

ATHABASCA WATERSHED COUNCIL

Financial Statements

Year Ended March 31, 2021

(Unaudited)

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



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June 12, 2021
Edmonton, Alberta

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.

Kingston Ross Parnak LLP

Chartered Professional Accountants

ATHABASCA WATERSHED COUNCIL

Statement of Financial Position

March 31, 2021

(Unaudited)

	2021	2020
ASSETS		
CURRENT		
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
	332,141	235,657
EQUIPMENT <i>(Note 4)</i>	-	1,285
	\$ 332,141	\$ 236,942
LIABILITIES AND NET ASSETS		
CURRENT		
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
	251,020	153,054
NET ASSETS		
General fund	81,121	82,603
Invested in equipment	-	1,285
	81,121	83,888
	\$ 332,141	\$ 236,942

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ATHABASCA WATERSHED COUNCIL
Statement of Changes in Net Assets
Year Ended March 31, 2021
(Unaudited)

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

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

(Unaudited)

	2021	2020
REVENUE		
Grant revenue	\$ 341,069	\$ 204,388
Donations	10,574	3,710
Gala revenue	-	9,359
	351,643	217,457
EXPENSES		
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 <i>(Note 7)</i>	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
	354,981	235,417
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(3,338)	(17,960)
OTHER INCOME		
Interest income	571	173
Gain on disposal of equipment	-	300
	571	473
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (2,767)	\$ (17,487)

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

	2021	2020
OPERATING ACTIVITIES		
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)
	(1,482)	(15,217)
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)
	95,443	41,204
Cash flow from operating activities	93,961	25,987
INVESTING ACTIVITY		
Proceeds on disposal of equipment	-	300
INCREASE IN CASH	93,961	26,287
CASH - BEGINNING OF YEAR	220,981	194,694
CASH - END OF YEAR	\$ 314,942	\$ 220,981

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2021

(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. 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 amortization	2021 Net book value	2020 Net book value
Website	\$ 6,810	\$ 6,810	\$ -	\$ 835
Computer equipment	15,588	15,588	-	450
Furniture and fixtures	5,774	5,774	-	-
	\$ 28,172	\$ 28,172	\$ -	\$ 1,285

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 Honorarium	\$ 250	\$ 500
Morris A. Nessdole Honorarium	250	400
Tom Weber Honorarium	250	150
Brian Deheer Honorarium	150	950
Robert Holmberg Honorarium	150	550
Celo Reece Honorarium	-	700
Marcel JC Ulliac Honorarium	-	400
Tim Polzin Honorarium	-	300
Janice Pitman Honorarium	-	250
Thomas Polzin Honorarium	-	200
Paula Evans Honorarium	-	150
	\$ 1,050	\$ 4,550

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)

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.