

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**SASKATOON,**

**Financial Statements**

**As at December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Saskatchewan Environmental Society Inc.

### *Qualified Opinion*

We have audited the financial statements of Saskatchewan Environmental Society Inc. (the Society), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives revenue in the form of donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

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 Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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 qualified 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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*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 Society'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 Society'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 Society 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.

*Stewart, Gee, Murray & Sen CPA LLP*

Saskatoon, Saskatchewan  
April 1, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Statement of Financial Position**

**As at December 31, 2023**

	Operating Fund 2023	Ann Coxworth Environmental Fund 2023	Total 2023	Total 2022
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and bank (Note 3)	\$ 174,660	\$ -	\$ 174,660	\$ 170,490
Accounts receivable (Note 4)	20,675	-	20,675	48,915
Investments (Note 5)	753,906	16,125	770,031	670,716
Prepaid expenses and deposits	6,662	-	6,662	2,910
	955,903	16,125	972,028	893,031
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	1,941	-	1,941	5,952
<b>LONG TERM INVESTMENTS (Note 7)</b>	950	-	950	950
	\$ 958,794	\$ 16,125	\$ 974,919	\$ 899,933
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities (Note 8)	\$ 9,695	\$ -	\$ 9,695	\$ 22,841
Source deductions payable	6,738	-	6,738	6,688
Deferred contributions (Note 10)	245,240	-	245,240	268,133
	261,673	-	261,673	297,662
<b>FUND BALANCES</b>				
Invested in tangible capital assets	1,941	-	1,941	5,952
Internally restricted reserves (Note 14)	238,586	-	238,586	172,820
Unrestricted	456,594	-	456,594	406,624
Externally restricted reserves	-	16,125	16,125	16,875
	697,121	16,125	713,246	602,271
	\$ 958,794	\$ 16,125	\$ 974,919	\$ 899,933

**APPROVED BY THE DIRECTOR**

 Director

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Statement of Operations**

**For the Year Ended December 31, 2023**

	Operating Fund 2023	Operating Fund 2022	Ann Coxworth Environmental 2023	Ann Coxworth Environmental 2022	Saskatchewan Environmental Society Inc. 2023	Saskatchewan Environmental Society Inc. 2022
<b>REVENUES</b>						
Donations	\$ 129,815	\$ 124,339	\$ -	\$ -	\$ 129,815	\$ 124,339
Project fundings and grants	394,469	431,123	-	-	394,469	431,123
Interest	28,908	3,858	650	366	29,558	4,223
Memberships and publications	3,000	3,480	-	-	3,000	3,480
Miscellaneous	1,655	4,084	-	-	1,655	4,084
	<u>557,847</u>	<u>566,884</u>	<u>650</u>	<u>366</u>	<u>558,497</u>	<u>567,249</u>
<b>EXPENSES</b>						
Administration (Note 12)	7,190	6,489	-	-	7,190	6,489
Advertising	129	486	-	-	129	486
Amortization	2,153	4,021	-	-	2,153	4,021
Audit and legal	8,805	9,008	-	-	8,805	9,008
Conferences and meetings	6,309	506	-	-	6,309	506
Consulting services	15,358	60,314	-	-	15,358	60,314
Employees benefits	25,095	21,517	-	-	25,095	21,517
Event advertising and rentals	13	938	-	-	13	938
Materials and supplies	2,976	10,818	-	-	2,976	10,818
Office	6,213	7,667	-	-	6,213	7,666
Photocopying and printings	1,772	1,289	-	-	1,772	1,289
Postage and courier	512	592	-	-	512	592
Program delivery	1,557	750	-	-	1,557	750
Rent	29,295	28,214	-	-	29,295	28,214
Telephone	1,966	1,815	-	-	1,966	1,815
Travel	14,907	14,706	-	-	14,907	14,706
Training and education	6,731	6,639	-	-	6,731	6,639
Wages and fees for services	314,684	286,546	-	-	314,684	286,546
	<u>445,665</u>	<u>462,315</u>	<u>-</u>	<u>-</u>	<u>445,665</u>	<u>462,314</u>
<b>INCOME FROM OPERATIONS</b>	112,182	104,569	650	366	112,832	104,935
<b>OTHER INCOME (LOSS)</b>	(1,857)	1,100	-	-	(1,857)	1,100
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 110,325	\$ 105,669	\$ 650	\$ 366	\$ 110,975	\$ 106,035

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Statement of Changes in Fund Balances**

