BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Financial Statements

Year Ended March 31, 2026

BATTLE RIVER WATERSHED ALLIANCE SOCIETY
Index to Financial Statements
Year Ended March 31, 2026

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2026, 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, 2026, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Hall & Company LLP

Hall & Company LLP
Chartered Professional Accountants

Wainwright, Alberta
June 18, 2026

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Financial Position

March 31, 2026

		2026		2025
ASSETS				
CURRENT				
Cash and cash equivalents *(Note 4)*	$	**430,608**	$	114,898
Short term investments *(Note 5)*		**366,795**		465,951
Accounts receivable		**50,000**		57,130
Interest receivable		**3,081**		4,668
Goods and services tax recoverable		**6,147**		4,118
Prepaid expenses		**3,539**		2,928
		860,170		649,693
LONG TERM INVESTMENTS *(Note 6)*		**12,421**		5,729
CAPITAL ASSETS *(Note 7)*		**33,062**		42,613
	$	**905,653**	$	698,035
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	$	**4,692**	$	4,498
Wages payable		**19,361**		17,701
Deferred contributions *(Note 8)*		**276,626**		98,453
		300,679		120,652
NET ASSETS				
Unrestricted net assets		**411,912**		374,771
Internally restricted reserve fund *(Note 9)*		**160,000**		160,000
Equity in capital assets		**33,062**		42,612
		604,974		577,383
	$	**905,653**	$	698,035

ON BEHALF OF THE BOARD

_____________________________ *Director*

_____________________________ *Director*

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Revenues and Expenditures

Year Ended March 31, 2026

		2026		2025
REVENUES				
Corporate funding	$	**137,946**	$	110,700
Donations and sponsorships		**32,644**		2,059
Fee for service		**-**		114,646
Grants - Federal		**9,448**		9,431
Grants - Municipal		**31,586**		33,693
Grants - Other		**5,120**		7,850
Grants - Provincial		**361,820**		479,017
		578,564		757,396
EXPENSES				
Advertising and promotion		**22,506**		28,004
Amortization of capital assets		**13,163**		17,972
Memberships		**795**		503
Employee benefits		**26,263**		23,753
Insurance		**2,967**		4,443
Interest and bank charges		**171**		889
Office		**25,313**		23,401
Meetings expense		**11,714**		16,417
Training		**2,503**		3,349
Project supplies		**4,957**		98,569
Professional fees		**13,285**		87,972
Rental		**26,800**		29,469
Salaries and wages		**407,964**		397,772
Telephone		**1,879**		2,463
Travel		**12,281**		14,072
Vehicle		**2,783**		3,246
		575,344		752,294
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS		**3,220**		5,102
OTHER INCOME				
Interest income		**24,371**		20,852
EXCESS OF REVENUES OVER EXPENSES	$	**27,591**	$	25,954

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Unrestricted net assets	Internally restricted reserve fund	Equity in capital assets	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ 374,771	$ 160,000	$ 42,612	$ **577,383**	$ 521,427
Excess of revenues over expenses	40,754	-	(13,163)	**27,591**	25,954
Invested in capital assets	(3,613)	-	3,613	-	-
NET ASSETS - END OF YEAR	$ 411,912	$ 160,000	$ 33,062	$ **604,974**	$ 547,381

BATTLE RIVER WATERSHED ALLIANCE SOCIETY

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 27,591	$ 25,954
Items not affecting cash:		
Amortization of capital assets	13,163	17,972
Interest income reinvested	(23,769)	(10,890)
	16,985	33,036
Changes in non-cash working capital:		
Accounts receivable	7,130	(49,480)
Interest receivable	1,587	2,400
Goods and services tax recoverable	(2,029)	1,113
Prepaid expenses	(611)	843
Accounts payable and accrued liabilities	195	(2,555)
Wages payable	1,660	(2,752)
Deferred contributions	178,173	(170,452)
	186,105	(220,883)
Cash flow from (used by) operating activities	203,090	(187,847)
INVESTING ACTIVITIES		
Purchase of capital assets	(3,613)	-
Purchase of short term investments	(316,800)	-
Withdrawal of short term investments	433,033	-
Cash flow from investing activities	112,620	-
INCREASE (DECREASE) IN CASH FLOW	315,710	(187,847)
Cash and cash equivalents - beginning of year	114,898	302,745
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 430,608	$ 114,898
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	$ 25,958	$ 23,252
Interest paid	$ 171	$ 889

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 tax 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 (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits that have maturities at the date of purchase of less than ninety days.

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.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Donations and sponsorships, grants and corporate funding are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Fees for service revenue is recognized when the service is provided.

Interest income is recognized as revenue when earned.

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.

Leases

Leases are classified as either capital or operating leases. At the time the Society enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

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

Financial instruments

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.

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. The Society's significant estimate pertains to providing for amortization of capital assets.

