



Wheatland Kernels

Visit our website at www.wheatlandaccounting.com

Spring 2019

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*Annual Summer
Barbeque from
12:00-1:00pm
June 18th
At the Drop Inn Centre
Everyone Welcome!*

Important Deadlines

AgriStability enrollment
application deadline
July 2, 2019

AgriStability application
deadline
without penalty
September 30, 2019
*Please complete the forms
our office has sent to you no
later than July 31st*

AgriStability
application deadline with
penalty
December 31, 2019
*A penalty of \$500/month
will be reduced from your
benefit*

AgriStability fee
deadline with 20%
penalty applied
December 31, 2019

Tax Draw Winner!

Submitting Income Tax
by March 1:
Kathy Warnyca of
Montmartre

Presidents Report

Spring seeding for 2019 is pretty much wrapped up in the South East of Saskatchewan as I write this. For the most part conditions for seeding have been decent, but rain is needed to get the crops off to a good start. Pasture and hay land have suffered from the cold dry conditions experienced thus far this year. A repeat of the 2018 June rains would put smiles on a lot of faces!

About a month ago now we completed our 37th personal tax season! Once again the Wheatland team did an amazing job of pulling together for another successful season. Teamwork is crucial in dealing with so much work crammed into a short window of time. Our daily morning meetings where each team member explains what they worked on yesterday and what they plan for today, really help keep us all informed and working together. Tax season is not all work though as we take time for a little fun as well. Throughout the month of April we draw names and each team member has a secret tax buddy whom they purchase a small gift for each week. At the end of tax season we guess who had our names and find out how good of a detective we were!

Well wishes to our friend and coworker, Karen Dunn who has retired from our office for medical reasons. Karen has been a valuable team member for the last three years, working in tax checking and sorting bookkeeping.

As the busy farming season is upon us now and will carry on through the end of harvest, don't let your financial records be set aside for a rainy day, we can help keep you up to date! We have a team of experienced bookkeepers here that would be happy to help lighten your workload and keep you informed. Complete and timely records are the foundation good tax and business planning.

Wishing you an enjoyable summer and our farming clients a safe and successful growing season.

Kelvin Shultz PBA CAFA Dip Ag

AgriStability Deadline Extension & Advance Payment Program Changes

The trade dispute with China that is having an effect on canola and other Canadian commodity markets has prompted some changes in government programs affecting farmers.

AgriStability deadline extension: The enrolment deadline for AgriStability for the 2019 year has been extended from April 30, 2019 to July 2, 2019. This is intended to give producers who fear that their profitability will be impacted by the Canada China trade issue an opportunity to participate in the program to provide a degree of protection. The program has many complexities, but in general it protects you when your net farming income falls below 70% of your recent average. If you are considering enrolling in the program, we can be of assistance in preparing the application.

Advance Payment Program: The maximum allowable limit available under the APP has risen from \$400,000 to \$1,000,000. The interest-free portion of the advance has increased from \$100,000 to \$500,000 for canola producers. The interest-free component remains at \$100,000 for all other eligible commodities.

Office Hours

**Monday-Friday 9-5
Closed from
12:00-1:00**

T5018 Filing Deadline June 30

If you are an individual, partnership, trust or corporation involved in construction activities and you make payments to subcontractors for construction services, you must report amounts paid or credited on a T5018. Please contact the office as soon as possible if you have questions or think this may apply to your operation.

The payroll deductions tables are updated in January and July of each year, so please be sure to update your EI and CPP calculations if you pay the same salary each month.

Did you know you can Etransfer your invoice payment to us?

Have you been thinking about succession planning or incorporating your farming operation?
We can help!
Give us a call and book an appointment to discuss the options that would be best for your situation.

Working Capital is King

After attending the Canadian Association of Farm Advisors "Top Farms" conference in Regina I would like to share a few key points from Todd Andries (Conexus Credit Union) presentation on Working Capital.

Working capital is determined from calculating the current assets less current liabilities on a balance sheet. It is effectively what you would be left with if you were to take all your assets on your balance sheet that are easily convertible into cash within one year and pay down the debts that are due within one year.

Working capital is just a number until you look at it in perspective of the operation as a whole. Todd suggested that determining the percentage that working capital is of the total farm annual expenses is a very good indicator of whether that number is adequate for each individual operation. His guideline is that working capital should cover at least 25% of the total annual expenses for an average farm, however an expanding operation will require more than that to be comfortable.

Inadequate working capital results in cash flow issues and often lead to poor agronomic and business decisions due to cash shortage. Increasing profitability, refinancing assets and selling of unnecessary or high-priced assets are means of improving working capital.

Take Time to Review Your Life Insurance Policies

Here are some life insurance tips and traps presented at a recent conference that could be valuable to our readers:

- Smokers/chewers pay roughly twice the premiums as a non-smoker
- If you were a smoker/chewer when you were issued your policy and have now quit for more than 365 days, you should have your policy reviewed to see if your premiums can be decreased
- Similarly if you were overweight when your policy was issued and have subsequently lost substantial weight you may be able to have your premiums reduced
- In order to deduct life insurance premiums, the insurance must have been a "requirement" of a lender for you to obtain business financing and proper documentation must be completed that assigns the life insurance policy to the lending institution. If these conditions are not met and premiums have been deducted, the proceeds from the policy could become a taxable benefit
- If a corporation is paying the premiums for a policy it must be the owner of the policy and the beneficiary of the policy as well. Otherwise policy proceeds could become taxable when removed from the corporation.
- Business Loan Insurance Protector (BLIP) plans offered by financial institutions including:
 - Limited to \$1,000,000
 - Not available past age 65
 - Expire at age 70