

**BATTLE RIVER WATERSHED ALLIANCE SOCIETY**

**Financial Statements**

**Year Ended March 31, 2021**

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**BATTLE RIVER WATERSHED ALLIANCE SOCIETY**

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**Year Ended March 31, 2021**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Battle River Watershed Alliance Society

We have reviewed the accompanying financial statements of Battle River Watershed Alliance Society (the Society) that comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows 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 Battle River Watershed Alliance Society as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Wainwright, Alberta  
June 23, 2021

*Barry Hall Professional Corporation*  
Chartered Professional Accountant

**BATTLE RIVER WATERSHED ALLIANCE SOCIETY****Statement of Financial Position****March 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 659,866	\$ 820,004
Short term investments <i>(Note 4)</i>	203,764	100,000
Interest receivable	4,284	6,101
Goods and services tax recoverable	5,192	3,091
Inventory <i>(Note 5)</i>	7,329	8,113
Prepaid expenses	25,508	1,184
	<u>905,943</u>	938,493
LONG TERM INVESTMENTS <i>(Note 6)</i>	105,526	201,249
CAPITAL ASSETS <i>(Note 7)</i>	36,915	33,086
	<u>\$ 1,048,384</u>	<u>\$ 1,172,828</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 7,404	\$ 12,616
Wages payable	24,625	23,006
Employee deductions payable	-	7,591
Deferred contributions <i>(Note 8)</i>	496,450	679,627
	<u>528,479</u>	722,840
<b>NET ASSETS</b>		
Unrestricted net assets	322,990	256,900
Internally restricted reserve fund <i>(Note 9)</i>	160,000	160,000
Equity in capital assets	36,915	33,088
	<u>519,905</u>	449,988
	<u>\$ 1,048,384</u>	<u>\$ 1,172,828</u>

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

**BATTLE RIVER WATERSHED ALLIANCE SOCIETY****Statement of Revenues and Expenditures****Year Ended March 31, 2021**

	2021	2020
<b>REVENUES</b>		
Atlas sales	\$ 1,291	\$ 993
Corporate funding	109,824	62,888
Donations and sponsorships	1,102	1,284
Fee for service	2,560	10,878
Grants - Federal	273,999	64,671
Grants - Municipal	10,334	26,552
Grants - Other	667	5,088
Grants - Provincial	440,289	469,900
Workshops	581	-
	<u>840,647</u>	<u>642,254</u>
<b>EXPENSES</b>		
Advertising and promotion	24,030	39,680
Amortization of capital assets	12,075	21,431
Employee benefits	12,290	9,477
Guest speakers	3,564	10,276
Insurance	2,916	2,327
Interest and bank charges	418	269
Meetings expense	3,559	20,126
Memberships	56	737
Office	27,225	25,516
Professional fees	4,510	5,487
Project supplies	275,059	73,082
Rental	25,397	27,269
Repairs and maintenance	1,515	3,217
Salaries and wages	374,422	385,756
Telephone	4,052	4,768
Training	2,650	753
Travel	1,477	14,898
Vehicle	2,430	3,971
	<u>777,645</u>	<u>649,040</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>63,002</b>	<b>(6,786)</b>
<b>OTHER INCOME</b>		
Interest income	<u>6,915</u>	<u>9,411</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 69,917</b>	<b>\$ 2,625</b>

**BATTLE RIVER WATERSHED ALLIANCE SOCIETY****Statement of Changes in Net Assets****Year Ended March 31, 2021**

	Unrestricted net assets	Internally restricted reserve fund	Equity in capital assets	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 256,900	\$ 160,000	\$ 33,088	\$ <b>449,988</b>	\$ 447,363
EXCESS OF REVENUES OVER EXPENSES	81,992	-	(12,075)	<b>69,917</b>	2,625
PURCHASE OF CAPITAL ASSETS	(15,902)	-	15,902	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 322,990	\$ 160,000	\$ 36,915	\$ <b>519,905</b>	\$ 449,988

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**BATTLE RIVER WATERSHED ALLIANCE SOCIETY****Statement of Cash Flows****Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 69,917	\$ 2,625
Item not affecting cash:		
Amortization of capital assets	12,075	21,431
	<u>81,992</u>	<u>24,056</u>
Changes in non-cash working capital:		
Interest receivable	1,817	(6,101)
Goods and services tax recoverable	(2,101)	701
Inventory	784	(11)
Prepaid expenses	(24,324)	(83)
Accounts payable	(5,210)	6,031
Wages payable	1,619	23,006
Employee deductions payable	(7,591)	(1,781)
Deferred contributions	(183,177)	(38,384)
	<u>(218,183)</u>	<u>(16,622)</u>
Cash flow from (used by) operating activities	<u>(136,191)</u>	<u>7,434</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(15,905)	(480)
Interest income reinvested	(8,042)	(3,309)
Long term investments transferred to cash	-	137,963
Purchase of long term investments	-	(300,000)
	<u>(23,947)</u>	<u>(165,826)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(160,138)</b>	<b>(158,392)</b>
Cash - beginning of year	<u>820,004</u>	<u>978,396</u>
<b>CASH - END OF YEAR</b>	<b>\$ 659,866</b>	<b>\$ 820,004</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	<u>\$ 8,732</u>	<u>\$ (3,309)</u>
Interest paid	<u>\$ (417)</u>	<u>\$ (269)</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 521,337	\$ 682,041
Term deposits	<u>138,529</u>	<u>137,963</u>
	<u>\$ 659,866</u>	<u>\$ 820,004</u>

# BATTLE RIVER WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. PURPOSE OF THE SOCIETY

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.

