>590,301</u>	<u>547,229</u>
Operating Fund - Capital Assets	<u>38,449</u>	<u>32,926</u>
Trust Fund - Assets		
Investments (Note 3)	<u>705,464</u>	<u>692,120</u>
	<u>\$ 1,334,214</u>	<u>\$ 1,272,275</u>
Liabilities		
Operating Fund - Current Liabilities		
Accounts Payable	\$ 14,457	\$ 22,968
Deferred Revenue (Note 4)	263,030	287,830
	<u>277,487</u>	<u>310,798</u>
Trust Fund Obligations	705,464	692,120
Accumulated Surplus		
Equity in Capital Assets	38,449	32,926
Restricted Assets	286,624	236,900
Unappropriated Surplus/(Deficiency)	26,189	(469)
	<u>351,263</u>	<u>269,357</u>
	<u>\$ 1,334,214</u>	<u>\$ 1,272,275</u>

See accompanying notes to financial statements

Approved on Behalf of the Board



Director



Director

SASKATCHEWAN NATURAL HISTORY SOCIETY

Statement of Revenue and Expenditures

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Revenues		
Operating Fund		
Saskatchewan Lotteries Trust Fund	\$ 181,000	\$ 177,000
Administration (Schedule 1)	200,299	142,935
Conservation (Schedule 2)	28,280	22,108
Education (Schedule 3)	45,310	50,862
Member Services (Schedule 4)	33,470	23,135
Research (Schedule 5)	547,340	542,904
	<u>1,035,699</u>	<u>958,944</u>
Restricted Funds		
Life Member	6,111	7,653
Nature Legacy	6,688	7,089
	<u>12,799</u>	<u>14,742</u>
Trust Funds		
Manley Callin	14,181	-
Scholarship	4,000	1,000
	<u>18,181</u>	<u>1,000</u>
	<u>1,066,679</u>	<u>974,686</u>
Expenditures		
Operating Fund		
Administration (Schedule 6)	295,465	260,632
Conservation (Schedule 7)	28,280	23,508
Education (Schedule 8)	45,310	50,862
Member Services (Schedule 9)	46,599	49,414
Research (Schedule 10)	547,340	542,904
	<u>962,993</u>	<u>927,319</u>
Trust Funds		
Manley Callin	14,181	-
Scholarship	4,000	1,000
	<u>18,181</u>	<u>1,000</u>
	<u>981,174</u>	<u>928,319</u>
Net Revenues for the Year	<u>\$ 85,505</u>	<u>\$ 46,367</u>

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Statement of Accumulated Surplus

For the year ended March 31, 2018 with comparative figures for 2017

	Life Member	Nature Legacy	Capital Assets	Operating	<u>2018</u>	<u>2017</u>
Surplus (Deficiency) at Beginning of Year	\$ 102,799	\$ 134,101	\$ 32,926	\$ (469)	\$ 269,357	\$ 223,970
Inter Fund Allocation	(3,075)	40,000	11,045	(51,570)	(3,600)	(980)
Net Revenue for the Year	6,111	6,688	(5,522)	78,228	85,505	46,367
Surplus (Deficiency) at End of the Year	<u>\$ 105,835</u>	<u>\$ 180,789</u>	<u>\$ 38,449</u>	<u>\$ 26,189</u>	<u>\$ 351,262</u>	<u>\$ 269,357</u>

Statement of Trust Fund Obligations

For the year ended March 31, 2018 with comparative figures for 2017

	Land Conservation	Last Mountain Observatory	Manley Callin	Scholarship	<u>2018</u>	<u>2017</u>
Surplus at Beginning of Year	\$ 38,719	\$ 115,663	\$ 480,320	\$ 57,418	\$ 692,120	\$ 647,979
Additions to trust fund obligations						
Donations	7,365	150	-	400	7,915	14,500
Investment income	-	3,500	14,813	1,697	20,010	29,661
Allocation from Operations	-	-	-	3,600	3,600	980
Trust fund obligations spent	-	-	(14,181)	(4,000)	(18,181)	(1,000)
Surplus at End of the Year	<u>\$ 46,084</u>	<u>\$ 119,313</u>	<u>\$ 480,952</u>	<u>\$ 59,115</u>	<u>\$ 705,464</u>	<u>\$ 692,120</u>

