

**ATHABASCA WATERSHED COUNCIL**  
**Financial Statements**  
**Year Ended March 31, 2021**  
*(Unaudited)*

Draft

**ATHABASCA WATERSHED COUNCIL**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**  
*(Unaudited)*

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June 12, 2021  
Edmonton, Alberta

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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members of Athabasca Watershed Council

We have reviewed the accompanying financial statements of Athabasca Watershed Council (the Society) that comprise the statement of financial position as at March 31, 2021, 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 (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.

**Practitioner's Responsibility**

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 the financial statements do not present fairly, in all material respects, the financial position of Athabasca Watershed Council as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

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**Kingston Ross Paskak LLP**  
Chartered Professional Accountants

**ATHABASCA WATERSHED COUNCIL**  
**Statement of Financial Position**  
**March 31, 2021**  
*(Unaudited)*

|   | 2021              | 2020              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                               |                   |                   |
| <b>CURRENT</b>                              |                   |                   |
| Cash  | \$ 314,942        | \$ 220,981        |
| Term deposit <i>(Note 3)</i>                | 10,000            | 10,000            |
| Goods and Services Tax recoverable          | 6,839             | 2,748             |
| Prepaid expenses                            | 360               | 1,928             |
|   | <b>332,141</b>    | 235,657           |
| <b>EQUIPMENT <i>(Note 4)</i></b>            | <b>-</b>          | 1,285             |
|   | <b>\$ 332,141</b> | <b>\$ 236,942</b> |
| <b>LIABILITIES AND NET ASSETS</b>           |                   |                   |
| <b>CURRENT</b>                              |                   |                   |
| Accounts payable and accrued liabilities    | \$ 2,999          | \$ 4,999          |
| Withholdings payable                        | 3,576             | 2,041             |
| Deferred income <i>(Note 5)</i>             | 244,043           | 145,612           |
| Advances from related party <i>(Note 6)</i> | 402               | 402               |
|   | <b>251,020</b>    | 153,054           |
| <b>NET ASSETS</b>                           |                   |                   |
| General fund                                | 81,121            | 82,603            |
| Invested in equipment                       | -                 | 1,285             |
|   | <b>81,121</b>     | 83,888            |
|   | <b>\$ 332,141</b> | <b>\$ 236,942</b> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**ATHABASCA WATERSHED COUNCIL**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

*(Unaudited)*

|                                       | General<br>Fund | Invested in<br>Equipment | <b>2021</b>      | 2020       |
|---------------------------------------|-----------------|--------------------------|------------------|------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | \$ 82,603       | \$ 1,285                 | <b>\$ 83,888</b> | \$ 101,375 |
| Deficiency of revenue over expenses   | (1,482)         | (1,285)                  | <b>(2,767)</b>   | (17,487)   |
| <b>NET ASSETS - END OF YEAR</b>       | \$ 81,121       | \$ -                     | <b>\$ 81,121</b> | \$ 83,888  |

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**ATHABASCA WATERSHED COUNCIL**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

(Unaudited)

|  | 2021              | 2020               |
|--|-------------------|--------------------|
| <b>REVENUE</b>   |                   |                    |
| Grant revenue  | \$ 341,069        | \$ 204,388         |
| Donations  | 10,574            | 3,710              |
| Gala revenue   | -                 | 9,359              |
|  | <b>351,643</b>    | <b>217,457</b>     |
| <b>EXPENSES</b>  |                   |                    |
| Salaries and wages   | 172,504           | 157,372            |
| Consulting fees  | 131,736           | 6,615              |
| Professional fees  | 19,477            | 9,277              |
| Rental   | 6,804             | 7,290              |
| Telephone  | 4,737             | 3,898              |
| Goods and Services Tax                                     | 4,091             | 1,128              |
| Advertising and promotion                                  | 3,301             | 6,972              |
| Office   | 3,245             | 12,264             |
| Insurance  | 2,276             | 1,969              |
| Travel   | 2,059             | 12,995             |
| Amortization   | 1,285             | 2,570              |
| Business taxes, licenses and memberships                   | 1,090             | 1,535              |
| Honorariums (Note 7)                                       | 1,050             | 4,550              |
| Training   | 742               | 24                 |
| Interest and bank charges                                  | 327               | 260                |
| Meetings and conventions                                   | 257               | 1,501              |
| Contracts  | -                 | 72                 |
| Gala expenses  | -                 | 5,125              |
|  | <b>354,981</b>    | <b>235,417</b>     |
| <b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b> | <b>(3,338)</b>    | <b>(17,960)</b>    |
| <b>OTHER INCOME</b>  |                   |                    |
| Interest income  | 571               | 173                |
| Gain on disposal of equipment                              | -                 | 300                |
|  | <b>571</b>        | <b>473</b>         |
| <b>DEFICIENCY OF REVENUE OVER EXPENSES</b>                 | <b>\$ (2,767)</b> | <b>\$ (17,487)</b> |

