

ATHABASCA WATERSHED COUNCIL

Financial Statements

Year Ended March 31, 2019

(Unaudited)

ATHABASCA WATERSHED COUNCIL
Index to Financial Statements
Year Ended March 31, 2019
(Unaudited)

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Revenues and Expenditures	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 10



KINGSTON
ROSS
PASNAK LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T: 780.424.3000 | F: 780.429.4817 | W: krpgroup.com

May 16, 2019

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

Edmonton, Alberta

To the Members of Athabasca Watershed Council

We have reviewed the accompanying financial statements of Athabasca Watershed Council which comprise the statement of financial position as at March 31, 2019 and the statements of changes in net assets, revenues and expenditures and cash flow 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Athabasca Watershed Council as at March 31, 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.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP

Chartered Professional Accountants

ATHABASCA WATERSHED COUNCIL**Statement of Financial Position****March 31, 2019***(Unaudited)*

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 194,694	\$ 101,895
Term deposit (Note 3)	10,000	10,000
Accounts receivable	657	-
Goods and Services Tax recoverable	1,623	12,595
Prepaid expenses	2,761	1,619
	209,735	126,109
EQUIPMENT (Note 4)	3,855	6,426
	\$ 213,590	\$ 132,535
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,854	\$ 7,552
Withholdings payable	3,639	1,511
Deferred income (Note 5)	100,000	40,000
Advances from related parties (Note 6)	722	5,382
	112,215	54,445
NET ASSETS		
General fund	97,520	71,664
Invested in equipment	3,855	6,426
	101,375	78,090
	\$ 213,590	\$ 132,535

ON BEHALF OF THE BOARD

 Director

 Director

ATHABASCA WATERSHED COUNCIL**Statement of Changes in Net Assets****Year Ended March 31, 2019***(Unaudited)*

	General Fund	Invested in Equipment	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 71,664	\$ 6,426	\$ 78,090	\$ 55,191
Purchase of equipment	-	-	-	-
Excess (deficiency) of revenue over expenses	25,856	(2,571)	23,285	22,899
NET ASSETS - END OF YEAR	\$ 97,520	\$ 3,855	\$ 101,375	\$ 78,090

ATHABASCA WATERSHED COUNCIL
Statement of Revenues and Expenditures
Year Ended March 31, 2019

(Unaudited)

	2019	2018
REVENUE		
Grant revenue	\$ 270,000	\$ 180,000
Grant previously deferred and earned in the current year	-	7,750
Donations	16,857	6,642
Insurance proceeds	3,018	-
Miscellaneous revenue	446	-
	290,321	194,392
EXPENSES		
Salaries and wages	148,946	90,180
Travel	24,084	27,230
Contracts	23,630	-
Honorariums (Note 7)	14,925	17,575
Office	14,176	7,502
Meetings and conventions	7,976	5,498
Rental	7,748	5,840
Professional fees	5,756	5,791
Telephone	4,323	3,497
Insurance - replacement of items	3,705	-
Advertising and promotion	3,425	3,961
Amortization	2,571	1,466
Insurance	1,648	1,734
Business taxes, licenses and memberships	1,595	161
Goods and Services Tax	1,584	1,053
Training	777	-
Interest and bank charges	321	68
	267,190	171,556
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	23,131	22,836
INTEREST INCOME	154	63
EXCESS OF REVENUE OVER EXPENSES	\$ 23,285	\$ 22,899

ATHABASCA WATERSHED COUNCIL**Statement of Cash Flow****Year Ended March 31, 2019***(Unaudited)*

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 23,285	\$ 22,899
Item not affecting cash:		
Amortization of equipment	2,571	1,466
	25,856	24,365
Changes in non-cash working capital:		
Accounts receivable	(657)	-
Goods and Services Tax recoverable	10,972	(1,053)
Prepaid expenses	(1,142)	-
Withholdings payable	2,128	(233)
Accounts payable and accrued liabilities	302	(1,811)
Deferred income	60,000	32,250
Advances from related parties	(4,660)	5,382
	66,943	34,535
Cash flow from operating activities	92,799	58,900
INVESTING ACTIVITIES		
Purchase of equipment	-	(7,710)
Purchase of term deposit	-	(10,000)
Cash flow used by investing activities	-	(17,710)
INCREASE IN CASH FLOW	92,799	41,190
CASH - BEGINNING OF YEAR	101,895	60,705
CASH - END OF YEAR	\$ 194,694	\$ 101,895

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

1. MAJOR OBJECTIVES OF THE SOCIETY

Athabasca Watershed Council (the "Society") is a registered charity incorporated provincially under the Societies Act of Alberta on August 21, 2009. The Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. Accordingly there is no provision for income taxes in these financial statements.