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Statement of Changes in Cash Flows

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Cash Provided by (Used In) Operations		
Net Revenues/(Expenditures) for the Year	\$ 85,505	\$ 46,367
Allocation to scholarship fund	(3,600)	(980)
Items not affected by cash:		
Amortization	5,522	
Adjustments to reconcile net income to cash provided by operating activities:		
(Increase) Decrease in:		
Accounts Receivable	108,789	(150,087)
Inventory	1,271	(3,306)
Prepaid Expenses	3,747	(3,532)
(Decrease) Increase in:		
Accounts Payable	(8,510)	8,715
Deferred Revenue	(24,800)	49,221
	<hr/>	<hr/>
Cash Provided by (Used In) Operations	167,924	(53,602)
Cash Provided by (Used In) Investing Activities		
Purchase of capital assets	(11,045)	-
Purchase of investments	(26,269)	(98,977)
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	(37,314)	(98,977)
Cash Provided by (Used In) Financing Activities		
Net change in trust fund obligations	13,344	44,141
	<hr/>	<hr/>
Net Cash Provided (Used) During the Year	143,954	(108,438)
Cash Position at the beginning of the Year	164,280	272,718
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Cash Position at the end of the Year	\$ 308,234	\$ 164,280

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Notes to the Financial Statements

For the Year Ended March 31, 2018

1. PURPOSE OF THE SOCIETY

The Saskatchewan Natural History Society is incorporated under The Non-profit Corporations Act of Saskatchewan. The Saskatchewan Natural History Society is the provincial body whose mandate is to promote an appreciation and understanding of our natural environment through conservation, education and research. The Society operates under the registered name of Nature Saskatchewan.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Policies

These financial statements have been prepared in accordance with Accounting Standards for Not for Profit Organizations (ASNPO).

b) Operating Fund – Capital Assets

Operating Fund – Capital assets are initially recorded at cost. In March 2016, a motion was passed by the Board of Directors to implement an accounting methodology for amortizing capital assets. As per the motion, amortization is to be provided using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives. Computer Equipment and Office Equipment and Furnishing with a purchase price over \$500 will be capitalized at the following rate:

	Useful Life
Computer Equipment	2 years
Office Equipment and Furnishing	5 years

c) Inventory

Inventories are stated at the lower of cost or net realizable value.

d) Revenue Recognition

The Saskatchewan Natural History Society follows the deferral method of accounting for contributions and grants. Memberships, donations and sponsorships are recorded as revenue when received. Interest is recorded in the period earned. Operating and other grants are recognized as revenue as they are earned. Grants for specific projects are recognized concurrent with project expenditures.

e) Interest Income

Interest is recorded on an accrual basis.

f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount 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.

SASKATCHEWAN NATURAL HISTORY SOCIETY

Notes to the Financial Statements

For the Year Ended March 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments

The Saskatchewan Natural History Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument.

The Saskatchewan Natural History Society initially measures all its financial assets and financial liabilities at amortized cost, except for investments which are subsequently measured at fair value.

Transaction costs are recognized in income in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of fixed income investments are capitalized. Investment management fees associated with the index linked funds are expensed as incurred.

At the end of each reporting period, the Society assesses whether there are any indication that a financial asset measured at amortized cost may be impaired. If there is an indication of impairment, the Society determines whether a significant adverse change has occurred during the period in the expected timing or amount of the future cash flows from the financial asset. If the Society identifies an asset, it reduces the carrying amount of the asset to the higher of the present value of the expected cash flows or the amount that could be realized from selling the financial asset.

h) Financial Risks

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligation. After providing for appropriate allowances, it is management's opinion that the Saskatchewan Natural History Society is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Market Risk

Market risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in the market price whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Society is exposed to market risk mainly through its holding of equity investments.

