

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Financial Statements

Year Ended March 31, 2020

BATTLE RIVER WATERSHED ALLIANCE SOCIETY**Index to Financial Statements****Year Ended March 31, 2020**

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Financial Position

March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 920,004	\$ 978,396
Inventory	8,113	8,102
Interest receivable	6,101	-
Goods and services tax recoverable	3,091	3,792
Prepaid expenses	1,184	1,101
	<u>938,493</u>	<u>991,391</u>
CAPITAL ASSETS (Note 5)	33,086	54,039
LONG TERM INVESTMENTS (Note 6)	<u>201,249</u>	<u>135,903</u>
	<u>\$ 1,172,828</u>	<u>\$ 1,181,333</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 12,616	\$ 6,587
Wages payable	23,006	-
Employee deductions payable	7,591	9,372
Deferred contributions (Note 7)	<u>679,627</u>	<u>718,011</u>
	<u>722,840</u>	<u>733,970</u>
NET ASSETS		
Unrestricted net assets	256,900	233,324
Internally restricted reserve fund (Note 8)	160,000	160,000
Equity in property & equipment	<u>33,088</u>	<u>54,039</u>
	<u>449,988</u>	<u>447,363</u>
	<u>\$ 1,172,828</u>	<u>\$ 1,181,333</u>

ON BEHALF OF THE BOARD

Director_____
Director

See notes to financial statements

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Revenues and Expenditures

Year Ended March 31, 2020

	2020	2019
REVENUES		
Atlas sales	\$ 993	\$ 2,729
Corporate funding	-	40,000
Donations and sponsorships	1,284	1,825
Fee for service	7,500	20,600
Grants - government	632,477	637,981
	<u>642,254</u>	<u>703,135</u>
EXPENSES		
Advertising and promotion	39,680	27,922
Amortization	21,431	19,475
Employee benefits	9,477	10,999
Guest speakers	10,276	1,093
Insurance	2,327	1,849
Interest and bank charges	269	295
Meetings expense	20,126	18,468
Memberships	737	750
Office	25,516	19,759
Professional fees	5,487	4,356
Project supplies	73,082	170,850
Rental	27,269	29,443
Salaries and wages	385,756	359,706
Repairs and maintenance	3,217	-
Telephone	4,768	4,332
Training	753	658
Travel	14,898	10,118
Vehicle	3,971	6,089
	<u>649,040</u>	<u>686,162</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(6,786)	16,973
OTHER INCOME	9,411	3,303
EXCESS OF REVENUES OVER EXPENSES	\$ 2,625	\$ 20,276

See notes to financial statements

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2020

	Unrestricted Net assets	Internally Restricted Reserve Fund	Equity in Property & Equipment	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 233,324	\$ 160,000	\$ 54,039	\$ 447,363	\$ 427,087
EXCESS OF REVENUES OVER EXPENSES	2,625	-	-	2,625	20,276
PURCHASE OF EQUIPMENT	(480)	-	480	-	-
AMORTIZATION OF EQUIPMENT	21,431	-	(21,431)	-	-
NET ASSETS - END OF YEAR	\$ 256,900	\$ 160,000	\$ 33,088	\$ 449,988	\$ 447,363

See notes to financial statements

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,625	\$ 20,276
Item not affecting cash:		
Amortization of capital assets	21,431	19,475
	<u>24,056</u>	<u>39,751</u>
Changes in non-cash working capital:		
Accounts receivable	-	20,000
Interest receivable	(6,101)	-
Inventory	(11)	3,529
Accounts payable	6,031	(16,210)
Deferred contributions	(38,384)	506,264
Prepaid expenses	(83)	10,168
Goods and services tax payable	701	(1,795)
Wages payable	23,006	-
	-	-
Employee deductions payable	(1,781)	8,668
	<u>(16,622)</u>	<u>530,624</u>
Cash flow from operating activities	<u>7,434</u>	<u>570,375</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(480)	-
Purchase of capital assets	-	(50,046)
Interest income reinvested	(3,309)	(3,303)
	<u>(3,789)</u>	<u>(53,349)</u>
Cash flow used by investing activities	<u>(3,789)</u>	<u>(53,349)</u>
FINANCING ACTIVITIES		
Long term investments transferred to cash	137,963	-
Long term investments	(200,000)	-
	<u>(62,037)</u>	<u>-</u>
Cash flow used by financing activities	<u>(62,037)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(58,392)</u>	<u>517,026</u>
Cash - beginning of year	<u>978,396</u>	<u>461,370</u>
CASH - END OF YEAR	<u>\$ 920,004</u>	<u>\$ 978,396</u>
CASH CONSISTS OF:		
Cash	<u>\$ 920,004</u>	<u>\$ 978,396</u>

See notes to financial statements

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

1.