The major objectives of the Society are to provide timely, credible information about the Athabasca Watershed and to promote plans for a healthy watershed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Revenue recognition

Athabasca Watershed Council 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Donations are recorded on the date they are received by the Society.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

Equipment

Equipment are stated at cost or deemed cost less accumulated amortization. Equipment are amortized over their estimated useful lives using the straight-line method at the following rates:

Website	three years
Computer equipment	three years
Furniture and fixtures	three years

In the year of purchase, amortization on equipment is taken at one half of the normal amount.

Equipment acquired during the year but not available for use are not amortized until they are in the location and condition available for use.

(continues)

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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. Significant estimates pertain to amortization of equipment and deferred revenue.

3. TERM DEPOSIT

The term deposit represents a one year cashable Guaranteed Investment Certificate (GIC) that bears interest at 1.80% per annum and matures on October 17, 2019. The GIC is required as security over the Society's credit card, therefore is externally restricted until this requirement is waived.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Website	\$ 6,810	\$ 3,405	\$ 3,405	\$ 5,676
Computer equipment	16,388	15,938	450	750
Furniture and fixtures	5,774	5,774	-	-
	\$ 28,972	\$ 25,117	\$ 3,855	\$ 6,426

ATHABASCA WATERSHED COUNCIL**Notes to Financial Statements****Year Ended March 31, 2019***(Unaudited)***5. DEFERRED INCOME**

The deferred income amounts relate to unspent grant monies received from the Alberta Government to support core operations and program costs. Unspent monies received generally result in a reduction of grant funding for the subsequent year. As such, these contributions will be recognized as revenue once the Society incurs the related expenses.

Due to uncertainties related to the grant expected to be received in the subsequent year there may be adjustments in future periods and such adjustments may be material to the Society.

	2019	2018
Balance, beginning of year	\$ 40,000	\$ 7,750
Grant previously deferred and earned in the current year	-	(7,750)
Funds received	330,000	220,000
Revenue recognized	(270,000)	(180,000)
Balance, end of year	\$ 100,000	\$ 40,000

The deferred contributions have been received from the province of Alberta, as represented by the Minister of Environment and Parks and are restricted towards expenses related to human resources, administrative and communication and outreach activities and are required to be utilized during the 2020 fiscal period.

6. DUE TO RELATED PARTIES

	2019	2018
Janet Pomeroy	\$ 672	\$ -
Marcel JC Ulliac	50	581
Brian Deheer	-	3,158
Robert Esau	-	883
Cleo Reece	-	760
	\$ 722	\$ 5,382

Amounts due to related parties pertain to honorariums and expense reimbursements payable to Board members at year-end. They are non-interest bearing and have no set repayment terms.

ATHABASCA WATERSHED COUNCIL**Notes to Financial Statements****Year Ended March 31, 2019***(Unaudited)***7. RELATED PARTY TRANSACTIONS**

The following is a summary of the Society's transactions with related parties, all related through Board membership:

	2019	2018
Brian Deheer Honorarium	\$ 3,750	\$ 3,775
Cleo Reece Honorarium	1,450	2,100
Janice Pitman Honorarium	1,050	1,675
Marcel JC Ulliac Honorarium	1,650	800
Marvin Fyten Honorarium	1,775	2,100
Morris A. Nessdole Honorarium	1,050	300
Robert Holmberg Honorarium	900	1,725
Robert Esau Honorarium (recovery)	(300)	300
Thomas Polzin Honorarium	1,125	1,875
Tom Weber Honorarium	525	1,875
Municipal District of Lesser Slave River #124 Honorarium	1,200	1,050
Robert Grandjumbe Honorarium	300	-
Robert Mitchell Honorarium	450	-
	\$ 14,925	\$ 17,575

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

8. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2019. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its grant and donation providers.

9. ECONOMIC DEPENDENCE

The Society relies heavily on monies provided by the Provincial Government. Should the Government decide to cease its funding of the Society, it would be unlikely that the Society would continue to function.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.