3. INVESTMENTS

	2018	2017
Savings Account	\$ 44,933	\$ 162,068
Fixed Income	155,138	150,560
Mutual Funds and Equities	590,657	443,300
Unrealized Net Gain in Investments	37,060	45,591
	<u>\$ 827,788</u>	<u>\$ 801,519</u>

SASKATCHEWAN NATURAL HISTORY SOCIETY

Notes to the Financial Statements

For the Year Ended March 31, 2018

3. INVESTMENTS (CONTINUED)

Investments are divided between the following:

	2018	2017
Operating	\$ 122,324	\$ 109,399
Trust Fund	705,464	692,120
	<u>\$ 827,788</u>	<u>\$ 801,519</u>

Corporate Debentures and Notes mature October 18, 2019 and December 6, 2019 (2017 – September 29, 2017) and have an interest rate of 3.04% and 2.99% (2017 – 5.75%). The Mutual Funds have no stated maturity date or rate of return.

4. DEFERRED REVENUE

Deferred revenue consists of the following:

	2018	2017
Bird Species at Risk/Operation Burrowing Owl	\$ 2,579	\$ 22,169
Birds of SK	-	2,582
Conservation Data Centre - Grant	87,981	55,230
Flora of Saskatchewan	14,441	10,909
Important Bird Areas	169	8,799
Last Mountain Bird Observatory	7,218	5,617
Linking Communities	4,671	4,671
Living By Water	6,536	6,536
Membership	2,625	774
NatureHood	9,013	12,508
Nature Quest	3,435	18,035
Nature Sanctuaries	1,173	-
Piping Plover	1,827	562
Sage Grouse	-	26,122
Inner Nature	1,800	9,300
Rare Plant Rescue	13,226	1,103
Sask Lotteries Trust Fund	92,000	90,500
S.O.D. Conservation Action Program	-	42
Special Publications Reserve	7,345	5,492
Turtle Lake Sanctuary Trust	4,688	4,438
Wascana Nature Project	485	653
Vulture Tracking	1,818	1,787
	<u>\$ 263,030</u>	<u>\$ 287,830</u>

SASKATCHEWAN NATURAL HISTORY SOCIETY

Notes to the Financial Statements

For the Year Ended March 31, 2018

5. PREPAID EXPENSES

Prepaid expenses consist of certain expenses incurred in prior years related to the Birds of Saskatchewan book. These costs will be expensed upon completion of the book.

6. BANK INDEBEDTNESS

Saskatchewan Natural History Society has a line of credit available in the amount of \$50,000 bearing interest at 2.7%. As of March 31, 2018, the line of credit was not being utilized.

7. ECONOMIC DEPENDENCE

Saskatchewan Natural History Society currently receives significant revenue in grants from various sources. As a result, the Society is dependent upon the continuance of these grants to maintain operations at their current level.

8. DONATED SERVICES

Some of the work of Society is dependent on the voluntary services of many members. Since these services are not normally purchased by the corporation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

9. INCOME TAX STATUS

The Society is exempt from income tax as a non-profit Society.