Battle River Watershed Alliance Society (the "Society") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. Management has determined that they are exempt from payment of income under Section 149(1) of the Income Tax Act.

The principal purpose of the Society is to guide, support, and deliver actions to sustain or improve the health of the Battle River watershed through knowledgeable community participation and an adaptive approach.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with a maturity date of less than 90 days from the date of acquisition, net of cheques issued and outstanding at the reporting date.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20% declining balance method
Motor vehicles	30% declining balance method
Computer equipment	30% declining balance method
Computer software	5 years straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

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

Investments

Investments are recorded at fair value. Patronage equities are accounted for on the equity method based on annual allocations.

(continues)

BATTLE RIVER WATERSHED ALLIANCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2020**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Revenue recognition

Battle River Watershed Alliance Society 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.

Seminar fees are recognized as revenue when the seminars are held.

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.

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.

4. FINANCIAL INSTRUMENTS

The Society does not use any derivative financial instruments to mitigate these risks.

The Society uses risk management to monitor and manage its risk arising from financial instruments. These risks include credit risk, liquidity risk, and interest rate risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities and by investing in fixed rate term deposits..

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other risks arising from its financial instruments.

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Equipment	\$ 16,639	\$ 11,669	\$ 4,970	\$ 6,213
Motor vehicles	21,928	20,393	1,535	2,193
Computer equipment	55,146	35,322	19,824	27,738
Computer software	17,133	17,133	-	8,567
Leasehold improvements	16,248	9,491	6,757	9,328
	<u>\$ 127,094</u>	<u>\$ 94,008</u>	<u>\$ 33,086</u>	<u>\$ 54,039</u>

6. INVESTMENTS

	2020	2019
Vision Credit Union term deposit maturing March 7, 2020 and bearing interest at 2.00% per annum	\$ -	\$ 67,626
Vision Credit Union term deposit maturing March 7, 2020 and bearing interest at 2.00% per annum	-	67,626
Vision Credit Union term deposit maturing April 8, 2021 and bearing interest at 2.31% per annum	100,000	-
Vision Credit Union term deposit maturing April 8, 2022 and bearing interest at 0.95% per annum	100,000	-
Vision Credit Union commin shares	1,249	651
	<u>\$ 201,249</u>	<u>\$ 135,903</u>

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for various reasons and restricted funding received in the current year that is related to the subsequent year. Changes in the deferred contribution balance are as follows

	2020	2019
Watershed Resiliency and Restoration Program	\$ 193,966	\$ 19,780
Core Operations Grant	-	100,000
Paddle the Battle Guide	3,051	5,090
Community Engagement Action Grant Program	-	8,675
	-	-
WOW Program	-	3,866
Discover your Wetlands	3,003	5,600
Finding Common Ground	-	75,000
Environmental Stewardship Program	479,607	500,000
	<u>\$ 679,627</u>	<u>\$ 718,011</u>

BATTLE RIVER WATERSHED ALLIANCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2020****8. INTERNALLY RESTRICTED RESERVES**

The Society has established reserve funds for operations and capital in the event that subsequent years' funding may be reduced

	2020	2019
Capital Reserve	\$ 30,000	\$ 30,000
Operations Continuity Reserve	130,000	130,000
	<u>\$ 160,000</u>	<u>\$ 160,000</u>

9. ECONOMIC DEPENDENCE

The Society obtained 99% (91% in 2019) of its total annual funding through grants from the Government of Alberta Ministry of Environment and Parks, and Environment Canada. The future ability of the Society to fulfil its purpose is dependant upon the continued receipt of grant monies. The grants are dependant upon governments and budgets and as such are uncertain.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.