**ATHABASCA WATERSHED COUNCIL****Statement of Cash Flow****Year Ended March 31, 2021***(Unaudited)*

|  | 2021              | 2020              |
|--|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>              |                   |                   |
| Deficiency of revenue over expenses      | \$ (2,767)        | \$ (17,487)       |
| Items not affecting cash:                |                   |                   |
| Amortization of equipment                | 1,285             | 2,570             |
| Gain on disposal of equipment            | -                 | (300)             |
|  | <b>(1,482)</b>    | <b>(15,217)</b>   |
| Changes in non-cash working capital:     |                   |                   |
| Accounts receivable                      | -                 | 657               |
| Goods and Services Tax recoverable       | (4,091)           | (1,125)           |
| Prepaid expenses                         | 1,568             | 833               |
| Accounts payable and accrued liabilities | (2,000)           | (2,855)           |
| Withholdings payable                     | 1,535             | (1,598)           |
| Deferred income                          | 98,431            | 45,612            |
| Advances to related parties              | -                 | (320)             |
|  | <b>95,443</b>     | <b>41,204</b>     |
| Cash flow from operating activities      | <b>93,961</b>     | <b>25,987</b>     |
| <b>INVESTING ACTIVITY</b>                |                   |                   |
| Proceeds on disposal of equipment        | -                 | 300               |
| <b>INCREASE IN CASH</b>                  | <b>93,961</b>     | <b>26,287</b>     |
| CASH - BEGINNING OF YEAR                 | <b>220,981</b>    | <b>194,694</b>    |
| <b>CASH - END OF YEAR</b>                | <b>\$ 314,942</b> | <b>\$ 220,981</b> |

# ATHABASCA WATERSHED COUNCIL

## Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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### 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. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act (Canada). 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 is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life 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, 2021

(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 two year cashable Guaranteed Investment Certificate (GIC) that bears interest at 0.90% per annum and matures on October 19, 2022. The GIC is required as security over the Society's credit card, therefore is externally restricted until this requirement is waived.

### 4. EQUIPMENT

|                        | Cost             | Accumulated<br>amortization | 2021<br>Net book<br>value | 2020<br>Net book<br>value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Website                | \$ 6,810         | \$ 6,810                    | \$ -                      | \$ 835                    |
| Computer equipment     | 15,588           | 15,588                      | -                         | 450                       |
| Furniture and fixtures | 5,774            | 5,774                       | -                         | -                         |
|                        | <b>\$ 28,172</b> | <b>\$ 28,172</b>            | <b>\$ -</b>               | <b>\$ 1,285</b>           |

## ATHABASCA WATERSHED COUNCIL

### Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

#### 5. DEFERRED INCOME

The deferred income amounts relate to unspent grant monies received from both industry and 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.

|  | 2021       | 2020       |
|--|------------|------------|
| Balance, beginning of year                               | \$ 145,612 | \$ 100,000 |
| Grant previously deferred and earned in the current year | -          | (100,000)  |
| Funds received   | 439,500    | 250,000    |
| Revenue recognized                                       | (341,069)  | (104,388)  |
| Balance, end of year                                     | \$ 244,043 | \$ 145,612 |

The deferred contributions have been received from both industry and 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 2022 fiscal period.

