

**ATHABASCA WATERSHED COUNCIL**

**Financial Statements**

**Year Ended March 31, 2018**

*(Unaudited)*

**ATHABASCA WATERSHED COUNCIL**  
**Index to Financial Statements**  
**Year Ended March 31, 2018**  
*(Unaudited)*

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	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 16, 2018  
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 that comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets 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**

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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

*Kingston Ross Pasmak LLP*

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**Kingston Ross Pasmak LLP**  
Chartered Professional Accountants

**ATHABASCA WATERSHED COUNCIL**

**Statement of Financial Position**

**March 31, 2018**

*(Unaudited)*

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 101,895	\$ 60,705
Term deposit (Note 3)	10,000	-
Goods and Services Tax recoverable	12,595	11,542
Prepaid expenses	1,619	1,619
	<b>126,109</b>	<b>73,866</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>6,426</b>	<b>181</b>
	<b>\$ 132,535</b>	<b>\$ 74,047</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Withholdings payable	\$ 1,511	\$ 1,744
Accounts payable and accrued liabilities	7,552	9,362
Deferred income (Note 5)	40,000	7,750
Advances from related parties (Note 6)	5,382	-
	<b>54,445</b>	<b>18,856</b>
<b>NET ASSETS</b>	<b>71,664</b>	<b>55,009</b>
General fund	6,426	182
Invested in equipment	6,426	182
	<b>78,090</b>	<b>55,191</b>
	<b>\$ 132,535</b>	<b>\$ 74,047</b>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements  
Athabasca Watershed Council

**ATHABASCA WATERSHED COUNCIL**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2018**  
*(Unaudited)*

	General Fund	Invested in Equipment	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 55,009	\$ 182	\$ <b>55,191</b>	\$ 55,191
Purchase of capital assets	(7,710)	7,710	-	-
Excess (deficiency) of revenue over expenses	24,365	(1,466)	<b>22,899</b>	-
<b>NET ASSETS - END OF YEAR</b>	\$ 71,664	\$ 6,426	\$ <b>78,090</b>	\$ 55,191

**ATHABASCA WATERSHED COUNCIL**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2018**  
*(Unaudited)*

	2018	2017
<b>REVENUE</b>		
Grant revenue	\$ 180,000	\$ 132,823
Grant previously deferred and earned in the current year	7,750	-
Donations	6,642	-
	<b>194,392</b>	<b>132,823</b>
<b>EXPENSES</b>		
Salaries and wages	90,180	61,265
Travel	27,230	21,978
Honorariums	17,575	16,875
Office	7,502	6,195
Rental	5,840	5,600
Professional fees	5,791	6,175
Meetings and conventions	5,498	801
Advertising and promotion	3,961	3,313
Telephone	3,497	4,173
Insurance	1,734	1,772
Amortization	1,466	221
Goods and Services Tax	1,053	1,128
Business taxes, licenses and memberships	161	3,130
Interest and bank charges	68	241
	<b>171,556</b>	<b>132,867</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>22,836</b>	<b>(44)</b>
<b>INTEREST INCOME</b>	<b>63</b>	<b>44</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 22,899</b>	<b>\$ -</b>

**ATHABASCA WATERSHED COUNCIL****Statement of Cash Flow****Year Ended March 31, 2018***(Unaudited)*

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 22,899	\$ -
Item not affecting cash:		
Amortization of capital assets	1,466	221
	<b>24,365</b>	<b>221</b>
Changes in non-cash working capital:		
Goods and Services Tax recoverable	(1,053)	(970)
Accounts payable and accrued liabilities	(1,811)	5,374
Deferred income	32,250	(529)
Withholdings payable	(233)	1,309
Due to related parties	5,382	-
	<b>34,535</b>	<b>5,184</b>
Cash flow from operating activities	<b>58,900</b>	<b>5,405</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(7,710)	-
Purchase of term deposit	(10,000)	-
Cash flow used by investing activities	<b>(17,710)</b>	<b>-</b>
<b>INCREASE IN CASH FLOW</b>	<b>41,190</b>	<b>5,405</b>
Cash - beginning of year	<b>60,705</b>	<b>55,300</b>
<b>CASH - END OF YEAR</b>	<b>\$ 101,895</b>	<b>\$ 60,705</b>

## **ATHABASCA WATERSHED COUNCIL**

### **Notes to Financial Statements**

**Year Ended March 31, 2018**

*(Unaudited)*

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#### **1. MAJOR OBJECTIVES OF THE SOCIETY**

Athabasca Watershed Council (the "Society") is a registered not-for-profit organization 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.

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## ATHABASCA WATERSHED COUNCIL

### Notes to Financial Statements

Year Ended March 31, 2018

(Unaudited)

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

##### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets 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 capital assets is taken at one half of the normal amount.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

##### 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. Actual 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 0.55% per annum and matures on October 17, 2018. The GIC is required as security over the Society's credit card, therefore is externally restricted until this requirement is waived.

**ATHABASCA WATERSHED COUNCIL**

**Notes to Financial Statements**

**Year Ended March 31, 2018**

*(Unaudited)*

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Website	\$ 6,810	\$ 1,134	\$ 5,676	\$ -
Computer equipment	16,388	15,638	750	181
Furniture and fixtures	5,774	5,774	-	-
	<b>\$ 28,972</b>	<b>\$ 22,546</b>	<b>\$ 6,426</b>	<b>\$ 181</b>

**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.

	2018	2017
Balance, beginning of year	\$ 7,750	\$ 8,278
Grant previously deferred and earned in the current year	(7,750)	-
Funds received	220,000	131,766
Revenue recognized	(180,000)	(132,294)
Balance, end of year	<b>\$ 40,000</b>	<b>\$ 7,750</b>

**6. DUE TO RELATED PARTIES**

	2018	2017
Brian Deheer	\$ 3,158	\$ -
Cleo Reece	760	-
Marcel JC Ulliac	581	-
Robert Esau	883	-
	<b>\$ 5,382</b>	<b>\$ -</b>

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, 2018***(Unaudited)***7. RELATED PARTY TRANSACTIONS**

The following is a summary of the Society's related party transactions:

	<b>2018</b>	<b>2017</b>
Brian Deheer <i>Board Member</i> Honorarium	\$ 3,775	\$ 1,350
Cleo Reece <i>Board Member</i> Honorarium	2,100	-
Gary Horton <i>Board Member</i> Honorarium	-	450
Janice Pitman <i>Board Member</i> Honorarium	1,675	1,050
Marcel JC Ulliac <i>Board Member</i> Honorarium	800	-
Marvin Fyten <i>Board Member</i> Honorarium	2,100	1,125
Morris A. Nessdole <i>Board Member</i> Honorarium	300	900
Robert Holmberg <i>Board Member</i> Honorarium	1,725	750
Robert Esau <i>Board Member</i> Honorarium	300	-
Terry Sheehan <i>Board Member</i> Honorarium	-	525

*(continues)*

**ATHABASCA WATERSHED COUNCIL**

**Notes to Financial Statements**

**Year Ended March 31, 2018**

*(Unaudited)*

7. RELATED PARTY TRANSACTIONS *(continued)*

	2018	2017
Thomas Polzin <i>Board Member</i> Honorarium	1,875	825
Tom Weber <i>Board Member</i> Honorarium	1,875	-
Municipal District of Lesser Slave River #124 <i>Board Member</i> Honorarium	1,050	675
	\$ 17,575	\$ 7,650

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.

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, 2018. 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.