



North Saskatchewan Watershed Alliance

FINANCIAL STATEMENTS
Year Ended March 31, 2012

North Saskatchewan Watershed Alliance

Year Ended March 31, 2012 Index to Financial Statements

Independent Auditor's Report

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Lim & Associates

CERTIFIED GENERAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of: **North Saskatchewan Watershed Alliance**

We have audited the accompanying financial statement of the North Saskatchewan Watershed Alliance, which comprise the statement of financial position as at March 31, 2012 and the statements of operations, changes in fund balances and statement of 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 generally accepted accounting principles, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the North Saskatchewan Watershed Alliance as at March 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, AB
June 12, 2012


CERTIFIED GENERAL ACCOUNTANTS

Cheng S. Lim Professional Corporation

Suite 201, 11806 - 126 Street, NW Edmonton, AB T5L 0V9

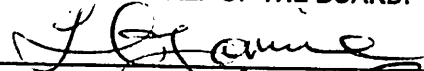
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North Saskatchewan Watershed Alliance


STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012

	2012	2011
ASSETS		
Current Assets		
Cash	\$ 30,722	\$ -
Short term investment (note 3)	200,043	470,291
Contributions receivable	63,038	39,800
Prepaid expenses	1,384	1,384
GST receivables	3,019	2,746
Inventory	2,753	9,961
	300,959	524,182
Computer equipment	5,651	5,651
	\$ 306,610	\$ 529,833
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Bank indebtedness	\$ -	\$ 16,098
Deferred revenue (note 4)	125,000	222,223
Accounts payable	8,959	5,650
	133,959	243,971
Long Term Liability		
Contingency fund (note 7)	50,000	50,000
	50,000	50,000
Fund Balances		
General Fund	134,557	198,241
Restricted Funds	(11,906)	37,621
	122,651	235,862
	\$ 306,610	\$ 529,833

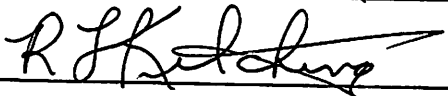
APPROVED ON BEHALF OF THE BOARD:



President



Executive Director



Treasurer

North Saskatchewan Watershed Alliance

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year Ended March 31, 2012

	General Fund 2012	General Fund 2011	Restricted Funds 2012 (Schedule 1)	Restricted Funds 2011
Revenues				
Contributions - donation and Municipal funding (note 2 & 5)	\$ 194,513	\$ 184,448	\$ 38,600	\$ 76,000
Contributions - grant (note 2 & 5)	222,223	222,222	-	-
Contributions in-kind (note 2 & 8)	309,750	226,000	-	-
In-kind Board and Committee meetings (note 2 & 8)	67,981	122,991	51,000	-
NSWA administrative overhead recovery	-	-	-	-
Reimbursements	183	5,367	-	-
Interest income	7,031	1,864	-	-
River Guide Sales	924	755	-	-
	802,605	763,647	89,600	76,000
Expenses				
Advertising	837	2,126	338	-
Bank service charges	893	273	-	-
Conference fees	1,284	2,936	-	-
Donation - program expenses	-	12,500	-	-
Facilitation	295	6,700	-	-
Non-claimable GST paid	3,019	2,774	-	-
Memberships fees	1,205	310	-	-
In-kind expenses (note 2)	309,750	226,000	-	-
In-kind Board and Committee meetings (note 2)	67,981	122,991	51,000	-
Professional and consulting fees	20,650	8,119	73,499	63,085
Insurance	2,144	2,040	-	-
Meeting costs	7,737	7,793	1,224	6,690
Office supplies and miscellaneous	969	4,221	-	49
Photographic services	-	582	-	-
Printing and reproduction	12,150	6,711	8,115	21,366
Salaries and benefits	427,198	347,167	-	59,360
Travel and accommodation	7,797	9,988	4,951	4,154
Website	2,381	190	-	-
	866,289	763,420	139,127	154,703
Excess (deficiency) of revenues over expenses	(63,684)	227	(49,527)	(78,703)
Fund balances at beginning of year	198,241	201,452	37,621	162,886
Contingency fund transferred (note 7)	-	(50,000)	-	-
Interfund transfers	-	46,562	-	(46,562)
Fund balances at end of year	\$ 134,557	\$ 198,241	\$ (11,906)	\$ 37,621

