

ATHABASCA WATERSHED COUNCIL

Financial Statements

Year Ended March 31, 2022

(Unaudited)

ATHABASCA WATERSHED COUNCIL
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Year Ended March 31, 2022
(Unaudited)

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June 11, 2022
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, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Kingston Ross Paskak LLP

Chartered Professional Accountants

ATHABASCA WATERSHED COUNCIL

Statement of Financial Position

March 31, 2022

(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 159,765	\$ 314,942
Term deposit <i>(Note 3)</i>	10,000	10,000
Accounts receivable	1,000	-
Goods and Services Tax recoverable	3,747	6,839
Prepaid expenses	-	360
	\$ 174,512	\$ 332,141
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,999	\$ 2,999
Withholdings payable	4,540	3,576
Deferred income <i>(Note 5)</i>	87,649	244,043
Advances from related party	-	402
	95,188	251,020
NET ASSETS		
General fund	79,324	81,121
	\$ 174,512	\$ 332,141

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ATHABASCA WATERSHED COUNCIL
Statement of Changes in Net Assets
Year Ended March 31, 2022

(Unaudited)

	General Fund	Invested in Equipment	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 81,121	\$ -	\$ 81,121	\$ 83,888
Deficiency of revenue over expenses	(1,797)	-	(1,797)	(2,767)
NET ASSETS - END OF YEAR	\$ 79,324	\$ -	\$ 79,324	\$ 81,121

ATHABASCA WATERSHED COUNCIL
Statement of Revenues and Expenditures
Year Ended March 31, 2022

(Unaudited)

	2022	2021
REVENUE		
Grant revenue	\$ 365,094	\$ 341,069
Donations	569	10,574
	365,663	351,643
EXPENSES		
Salaries and wages	188,091	172,504
Consulting fees	133,018	131,736
Office	12,882	3,245
Rental	6,900	6,804
Professional fees	5,500	19,477
Insurance	5,417	2,276
Advertising and promotion	4,227	3,301
Telephone	3,767	4,737
Goods and Services Tax	3,747	4,091
Travel	2,605	2,059
Honorariums (Note 6)	950	1,050
Training	400	742
Interest and bank charges	183	327
Amortization	-	1,285
Meetings and conventions	-	257
Business taxes, licenses and memberships	-	1,090
	367,687	354,981
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(2,024)	(3,338)
OTHER INCOME		
Interest income	227	571
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (1,797)	\$ (2,767)

ATHABASCA WATERSHED COUNCIL**Statement of Cash Flow****Year Ended March 31, 2022***(Unaudited)*

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (1,797)	\$ (2,767)
Item not affecting cash:		
Amortization of equipment	-	1,285
	(1,797)	(1,482)
Changes in non-cash working capital:		
Accounts receivable	(1,000)	-
Goods and Services Tax recoverable	3,092	(4,091)
Prepaid expenses	360	1,568
Accounts payable and accrued liabilities	-	(2,000)
Withholdings payable	964	1,535
Deferred income	(156,394)	98,431
Advances to related party	(402)	-
	(153,380)	95,443
(DECREASE) INCREASE IN CASH	(155,177)	93,961
CASH - BEGINNING OF YEAR	314,942	220,981
CASH - END OF YEAR	\$ 159,765	\$ 314,942

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2022

(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 arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 6.

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, 2022

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the Society 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	2022 Net book value	2021 Net book value
Website	\$ 6,810	\$ 6,810	\$ -	\$ -
Computer equipment	15,588	15,588	-	-
Furniture and fixtures	5,774	5,774	-	-
	\$ 28,172	\$ 28,172	\$ -	\$ -

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2022

(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.

	2022	2021
Balance, beginning of year	\$ 244,043	\$ 145,612
Funds received	208,700	439,500
Revenue recognized	(365,094)	(341,069)
Balance, end of year	\$ 87,649	\$ 244,043

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 2023 fiscal period.

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

6. RELATED PARTY TRANSACTIONS

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

	2022	2021
Brian Deheer Honorarium	\$ 700	\$ 150
Cleo Reece Honorarium	150	-
Marvin Fyten Honorarium	100	250
Morris A. Nessdole Honorarium	-	250
Tom Weber Honorarium	-	250
Robert Holmberg Honorarium	-	150
	\$ 950	\$ 1,050

The transactions with related parties are initially measured at the exchange amount which is equal to the undiscounted cash flows paid, or expected to be paid, less any previous recognized impairment losses.

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

7. 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, 2022. 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.

8. 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.

9. 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.