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. CASH AND CASH EQUIVALENTS

	2026	2025
Cash in bank accounts	$ **65,958**	$ 114,898
Vision Credit Union 30 day term deposit maturing April 27, 2026 and bearing interest at 1.75% per annum	**160,690**	-
Vision Credit Union 30 day term deposit maturing April 5, 2026 and bearing interest at 1.75% per annum	**111,509**	-
Vision Credit Union 30 day term deposit maturing April 9, 2026 and bearing interest at 1.75% per annum	**92,451**	-
	$ **430,608**	$ 114,898

5. SHORT TERM INVESTMENTS

	2026	2025
	$ -	$ -
Vision Credit Union term deposit maturing November 12, 2026 and bearing interest at 2.00% per annum	**366,795**	-
Vision Credit Union term deposit maturing May 16, 2025 and bearing interest at 2.50% per annum	-	257,390
Vision Credit Union term deposit maturing April 8, 2025 and bearing interest at 2.00% per annum	-	107,079
Vision Credit Union term deposit maturing July 4, 2025 and bearing interest at 2.25% per annum	-	101,482
	$ **366,795**	$ 465,951

6. LONG TERM INVESTMENTS

Long term investments consist of Vision Credit Union common shares.

7. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Equipment	$ 16,639	$ 15,336	$ **1,303**	$ 1,629
Motor vehicles	55,499	32,384	**23,115**	33,022
Computer equipment	64,899	56,255	**8,644**	7,962
Computer software	17,133	17,133	**-**	-
	$ 154,170	$ 121,108	$ **33,062**	$ 42,613

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted contributions and grants that were unspent at year end.

	2026	2025
Alberta Watershed Resiliency and Restoration Program		
Beginning balance	$ **-**	$ -
Grants received in the year	**242,800**	-
Amount recognized as revenue in the year	**(41,819)**	-
	200,981	-
CAF America & Cargill Cares		
Beginning balance	**24,369**	48,747
Industry funding received in the year	**68,305**	-
Amount recognized as revenue in the year	**(60,645)**	(24,378)
	32,029	24,369
Caring For Our Watersheds		
Beginning balance	**-**	-
Grants received in the year	**45,000**	-
Amount recognized as revenue in the year	**(31,253)**	-
	13,747	-
Water Smart (North Saskatchewan Watershed Alliance)		
Beginning balance	**25,000**	-
Donations received in the year	**-**	25,000
Amount recognized as revenue in the year	**(16,830)**	-
	8,170	25,000

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8. DEFERRED CONTRIBUTIONS *(continued)*

Extreme Science Project (Enbridge)		
Beginning balance	**14,877**	-
Industry funding received in the year	**7,500**	20,000
Amount recognized as revenue in the year	**(14,877)**	(5,123)
	7,500	14,877
Battle River Community Foundation - ACP Grant Support		
Beginning balance	**5,120**	5,350
Grants received in the year	**5,575**	5,120
Amount recognized as revenue in the year	**(5,120)**	(5,350)
	5,575	5,120
Battle Lake Preservation Society		
Beginning balance	**10,522**	-
Donations received in the year	**-**	10,522
Amount recognized as revenue in the year	**(4,999)**	-
	5,523	10,522
Camrose Energy		
Beginning balance	**10,316**	3,000
Grants received in the year	**-**	9,000
Amount recognized as revenue in the year	**(7,215)**	(1,684)
	3,101	10,316
Heartland - Education Program Habitat Tour		
Beginning balance	**5,549**	10,000
Industry funding received in the year	**-**	-
Amount recognized as revenue in the year	**(5,549)**	(4,451)
	-	5,549
Vern Malone Fund		
Beginning balance	**2,700**	-
Donations received in the year	**-**	2,700
Amount recognized as revenue in the year	**(2,700)**	-
	-	2,700
	$ 276,626	$ 98,453

9. INTERNALLY RESTRICTED RESERVES

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

	2026	2025
Capital reserve	$ **30,000**	$ 30,000
Operations Continuity Reserve	**130,000**	130,000
	$ **160,000**	$ 160,000

10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2026.

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 customers and other related sources, accounts payable and accrued liabilities and wages payable.

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 price risks arising from these financial instruments.

11. ECONOMIC DEPENDENCE

During the year, the Society received 75% (2025 - 62%) of its total funding through grants from the Alberta Ministry of Environment and Protected Areas. The future ability of the Society to fulfil its purpose is dependant upon the continued funding from these two sources.

12. CONTRACTUAL OBLIGATIONS

The Society entered into a two year lease agreement in April 2026 relating to it's premises. The minimum annual payments are as follows, with the option for the lessor to increase the rate by 5% in January 2027 and January 2028:

Contractual obligation repayment schedule:

2027	$ 26,575
2028	26,575
	$ 53,150