

**ATHABASCA WATERSHED COUNCIL**

**Financial Statements**

**Year Ended March 31, 2020**

*(Unaudited)*

**ATHABASCA WATERSHED COUNCIL**

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**Year Ended March 31, 2020**

*(Unaudited)*

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September 17, 2020

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, 2020, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

**Kingston Ross Pasnak LLP**

Chartered Professional Accountants

**ATHABASCA WATERSHED COUNCIL****Statement of Financial Position****March 31, 2020***(Unaudited)*

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 220,981	\$ 194,694
Term deposit (Note 3)	10,000	10,000
Accounts receivable	-	657
Goods and Services Tax recoverable	2,748	1,623
Prepaid expenses	1,928	2,761
	235,657	209,735
EQUIPMENT (Note 4)	1,285	3,855
	\$ 236,942	\$ 213,590
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 4,999	\$ 7,854
Withholdings payable	2,041	3,639
Deferred income (Note 5)	145,612	100,000
Advances from related parties (Note 6)	402	722
	153,054	112,215
<b>CONTINGENT LIABILITY (Note 7)</b>		
<b>NET ASSETS</b>		
General fund	82,603	97,520
Invested in equipment	1,285	3,855
	83,888	101,375
	\$ 236,942	\$ 213,590

**ON BEHALF OF THE BOARD** Director Director

**ATHABASCA WATERSHED COUNCIL****Statement of Changes in Net Assets****Year Ended March 31, 2020***(Unaudited)*

	General Fund	Invested in Equipment	2020	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 97,520	\$ 3,855	\$ 101,375	\$ 78,090
Excess (deficiency) of revenue over expenses	(14,917)	(2,570)	(17,487)	23,285
<b>NET ASSETS - END OF YEAR</b>	\$ 82,603	\$ 1,285	\$ 83,888	\$ 101,375

**ATHABASCA WATERSHED COUNCIL**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2020**

(Unaudited)

	2020	2019
<b>REVENUE</b>		
Grant revenue	\$ 204,388	\$ 270,000
Gala revenue	9,359	446
Donations	3,710	16,857
Insurance proceeds	-	3,018
	<b>217,457</b>	<b>290,321</b>
<b>EXPENSES</b>		
Salaries and wages	157,372	148,946
Professional fees	15,892	5,756
Travel	12,995	24,084
Office	12,264	14,176
Rental	7,290	7,748
Advertising and promotion	6,972	3,425
Gala expenses	5,125	-
Honorariums (Note 8)	4,550	14,925
Telephone	3,898	4,323
Amortization	2,570	2,571
Insurance	1,969	1,648
Business taxes, licenses and memberships	1,535	1,595
Meetings and conventions	1,501	7,976
Goods and Services Tax	1,128	1,584
Interest and bank charges	260	321
Contracts	72	23,630
Training	24	777
Insurance - replacement of items	-	3,705
	<b>235,417</b>	<b>267,190</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(17,960)</b>	<b>23,131</b>
<b>OTHER INCOME</b>		
Gain on disposal of equipment	300	-
Interest income	173	154
	<b>473</b>	<b>154</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ (17,487)</b>	<b>\$ 23,285</b>

**ATHABASCA WATERSHED COUNCIL****Statement of Cash Flow****Year Ended March 31, 2020***(Unaudited)*

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ (17,487)	\$ 23,285
Items not affecting cash:		
Amortization of equipment	2,570	2,571
Gain on disposal of equipment	(300)	-
	(15,217)	25,856
Changes in non-cash working capital:		
Accounts receivable	657	(657)
Goods and Services Tax recoverable	(1,125)	10,972
Prepaid expenses	833	(1,142)
Accounts payable and accrued liabilities	(2,855)	302
Withholdings payable	(1,598)	2,128
Deferred income	45,612	60,000
Advances to related parties	(320)	(4,660)
	41,204	66,943
Cash flow from operating activities	25,987	92,799
<b>INVESTING ACTIVITY</b>		
Proceeds on disposal of equipment	300	-
<b>INCREASE IN CASH</b>	26,287	92,799
CASH - BEGINNING OF YEAR	194,694	101,895
<b>CASH - END OF YEAR</b>	\$ 220,981	\$ 194,694



# ATHABASCA WATERSHED COUNCIL

## Notes to Financial Statements

Year Ended March 31, 2020

(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.

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# ATHABASCA WATERSHED COUNCIL

## Notes to Financial Statements

Year Ended March 31, 2020

(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 1.30% per annum and matures on October 17, 2020. 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	2020 Net book value	2019 Net book value
Website	\$ 6,810	\$ 5,975	\$ 835	\$ 3,405
Computer equipment	15,588	15,138	450	450
Furniture and fixtures	5,774	5,774	-	-
	<b>\$ 28,172</b>	<b>\$ 26,887</b>	<b>\$ 1,285</b>	<b>\$ 3,855</b>

## ATHABASCA WATERSHED COUNCIL

### Notes to Financial Statements

Year Ended March 31, 2020

(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.

	2020	2019
Balance, beginning of year	\$ 100,000	\$ 40,000
Grant previously deferred and earned in the current year	(100,000)	-
Funds received	250,000	330,000
Revenue recognized	(104,388)	(270,000)
Balance, end of year	\$ 145,612	\$ 100,000

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 2021 fiscal period.

#### 6. ADVANCES FROM RELATED PARTIES

	2020	2019
Brian Deheer	\$ 402	\$ -
Marcel JC Ulliac	-	50
Janet Pomeroy	-	672
	\$ 402	\$ 722

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.

#### 7. CONTINGENT LIABILITY

The Society has been named a defendant in legal action claiming wrongful dismissal, resulting in a claim of \$20,201. Management is of the opinion that there is a strong defence against the claim, therefore no provision for losses have been reflected in the accounts for this matter.

**ATHABASCA WATERSHED COUNCIL****Notes to Financial Statements****Year Ended March 31, 2020***(Unaudited)***8. RELATED PARTY TRANSACTIONS**

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

	2020	2019
Brian Deheer Honorarium	\$ 950	\$ 3,750
Cleo Reece Honorarium	700	3,750
Robert Holmberg Honorarium	550	900
Marvin Fyten Honorarium	500	1,775
Marcel JC Ulliac Honorarium	400	1,650
Morris A. Nessdole Honorarium	400	1,050
Tim Polzin Honorarium	300	-
Janice Pitman Honorarium	250	1,050
Thomas Polzin Honorarium	200	1,125
Tom Weber Honorarium	150	525
Paula Evans Honorarium	150	-
Robert Grandjumbe Honorarium	-	300
Robert Mitchell Honorarium	-	450
Municipal District of Lesser Slave River #124 Honorarium	-	1,200

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## ATHABASCA WATERSHED COUNCIL

### Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

#### 8. RELATED PARTY TRANSACTIONS (continued)

	2020	2019
Robert Esau Honorarium (recovery)	-	(300)
	\$ 4,550	\$ 17,225

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.

#### 9. 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, 2020. 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.

#### 10. 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.

#### 11. 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.

#### 12. COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Society or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Society's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Society's business, financial condition or results of operations. Specifically, future grants and donations revenue. The extent to which the COVID-19 outbreak impacts the Society's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.