#### 6. ADVANCES FROM RELATED PARTY

|              | 2021   | 2020   |
|--------------|--------|--------|
| Brian Deheer | \$ 402 | \$ 402 |

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, 2021

(Unaudited)

#### 7. RELATED PARTY TRANSACTIONS

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

|                                  | 2021            | 2020            |
|----------------------------------|-----------------|-----------------|
| Marvin Fyten<br>Honorarium       | \$ 250          | \$ 500          |
| Morris A. Nessdole<br>Honorarium | 250             | 400             |
| Tom Weber<br>Honorarium          | 250             | 150             |
| Brian Deheer<br>Honorarium       | 150             | 950             |
| Robert Holmberg<br>Honorarium    | 150             | 550             |
| Celo Reece<br>Honorarium         | -               | 700             |
| Marcel JC Ulliac<br>Honorarium   | -               | 400             |
| Tim Polzin<br>Honorarium         | -               | 300             |
| Janice Pitman<br>Honorarium      | -               | 250             |
| Thomas Polzin<br>Honorarium      | -               | 200             |
| Paula Evans<br>Honorarium        | -               | 150             |
|                                  | <b>\$ 1,050</b> | <b>\$ 4,550</b> |

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, 2021

(Unaudited)

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### 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, 2021. 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. CHARITABLE FUNDRAISING ACT (ALBERTA)

The Society does not have any employees primarily involved in fundraising and does not utilize any fundraising organizations for solicitation of contributions.

### 11. COMPARATIVE FIGURES

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

### 12. COVID-19

The Coronavirus Disease 2019, or COVID-19, has spread across the globe and continues to impact worldwide economic activity. This global pandemic poses the risk that the Society or its clients, employees, contractors, suppliers, and other partners may experience periodic interruptions to their regular business activities. While it is not possible at this time to estimate the impact that COVID-19 will have on the Society's business in the coming fiscal year, the continued spread of the virus and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Society's business activities, financial condition and/or the results of its operations. Specifically, future grants and donations revenue. The extent to which the COVID-19 outbreak will continue to impact the Society's results will depend on future developments that are highly uncertain and cannot be predicted at this time.



## Nominations received for 2021-22 Elections to be held at the June 12 Annual General Meeting

| Board Seat (as per the Board Terms of Reference) | 2021-22 Nominee                                 | Nomination Form submitted? | Organizational letter authorizing representative submitted? | Election Platform, Board or Committee Experience or Skills (as per nomination form)   |
|--|---|----------------------------|---|---|
| Government: Municipal (Upper Basin)              | Yellowhead County (Lavone Olson)                | Yes                        | Yes.  | I am a councillor with Yellowhead County. We support the 3 Water for Life strategies, Safe and secure drinking water, healthy aquatic ecosystems and a reliable, quality water supply for a sustainable economy. I was part of the initiators group for the Athabasca Watershed Council where we developed all the governing documents, the by-laws, vision, mission and policies. I became the first president of the AWC- WPAC. I am very passionate about the Athabasca river, being as I live on river and my aboriginal ancestors lived on the headwaters in Jasper National Park.   |
| Government: Municipal (Middle Basin)             | Athabasca County (Larry Armfelt)                | Yes                        | Pending   | Water protection<br>Reeve Athabasca County  |
| Government: Municipal (Lower Basin)              | Lac La Biche County (Sterling Johnson)          | Yes, by phone.             | Yes.  | As a Counselor representing Lac La Biche County, I have been on the AWC Board for 3 years. I am also a landowner and steward of several miles of shoreline on Lac La Biche.   |
| Industry: Forestry                               | Alberta Forest Products Association (Dan Moore) | Yes                        | Yes.  | I was a member of the Athabasca River Watershed Planning and Advisory Council Initiators Group and have been a board member since 2009. I have participated on the Alberta Water Council Shared Governance & Watershed Planning Framework Project Team 2006 - 2008. I am involved in the coordination of Alberta Newsprint Company's Environmental Effects Monitoring (EEM) under the Pulp and Paper Effluent Regulations under the Federal Fisheries Act.  |
| Industry: Oil and Gas                            | Suncor Energy (Janice Linehan)                  | Yes                        | Yes.  | I have a BSc in Marine Biology and master's in environmental science and have worked in the Oil & Gas industry in various environmental roles for 17 years. In my current role as Director of Environmental Policy at Suncor Energy I lead Suncor's efforts to inform, develop, and understand various pieces of emerging provincial and federal environmental policy related to our business and working with key multi-stakeholder organizations on environmental management and monitoring. I feel I can continue to bring value to this group through my experience and integration of past and present work in the OS Industry and the Lower Athabasca Region. |