**For the Year Ended December 31, 2023**

	Invested in capital assets	Internally restricted reserves	Unrestricted	Ann Coxworth Environmental Fund	2023	2022
<b>FUND BALANCES - BEGINNING OF YEAR</b>	\$ 5,952	\$ 172,820	\$ 406,624	\$ 16,875	\$ 602,271	\$ 496,236
Excess of revenues over expenses	-	-	110,325	650	110,975	106,035
Transfer of tangible capital assets	(1,858)	-	1,858	-	-	-
Transfer of amortization	(2,153)	-	2,153	-	-	-
Interfund transfers	-	65,766	(64,366)	(1,400)	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ 1,941	\$ 238,586	\$ 456,594	\$ 16,125	\$ 713,246	\$ 602,271

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.****Statement of Cash Flows  
Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 110,975	\$ 106,035
Items not affecting cash:		
Amortization	2,153	4,021
Loss (gain) on disposal of tangible capital assets	1,857	(1,100)
	<u>114,985</u>	<u>108,956</u>
Changes in non-cash working capital:		
Accounts receivable	28,240	(45,994)
Prepaid expenses and deposits	(3,752)	168
Accounts payable and accrued liabilities	(13,147)	13,274
Source deductions payable	50	1,524
Deferred contributions	(22,893)	(70,527)
	<u>(11,502)</u>	<u>(101,555)</u>
Cash flow from operating activities	<u>103,483</u>	<u>7,401</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	-	(4,873)
Increase in investments	(99,313)	(346,823)
Proceeds on disposal of tangible capital assets	-	1,100
Cash flow used by investing activities	<u>(99,313)</u>	<u>(350,596)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<u>4,170</u>	<u>(343,195)</u>
Cash - beginning of year	<u>170,490</u>	<u>513,685</u>
<b>CASH - END OF YEAR</b>	<u>\$ 174,660</u>	<u>\$ 170,490</u>

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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**1. DESCRIPTION OF ORGANIZATION**

The goals of the Saskatchewan Environmental Society Inc. is to identify important environmental issues in Saskatchewan, to seek responsible actions on those issues, and to sponsor educational programs. The Society is a registered charity under the Income Tax Act, and is incorporated under the Non-Profit Corporations Act of Saskatchewan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Use of Estimates

When preparing financial statements according to ASNPO, the Society makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Society may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets, impairment of long-lived assets, and deferred revenue.

Financial instruments

The Society, initially measures its financial assets and financial liabilities at fair market value. It subsequently measures all its financial assets and financial liabilities at amortized costs.

The financial assets subsequently measured at amortized costs include cash, investments and accounts receivable. The financial liabilities measured at amortized costs include trade accounts payable and accrued liabilities. The fair value of the cash, investments, accounts receivable, accounts payable and accrued liabilities, and deferred contributions approximates their carrying value due to their short-term nature.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

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SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.

Notes to Financial Statements

Year Ended December 31, 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting

Saskatchewan Environmental Society Inc. follows the restricted fund method of accounting for contributions.

Operating Fund

The operating fund reflects the primary operations of the Society including revenue from projects, donations, memberships, and other services. Expenses are for the delivery of services.

Ann Coxworth Environmental Fund

The Ann Coxworth Environmental Fund is a restricted fund maintained for the purposes of providing funds for special projects supporting environmental leadership development. Revenue of the fund consists of donations and interest. Expenses of the fund are for special projects that are in accordance with the conditions of the letter of understanding with the primary donor.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	55%	declining balance method
Computer software	30%	declining balance method
Office equipment	20%	declining balance method
Office furniture	20%	declining balance method
Website	20%	declining balance method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Donated services

No accounting recognition is given to the value of services donated to the Society for operating purposes due to the difficulty in determining a value of the donated service.

Government assistance

The Society is periodically eligible for financial assistance under available government assistance programs. Government assistance for acquiring fixed assets is reflected as a reduction of the cost of such assets. Government assistance relating to expenses of the period is recognized as revenue in the period when the related expenditures are incurred.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents consist of cash, bank overdrafts and investments with a maturity date of three months or less.

