

ATHABASCA WATERSHED COUNCIL

Financial Statements

Year Ended March 31, 2023

(Unaudited)

ATHABASCA WATERSHED COUNCIL
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Year Ended March 31, 2023
(Unaudited)

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June 17, 2023
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, 2023, 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, 2023, 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, 2023
(Unaudited)

| | 2023 | 2022 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 337,114 | \$ 159,765 |
| Term deposit <i>(Note 3)</i> | 10,180 | 10,000 |
| Accounts receivable | 5 | 1,000 |
| Goods and Services Tax recoverable | - | 3,747 |
| | \$ 347,299 | \$ 174,512 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 2,999 | \$ 2,999 |
| Goods and Services Tax payable | 486 | - |
| Withholdings payable | 4,831 | 4,540 |
| Deferred income <i>(Note 5)</i> | 237,557 | 87,649 |
| | 245,873 | 95,188 |
| NET ASSETS | | |
| General fund | 101,426 | 79,324 |
| | \$ 347,299 | \$ 174,512 |

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ATHABASCA WATERSHED COUNCIL
Statement of Changes in Net Assets
Year Ended March 31, 2023

(Unaudited)

| | General Fund | Invested in Equipment | 2023 | 2022 |
|--|-------------------|--------------------------|-------------------|-----------|
| NET ASSETS - BEGINNING OF YEAR | \$ 79,324 | \$ - | \$ 79,324 | \$ 81,121 |
| Excess (deficiency) of revenues over expenditures | 22,102 | - | 22,102 | (1,797) |
| NET ASSETS - END OF YEAR | \$ 101,426 | \$ - | \$ 101,426 | \$ 79,324 |

ATHABASCA WATERSHED COUNCIL
Statement of Revenues and Expenditures
Year Ended March 31, 2023

(Unaudited)

| | 2023 | 2022 |
|--|------------------|-------------------|
| REVENUES | | |
| Grant revenue | \$ 283,692 | \$ 365,094 |
| Fee for service | 23,540 | - |
| Miscellaneous revenue | 2,144 | - |
| Donations | 1,847 | 569 |
| | 311,223 | 365,663 |
| EXPENDITURES | | |
| Salaries and wages | 206,598 | 188,091 |
| Consulting fees | 37,421 | 133,018 |
| Travel | 12,332 | 2,605 |
| Office | 11,603 | 12,882 |
| Rental | 5,750 | 6,900 |
| Professional fees | 5,000 | 5,500 |
| Insurance | 3,087 | 5,417 |
| Telephone | 2,730 | 3,767 |
| Training | 2,702 | 400 |
| Honorariums <i>(Note 6)</i> | 1,050 | 950 |
| Meetings and conventions | 730 | - |
| Goods and Services Tax | 691 | 3,747 |
| Business taxes, licenses and memberships | 633 | - |
| Advertising and promotion | 330 | 4,227 |
| Interest and bank charges | 109 | 183 |
| | 290,766 | 367,687 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS | 20,457 | (2,024) |
| OTHER INCOME | | |
| Interest income | 1,645 | 227 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 22,102 | \$ (1,797) |

ATHABASCA WATERSHED COUNCIL**Statement of Cash Flow****Year Ended March 31, 2023***(Unaudited)*

| | 2023 | 2022 |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenditures | \$ 22,102 | \$ (1,797) |
| Changes in non-cash working capital: | | |
| Accounts receivable | 995 | (1,000) |
| Goods and Services Tax payable | 4,233 | 3,092 |
| Prepaid expenses | - | 360 |
| Withholdings payable | 291 | 964 |
| Deferred income | 149,908 | (156,394) |
| Repayment of advances to related party | - | (402) |
| | 155,427 | (153,380) |
| Cash flow from (used by) operating activities | 177,529 | (155,177) |
| INVESTING ACTIVITIES | | |
| Purchase of term deposit | (10,180) | - |
| Proceeds on redemption of term deposit | 10,000 | - |
| Cash flow used by investing activities | (180) | - |
| INCREASE (DECREASE) IN CASH | 177,349 | (155,177) |
| CASH - BEGINNING OF YEAR | 159,765 | 314,942 |
| CASH - END OF YEAR | \$ 337,114 | \$ 159,765 |

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2023

(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.

(continues)

ATHABASCA WATERSHED COUNCIL

Notes to Financial Statements

Year Ended March 31, 2023

(Unaudited)

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

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

| | |
|------------------------|-------------|
| Website | three years |
| Computer equipment | three years |
| Furniture and fixtures | three years |

Equipment acquired during the year but not placed into use are not amortized until they are available for use.

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 one year cashable Guaranteed Investment Certificate (GIC) that bears interest at 4.40% per annum and matures on October 19, 2023. 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 | 2023 Net book value | 2022 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, 2023

(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.

| | 2023 | 2022 |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 87,649 | \$ 244,043 |
| Funds received | 213,500 | 208,700 |
| Revenue recognized | (63,592) | (365,094) |
| Balance, end of year | \$ 237,557 | \$ 87,649 |

The deferred contributions have been received from both industry and the Province of Alberta, as represented by the Minister of Environment and Protected Areas, 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, 2023

(Unaudited)

6. RELATED PARTY TRANSACTIONS

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

| | 2023 | 2022 |
|------------------------------|-----------------|---------------|
| Margaret Cross Honorarium | \$ 250 | \$ 700 |
| Connor McBeth Honorarium | 250 | - |
| Brian Deheer Honorarium | 150 | - |
| Kendra Gilbert Honorarium | 150 | - |
| Paula Evans Honorarium | 150 | - |
| Marvin Fyten Honorarium | 100 | 100 |
| Cleo Reece Honorarium | - | 150 |
| | \$ 1,050 | \$ 950 |

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, 2023

(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, 2023. 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.