

**MANITOBA NURSERY LANDSCAPE ASSOCIATION**

**Financial Statements**

**Year Ended September 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Manitoba Nursery Landscape Association

### *Qualified Opinion*

We have audited the financial statements of Manitoba Nursery Landscape Association (the Association), which comprise the statement of financial position as at September 30, 2019, and the statements of revenues and expenditures, changes in 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, 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 Association as at September 30, 2019, 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.

We draw attention to Note 2 to the financial statements which describes that Manitoba Nursery Landscape Association adopted Canadian accounting standards for not-for-profit organizations on October 1, 2018 with a transition date of October 1, 2017. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at September 30, 2018 and October 1, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year ended September 30, 2018 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

### *Basis for Qualified Opinion*

We were not engaged to perform audit procedures on the opening balances at September 30, 2018, and as such the scope of the September 30, 2019 audit was limited. As the financial statements were not previously audited, we cannot comment on the impact of those opening balances on revenues and expenditures, changes in net assets and cash flows for the year ended September 30, 2019.

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 Association in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.





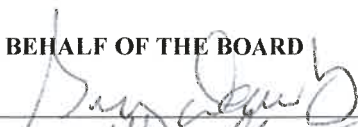
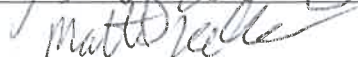
**MANITOBA NURSERY LANDSCAPE ASSOCIATION**

**Statement of Financial Position**

**September 30, 2019**

	<i>September 30</i> <b>2019</b>	<i>September 30</i> <b>2018</b> (Unaudited)	<i>October 1</i> <b>2017</b> (Unaudited)
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 53,846	\$ 58,927	\$ 50,075
Term deposits (Note 5)	5,000	5,000	5,000
Accounts receivable (Note 6)	10,102	580	-
Goods and services tax recoverable	-	3,687	5,056
Prepaid expenses	2,354	1,854	1,104
	<b>\$ 71,302</b>	<b>\$ 70,048</b>	<b>\$ 61,235</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 6,822	\$ 916	\$ 120
Goods and services tax payable	244	-	-
Deferred income	17,911	13,525	14,012
	<b>24,977</b>	<b>14,441</b>	<b>14,132</b>
DUE TO LANDSCAPE MANITOBA HORTICULTURAL FOUNDATION (Note 7)	-	625	625
	<b>24,977</b>	<b>15,066</b>	<b>14,757</b>
<b>NET ASSETS</b>	<b>46,325</b>	<b>54,982</b>	<b>46,478</b>
	<b>\$ 71,302</b>	<b>\$ 70,048</b>	<b>\$ 61,235</b>

**ON BEHALF OF THE BOARD**

 Director  
 Director



**MANITOBA NURSERY LANDSCAPE ASSOCIATION**

**Statement of Revenues and Expenditures**

**Year Ended September 30, 2019**

	2019	2018
<b>REVENUES</b>		
Membership fees	\$ 33,794	\$ 45,639
Program and event fees	24,537	23,976
Sponsorship and donation revenue	16,500	10,375
Grant revenue	9,241	2,005
Membership program revenue	969	763
Booth rental	325	4,225
Interest and other revenue	252	50
	<b>85,618</b>	<b>87,033</b>
<b>EXPENSES</b>		
Conference expense	28,928	22,877
Insurance	1,542	1,379
Interest and bank charges	2,196	2,249
Management fees	28,966	30,000
Marketing	2,146	-
Membership fees	17,818	14,325
Office	7,312	3,273
Professional fees	4,530	287
Telephone	289	523
Travel	549	3,616
	<b>94,276</b>	<b>78,529</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (8,658)</b>	<b>\$ 8,504</b>

**MANITOBA NURSERY LANDSCAPE ASSOCIATION**

**Statement of Changes in Net Assets**

**Year Ended September 30, 2019**

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	<b>2019</b>	2018
		<i>Unaudited</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 54,982</b>	<b>\$ 46,478</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(8,658)</b>	<b>8,504</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 46,324</b>	<b>\$ 54,982</b>

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**MANITOBA NURSERY LANDSCAPE ASSOCIATION****Statement of Cash Flows****Year Ended September 30, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (8,658)	\$ 8,504
Changes in non-cash working capital:		
Accounts receivable	(9,522)	(580)
Goods and services tax recoverable (payable)	3,931	1,369
Prepaid expenses	(500)	(750)
Accounts payable and accrued liabilities	5,907	796
Deferred income	4,386	(487)
	4,202	348
Cash flow from (used by) operating activities	(4,456)	8,852
<b>FINANCING ACTIVITY</b>		
Repayment of advance from Landscape Manitoba Horticultural Foundation	(625)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(5,081)</b>	<b>8,852</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>58,927</b>	<b>50,075</b>
<b>CASH - END OF YEAR</b>	<b>\$ 53,846</b>	<b>\$ 58,927</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 53,846	\$ 58,927

# MANITOBA NURSERY LANDSCAPE ASSOCIATION

## Notes to Financial Statements

Year Ended September 30, 2019

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### 1. PURPOSE OF THE ASSOCIATION

Manitoba Nursery Landscape Association (the "Association") is a not-for-profit organization incorporated provincially under the Corporations Act of Manitoba. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Association operates to promote the industry of landscaping and to educate its members on the best practices within their field.

### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Association adopted Canadian accounting standards for not-for-profit organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO had no impact on net assets as at October 1, 2017 or revenues and expenditures or cash flows for the year ended September 30, 2018 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments measured at amortized costs consists of term deposits, accounts receivable, goods and services tax (payable) recoverable, accounts payable and accrued liabilities, and amounts due to Manitoba Landscape Horticulture Foundation.

#### Term deposits

Term deposits, which consist of guaranteed investment certificate with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

#### Fixed assets

The Association expenses the costs of the fixed asset purchases in the year incurred. During the year there was capital purchases of \$1,524 (2018 - \$0) consisting of a computer.

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# MANITOBA NURSERY LANDSCAPE ASSOCIATION

## Notes to Financial Statements

Year Ended September 30, 2019

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

Manitoba Nursery Landscape Association 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 are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees and membership program revenue are recognized over the period to which the membership covers.

Sponsorship and donation revenue and grant revenue are recognized based on the terms of the related agreements or as donations are received. Program and event fees are recognized based on when the event occurs.

Booth rental revenue is recognized based on the event date.

Interest and other revenue are recognized in the period they are earned.

#### 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 4. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of September 30, 2019.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. The Association has a significant number of members which reduces the concentration of credit risk.

It is management's opinion that the Association is not subject to significant liquidity risk or market risk which includes currency risk, interest rate risk, and other price risk.

### 5. TERM DEPOSITS

The term deposit is made up of a guaranteed investment certificate of \$5,000 (2018 - \$5,000) which earns interest at a rate of 1.40% (2018 - 0.90%) and matures on October 12, 2019 (2018 - October 12, 2018). The principal portion of the deposit is held as collateral on the Association's credit limit for their credit card.

**MANITOBA NURSERY LANDSCAPE ASSOCIATION**

**Notes to Financial Statements**

**Year Ended September 30, 2019**

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6. ACCOUNTS RECEIVABLE

	2019	2018 (Unaudited)
Canada Nursery Landscape Association receivable	\$ 9,241	\$ -
Membership fees receivable	861	580
	<b>\$ 10,102</b>	<b>\$ 580</b>

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7. DUE TO LANDSCAPE MANITOBA HORTICULTURAL FOUNDATION

Advances from a related party are non-interest bearing and have no set repayment terms. The Association and the Foundation are related through their common board.