10. COMPARATIVE FIGURES

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

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Administration Revenues

Schedule 1

For the year ended March 31, 2018 with comparative figures for 2017

	2018		2017	
Donations	146,871	\$	84,400	
Interest	595		831	
Other	32		67	
Property Rental Income	-		500	
Project Overheads				
Nature Quest	-		3,750	
Bird Species at Risk	24,641		28,763	
Conservation Data Centre	3,412		4,209	
Important Bird Areas	-		2,625	
Piping Plover Census	-		5,715	
Last Mountain Bird Observatory	3,900		3,525	
Rare Plant Rescue	18,650		4,300	
Sage Grouse	-		2,000	
S.O.D Conservation Action Program	2,198		2,250	
	\$	200,299	\$	142,935

Schedule of Conservation Revenues

Schedule 2

For the year ended March 31, 2018 with comparative figures for 2017

	2018		2017	
Important Bird Areas	\$	24,805	\$	17,593
Nature Sanctuaries		1,827		-
Turtle Lake		-		1,823
Wascana Nature Project		1,648		2,692
	\$	28,280	\$	22,108

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Education Revenues

Schedule 3

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Inner Nature	\$ 15,200	\$ 15,200
Nature Quest	30,110	35,662
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	\$ 45,310	\$ 50,862

Schedule of Member Services Revenues

Schedule 4

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Birds of Sask	\$ 9,582	\$ 7,358
Blue Jay	-	539
Bookshop	-	196
Fall Meet	3,830	230
Memberships	13,901	11,961
Other	835	233
Special Publications	452	(711)
Spring Meet	4,870	3,330
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	\$ 33,470	\$ 23,135

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Research Revenues

Schedule 5

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Bird Species at Risks	\$ 239,247	\$ 244,103
Conservation Data Centre	77,582	88,284
Flora of Saskatchewan	52	(7)
Last Mountain Bird Observatory	40,743	41,659
NatureHood Grant	15,755	9,726
Piping Plover Census	235	64,501
Rare Plant Rescue	133,240	32,867
Sage Grouse	26,122	41,878
S.O.D. Conservation Action Program	12,496	17,808
Vulture Trackings	1,869	2,086
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	\$ 547,340	\$ 542,904

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Administration Expenses

Schedule 6

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Administration Salaries and Benefits	\$ 209,858	\$ 197,631
Amortization	5,522	-
Miscellaneous	500	378
Office	54,798	49,904
Professional Fees	16,145	7,093
Property Taxes	208	297
Travel and Meetings	8,434	5,329
	<u>\$ 295,465</u>	<u>\$ 260,632</u>

Schedule of Conservation Expenses

Schedule 7

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Important Bird Areas	\$ 24,805	\$ 17,593
Nature Sanctuaries	1,827	1,400
Turtle Lake Sanctuary	-	1,823
Wascana Nature Project	1,648	2,692
	<u>\$ 28,280</u>	<u>\$ 23,508</u>

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Education Expenses

Schedule 8

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Inner Nature	\$ 15,200	\$ 15,200
Nature Quest	30,110	35,662
	<hr/>	<hr/>
	\$ 45,310	\$ 50,862

Schedule of Member Services Expenses

Schedule 9

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Birds of SK Book	\$ 9,582	\$ 7,358
Blue Jay Journal	24,472	28,217
Fall Meet	4,358	1,426
Local Society Programs	1,000	-
Member Initiatives	470	-
Other	-	9,000
Promotion	1,791	1,490
Special Publications	452	(711)
Spring Meet	4,474	2,516
Web Consulting Fee	-	118
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	\$ 46,599	\$ 49,414

See accompanying notes to financial statements

SASKATCHEWAN NATURAL HISTORY SOCIETY

Schedule of Research Expenses

Schedule 10

For the year ended March 31, 2018 with comparative figures for 2017

	2018	2017
Bird Species at Risk/Operation Burrowing Owl	\$ 239,247	\$ 244,103
Conservation Data Centre	77,582	88,284
Flora of Saskatchewan	52	(7)
Last Mountain Bird Observatory	40,743	41,659
NatureHood	15,755	9,726
Piping Plover Census	235	64,501
Rare Plant Rescue	133,240	32,867
Sage Grouse	26,122	41,878
S.O.D. Conservation Tracking	12,496	17,808
Vulture Tracking	1,869	2,086
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	\$ 547,340	\$ 542,904

See accompanying notes to financial statements