| Board Seat (as per the Board Terms of Reference) | 2021-22 Nominee                         | Nomination Form submitted? | Organizational letter authorizing representative submitted? | Election Platform, Board or Committee Experience or Skills (as per nomination form)   |
|--|---|----------------------------|---|---|
| Indigenous:                                      | Cleo Reece                              | Yes                        | N/A   | A member of Fort McMurray 468 First Nation and a board member of the AWC for several year. I am also on the Elders Advisory for Treaty 8 Association of Alberta.  |
| NGO: Health or Environment (1)                   | Brian Deheer                            | Yes                        | N/A   | Individual member of Athabasca Watershed Council since 2012. Board member for 7 years. Board Chair for over 5 years. Member of Alberta Environmental Network, both as an AEN Board member, as well as through three Network member organizations including: Alberta Wilderness Association; Keepers of the Water; and Lac La Biche Region Watershed Stewardship Society (Healthy Waters Lac La Biche). Project team member on two Alberta Water Council projects: the Water For Life Implementation Review, and the Alberta Water Futures project. Steering Committee Chair for the Lac La Biche Watershed Management Plan Review project, just completed in May, 2021.   |
|  | Marv Fyten                              | Info provided by phone.    | N/A   | Have been on the AWC board for many years. Am passionate about many aspects of the environment.   |
| NGO: Stewardship (1)                             | Crooked Creek Conservancy (Paula Evans) | Yes.                       | Yes.  | Partook in Initiators Group for the AWC, served as president, am a stewardship alternate at present and communications committee member. BSc, CABIN certified and tested on the Athabasca for 2 seasons. Do my homework for meetings. As a paddler of many rivers, have an intense interest in water quality and quantity.  |
| NGO: Research or Academia                        | Robert Holmberg                         | Yes.                       | N/A   | <p>Experience with watershed:</p> <ul style="list-style-type: none"> <li>*since 1984 lived in Athabasca area</li> <li>* 2000-2006 lobbied for Athabasca University's Athabasca River Basin Research Institute, now with 3 full-time researchers</li> <li>* 2007 helped organize Athabasca River Conference, &gt;200 people over 3 days</li> <li>* 2007-2018, &gt;6 presentations on "Athabasca River Basin: from glacier to delta" in 5 municipalities</li> <li>* 2008 initiated Bibliography of the Athabasca River Basin with Athabasca University, &gt;30,000 references</li> <li>* 2017 initiated Athabasca River Basin Image Bank with Athabasca University Library, &gt;650 images online</li> <li>* since 2017 on board of directors of the Athabasca Watershed Council</li> </ul> |

Seats vacant or up for re-election that did not receive any nominations:

Government: Provincial or Federal Government

Industry: Small Agricultural Producer

Industry: Any Agricultural Producer

Industry: Mining or Utilities

Indigenous (2)

*Note that Directors are elected for a two-year term. Director terms are staggered such that no more than half the board is up for re-election every year. Vacant seats may be filled by the Board of Directors at a later date via appointments. Appointments only last until the next AGM, at which time appointed Directors must run for election. Questions regarding Board seats or nominees should be directed to Petra Rowell, [executive.director@awc-wpac.ca](mailto:executive.director@awc-wpac.ca).*