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### 2. BASIS OF PRESENTATION

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

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank, less cheques issued and outstanding, and term deposits with maturities of less than ninety days.

#### Inventory

Inventory is comprised of atlases for resale and is measured at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives 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. The Society's investments consist of term deposits and common shares.

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# BATTLE RIVER WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted grants, corporate funding and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants, corporate funding and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted and internally restricted investment income is recognized as revenue when earned.

Atlas sales are recognized as revenue when received or receivable and upon being provided to customers.

Workshops and fees for service are recognized as revenue when the service is provided.

#### Leases

Leases are classified as either capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

#### Financial instruments

Financial instruments are initially measured at fair value when acquired or issued. The Society subsequently measures its financial instruments at amortized cost. Financial instruments measured at amortized cost are tested for impairment when there are indicators of impairment.

#### 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.

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**BATTLE RIVER WATERSHED ALLIANCE SOCIETY****Notes to Financial Statements****Year Ended March 31, 2021****4. SHORT TERM INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Vision Credit Union term deposit maturing April 7, 2021 and bearing interest at 1.00% per annum	\$ 102,315	\$ -
Vision Credit Union term deposit maturing April 8, 2021 and bearing interest at 2.31% per annum	101,449	-
Vision Credit Union term deposit maturing April 7, 2020 and bearing interest at 1.45% per annum	-	100,000
	<u>\$ 203,764</u>	<u>\$ 100,000</u>

**5. INVENTORY**

During the year, the Society expensed \$784 (2020 - \$11) of inventory.

**6. LONG TERM INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Vision Credit Union term deposit maturing April 8, 2022 and bearing interest at 0.95% per annum	\$ 102,367	\$ 100,000
Vision Credit Union term deposit maturing April 8, 2021 and bearing interest at 2.31% per annum	-	100,000
Vision Credit Union common shares	3,159	1,249
	<u>\$ 105,526</u>	<u>\$ 201,249</u>

**7. CAPITAL ASSETS**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 16,639	\$ 12,663	\$ 3,976	\$ 4,970
Motor vehicles	21,928	20,854	1,074	1,535
Computer equipment	71,051	43,687	27,364	19,824
Computer software	17,133	17,133	-	-
Leasehold improvements	16,248	11,747	4,501	6,757
	<u>\$ 142,999</u>	<u>\$ 106,084</u>	<u>\$ 36,915</u>	<u>\$ 33,086</u>

# BATTLE RIVER WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 8. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations required to be used only on specific projects. Restricted amounts received in the current year totaled \$214,654 and amounts recognized as revenue totaled \$397,831. The projects are as follows:

	2021	2020
Environmental Stewardship Program	\$ 264,393	\$ 479,607
Watershed Resiliency and Restoration Program	208,268	193,966
Lake Winnipeg	13,240	-
WOW Program	4,495	-
Discover Your Wetlands	3,003	3,003
Paddle the Battle Guide	3,051	3,051
	<u>\$ 496,450</u>	<u>\$ 679,627</u>

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### 9. INTERNALLY RESTRICTED RESERVES

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

	2021	2020
Capital Reserve	\$ 30,000	\$ 30,000
Operations Continuity Reserve	130,000	130,000
	<u>\$ 160,000</u>	<u>\$ 160,000</u>

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### 10. 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, 2021.

#### *(a) 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 accounts payable and wages payable.

#### *(b) 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 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 these financial instruments.

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# BATTLE RIVER WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 11. ECONOMIC DEPENDENCE

During the year, the Society received 77% (2020 - 99%) of its total funding through grants from the Alberta Ministry of Environment and Parks and Environment and Climate Change Canada. The future ability of the Society to fulfil its purpose is dependant upon the continued receipt of grant monies. The grants are dependent upon governments and budgets and as such are uncertain.

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### 12. CONTRACTUAL OBLIGATIONS

The Society entered into a three year agreement in April 2021 relating to it's premises. The payments are as follows:

Contractual obligation repayment schedule:

2022	\$	25,164
2023		25,164
2024		25,164
	\$	<u>75,492</u>

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### 13. COMPARATIVE FIGURES

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

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### 14. OTHER MATTER

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple effects on local, provincial, national and global economies. This poses the risk that the Society or it's employees, suppliers, and funders may be unable to conduct regular business activities for an indefinite period of time. Management is unable to estimate the future adverse implications of COVID-19 on it's financial condition or operations as a result of measures taken by the federal, provincial and municipal governments. The extent to which COVID-19 will impact the Society will depend on future developments that are uncertain at the date of these financial statements and cannot be predicted, including new information that may emerge concerning government actions.