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**3. CASH AND BANK**

The cash component included in the cash flow statement is comprised of the following balance sheet accounts:

	2023	2022
Cash in bank	\$ 172,577	\$ 187,449
Cash on deposit	1,512	532
Cheques issued and outstanding	(14,712)	(20,447)
Subtotal	159,377	167,534
Canadahelps account	4,352	2,749
Credit union share	5	5
Paypal account	71	1
Undeposited funds	10,855	201
	\$ 174,660	\$ 170,490

**4. ACCOUNTS RECEIVABLE**

	2023	2022
GST receivable	\$ 1,876	\$ 3,118
Accounts receivable	18,799	45,800
	\$ 20,675	\$ 48,918

**5. INVESTMENTS**

	2023	2022
<b>Operating Fund</b>		
Guaranteed Investment Certificate	\$ 753,906	\$ 653,841
<b>Ann Coxworth Environmental Fund</b>		
Manulife Bank Investment	16,125	16,875
	\$ 770,031	\$ 670,716

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**6. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2023 Net book value</u>	<u>2022 Net book value</u>
Computer equipment	\$ 24,489	\$ 22,774	\$ 1,715	\$ 5,669
Office equipment	537	537	-	-
Office furniture	560	560	-	-
Computer software	531	531	-	-
Website	19,096	18,870	226	283
	<u>\$ 45,213</u>	<u>\$ 43,272</u>	<u>\$ 1,941</u>	<u>\$ 5,952</u>

**7. LONG TERM INVESTMENTS**

	<u>2023</u>	<u>2022</u>
SES Solar Cooperative Class B shares	<u>\$ 950</u>	<u>\$ 950</u>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2023</u>	<u>2022</u>
Accrued liabilities	\$ 7,200	\$ 7,200
Mastercard	-	2,958
Affinity Mastercard	2,080	-
Trade payables	415	12,683
	<u>\$ 9,695</u>	<u>\$ 22,841</u>

**9. INCOME TAXES**

The Society is classified as a non-profit organization under the Income Tax Act and is exempt from income taxes on its net earnings.

**SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**10. DEFERRED CONTRIBUTIONS**

Deferred contributions consist of unexpended funds relating to the following projects:

	<u>2023</u>	<u>2022</u>
Building Efficiency Coordinator	\$ 4,363	\$ -
Building Operator Training Program	2,593	1,036
Equity, Diversity, Inclusion and Indigenization	4,990	-
Education Coordinator	-	1,149
Efficiency for Organizations	9,379	14,820
Energy Conservation General	-	28,659
Energy Security	60,053	-
Issues	-	902
Living Cities	16,395	-
Sask Builds	5,729	5,221
SaskAbilities	11,613	-
Smarter Science Better Buildings	10,099	3,464
Southern Solutions	-	47,942
Student Action for a Sustainable Future	82,418	63,580
Transformation Centre	37,608	101,360
	<u>\$ 245,240</u>	<u>\$ 268,133</u>

**11. CONTINGENT LIABILITY**

The Society signed a five year lease with Shift Development Inc. on December 14, 2021, and extended the term of the lease through November 30, 2026.

The Society will recognize monthly lease obligations for the period of January 1, 2023 through December 31, 2023 for base rent of \$1,591 plus GST. The Society will recognize estimated occupancy costs of \$818 plus GST from January 1, 2023 to December 31, 2023.

**12. ADMINISTRATION**

	<u>2023</u>	<u>2022</u>
Bank Charges and Interest	\$ 592	\$ 571
Incorporation Expenses	15	15
Insurance	3,157	3,113
Memberships	1,445	1,288
Newsletter	1,962	1,502
Subscription	19	-
	<u>\$ 7,190</u>	<u>\$ 6,489</u>

SASKATCHEWAN ENVIRONMENTAL SOCIETY INC.

Notes to Financial Statements

Year Ended December 31, 2023

**13. FINANCIAL INSTRUMENTS**

The Society, as part of its operations, carries a number of financial instruments. It is the board of director's opinion that the Society is not exposed to significant interest or credit risk arising from these financial instruments except otherwise disclosed.

***(a) Credit risk***

Financial instruments that potentially subject the Society to concentrations of credit risk consist of accounts receivable. The Society believes that there is minimal risk associated with the collection of these amounts as it performs regular credit assessments and provides allowances for potentially uncorrectable accounts

***(b) Liquidity risk***

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit, borrow funds from creditors, etc. for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Society's future net cash flows for the possibility of a negative cash flow. The Society manages the liquidity risk resulting from its accounts payable by investing in liquid assets.

***(c) Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through investing in short-term instruments. The Society is exposed to interest rate risk primarily relating to its investments in short term fixed rate instruments.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

**14. INTERNALLY RESTRICTED RESERVES**

Internally restricted reserves consist of the following:

	<u>2023</u>	<u>2022</u>
Energy Conservation Projects	\$ 123,386	\$ 77,511
3-Month Operating Reserve	115,200	59,500
Policy Analyst	-	35,809
	<u>\$ 238,586</u>	<u>\$ 172,820</u>

The internally restricted reserves are not available for purposes other than their intended use unless approved by the Board of Directors.