North Saskatchewan Watershed Alliance

STATEMENT OF CASH FLOWS AS AT MARCH 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (113,211)	\$ (78,476)
Changes in non-cash working capital:		
Contributors receivable	(23,238)	55,305
Inventory	7,208	(2,281)
Accounts payable	3,308	(10,000)
Deferred revenue	(97,223)	(254,222)
Prepaid expenses	-	(104)
Goods and services tax payable (recoverable)	(272)	1,804
	(110,217)	(209,498)
Cash flow from (used by) operating activities	(223,428)	(287,974)
INVESTING ACTIVITY		
Purchase of computer equipment	-	(97)
INCREASE (DECREASE) IN CASH FLOW	(223,428)	(288,071)
Cash - beginning of year	454,193	742,264
CASH - END OF YEAR	\$ 230,765	\$ 454,193
CASH CONSISTS OF:		
Cash	\$ 30,722	\$ -
Short term investment	200,043	470,291
Bank indebtedness	-	(16,098)
	\$ 230,765	\$ 454,193
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 893	\$ 273

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

1 Purpose and Income Tax Status

The North Saskatchewan Watershed Alliance Society (NSWA) is a non-profit society, incorporated in 2000 under the Societies Act of Alberta, whose purpose is to protect and improve water quality and ecosystem functioning in the North Saskatchewan River Watershed within Alberta. The organization is guided by a Board of Directors elected by members from within the watershed. The organization is a non-profit organization under the Income Tax Act, and is therefore exempted from income taxes.

2 Summary Significant Accounting Policies

Future changes in significant accounting policies

The Accounting Standards Board implemented Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective for fiscal years beginning on or after January 1, 2012. The Society will be assessing the impact of the new standards on its financial statements over the next year. Early adoption is permitted for the new standards.

The financial statements were prepared in accordance with Canadian generally accepted accounting standards and include the following significant accounting policies:

(a) Fund Accounting

The organization follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's operating and administrative activities. The General Fund is also referred to as the North Saskatchewan Watershed Alliance Initiative Fund.

All other funds account for the activities that are indicated by the fund description.

The ending balance of restricted funds have been externally restricted to use on the purposes described.

(b) Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The contributions received or receivable from the Municipalities which operate on the calendar year. The contributions are recorded as deferred and recognized as revenue in the year in which the related expenses are incurred.

(c) Contributed Materials and Services

Volunteers contribute time each year to aid the organization in carrying out its service delivery activities. Because of the difficulty in determining the fair value of contributed services, the financial value of contributed services are recognized as an estimation in the financial statements.

Contributed in-kind are recognized only to the extent that they would have been purchased in the normal course of operations and their fair value is reasonably determinable. The continued operation of the organization is dependent on the continued support of members/volunteers.

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

2 Summary Significant Accounting Policies (cont'd)

(d) Capital Assets

For years beginning on or after January 1, 2009, Section 4430 of the Canadian Institute of Chartered Accountants (CICA) Accounting Handbook has been amended to require capitalized assets to be amortized. Because in the past the organization has capitalized certain assets but not amortized them, the organization will be assessing remaining useful life of assets and possible residual values when service potential ends and appropriate amortization rates to be used over 2009 and later.

(e) Measurement uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(f) Inventory

Inventory is valued at the lower cost or replacement cost.

(g) Financial Instruments

The Organization's financial instruments consist of cash, short term investment, contributions receivable, other receivables, and accounts payable. It is management's opinion that the organization is not exposed to significant interest or credit risks arising from these financial statements. The fair value of these financial statements approximate their carrying values, unless otherwise noted.

Interest rate risk

The Organization is exposed to interest rate risk with respect to its interest-bearing investments that bear interest at floating rates due to fluctuations in the market interest rates. Interest rate risk is not considered significant because the Organization does not invest a large amount in interest-bearing investments.

(h) Cash and short term investments

The Organization considers short-term securities purchased with maturity of three months or less to be cash equivalents. Held to maturity financial assets are measured at amortized cost using the effective interest method. Any gain or loss is recognized in net income.

(i) Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

2 Summary Significant Accounting Policies (cont'd)

(j) Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The organization's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain fundings or grants from governments and third parties sufficient to meet current and future obligations and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the organization were unable to continue its operations.

3 Short term investment

The short term investment consists of two term deposits which earn interest 1.00% and 1.09% and mature on March 2013 and May 2012, respectively.

4 Deferred revenue

	2012	2011
Opening balance	\$ 222,223	\$ 476,445
Grants received in the year		
Government of Alberta - Environment (April 2012 to March 2013)	125,000	
Grants recognized in revenue	(222,223)	(254,222)
Ending balance	\$ 125,000	\$ 222,223

5 Contributions by Major Source

Contributions recognized in the statement of operations came from the following sources:

	2012	2011
Agriculture and Agri-Food Canada - contract reimbursement	\$ 9,000	\$ 16,000
Ducks Unlimited Canada	29,600	60,000
Restricted funds	38,600	76,000
EPCOR	98,000	78,000
Government of Alberta - operating	222,223	222,222
The City of Edmonton	40,550	32,000
Canadian Association of Petroleum Producers	20,000	-
Alberta Ecotrust Foundation	-	15,000
Alberta Beef Producers	5,000	5,000
Other Municipalities	25,529	54,447
Other	5,434	5,367
General funds	416,736	412,036
	\$ 455,336	\$ 488,036

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

6 Economic Dependence or Government Assistance

The organization receives a substantial amount of its revenue from the Province of Alberta and is financially dependent on the Province for funding.

Government Grants

In fiscal year March 2012, the organization had approximately remaining \$347,223 (\$222,223 for April 2011 to March 2012) in operating from the Provincial government for its programs. Of this amount \$222,223(2011 - \$222,223) has been included in revenue and approximately \$125,000 (2011 - \$222,223) has been recognized as deferred revenue. The terms of the funding agreements state that annual reconciliations are to be prepared which may result in receivable or payable balances with the Provincial government. In addition, in the event of cessation of certain operations or the failure to meet certain operating conditions, the organization may be required to pay back funding received to date.

7 Contingency Fund

In July 21, 2010, the Board designated \$50,000 of contingency fund for operating costs that will incur at the time of ceasing the organization's operation. The Board approved the transfer from the general fund into the contingency fund.

8 Contributed Services In-Kind

The City of Edmonton provided \$168,425 (2011 - \$166,000) in-kind support for the organization's overhead cost, such as staff time, premises rent, computer, software and IT support, and River Monitoring.

EPCOR provided \$141,325 (2011 - \$120,000) in-kind support for staff time and monitoring activities.

During the year, the organization held 9 board meetings and Vermilion River Watershed Management Plan held 11 Steering Committee meetings and the value of contributed services are recognized as an estimation of \$500 per board per meeting plus kilometers travelled. The financial value of contributed services was \$118,981 (2011 - \$122,991).

North Saskatchewan Watershed Alliance

SCHEDULE 1

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE FOR RESTRICTED FUNDS FOR THE YEAR THEN ENDING MARCH 31, 2012

	General (IWMP) *	Steering Committee (IWMP) *	Vermilion (VRWMP) **	Total
Revenues				
Contributions	\$ -	\$ -	\$ 38,600	\$ 38,600
In-kind Board and Committee meetings (note 2 & 8)			51,000	51,000
	-	-	89,600	89,600
Expenses				
Advertising	194	-	144	338
In-kind Board and Committee meetings (note 2)			51,000	51,000
Professional and consulting fees	5,000	-	68,499	73,499
Meeting costs	1,150	-	74	1,224
Printing and reproduction	-	-	8,115	8,115
Travel and accommodation	2,333	-	2,618	4,951
	8,677	-	130,450	139,127
Revenues over expenses	(8,677)	-	(40,850)	(49,527)
Fund balances at beginning of year	38,305	(4,879)	4,195	37,621
Interfund transfers	(4,879)	4,879	-	-
Fund balances at end of year	\$ 24,749	\$ -	\$ (36,655)	\$ (11,906)

* Integrated Watershed Management Plan (IWMP)

** Vermilion River Watershed Management Plan (VRWMP)