

North Saskatchewan Watershed Alliance

FINANCIAL STATEMENTS

Year Ended March 31, 2010

North Saskatchewan Watershed Alliance

Year Ended March 31, 2010 Index to Financial Statements

Auditor's Report

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GADOWSKY LIM & ASSOCIATES

CERTIFIED GENERAL ACCOUNTANTS

AUDITOR'S REPORT

To the Members of:
North Saskatchewan Watershed Alliance

We have audited the statement of financial position of the North Saskatchewan Watershed Alliance (NSWA) as at March 31, 2010 and the statement of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of NSWA's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of NSWA as at March 31, 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Edmonton, Alberta
June 4, 2010


CERTIFIED GENERAL ACCOUNTANTS

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North Saskatchewan Watershed Alliance

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2010

	General Fund 2010	General Fund 2009	Restricted Funds 2010 (Schedule 2)	Restricted Funds 2009
Revenues				
Contributions - donation and Municipal funding (note 2 and 5)	\$ 124,197	\$ 77,265	\$ 52,679	\$ 110,000
Contributions - grant (note 2 and 5)	305,555	300,000	-	-
Contributions in-kind (note 2)	166,412	55,242	-	-
in-kind Board and Committee meetings (note 2)	187,000	-	-	-
NSWA administrative overhead recovery	3,163	-	-	-
Reimbursements	-	-	100,013	420,657
Interest income	1,605	16,339	-	-
River Guide Sales	366	1,017	-	-
	788,298	449,863	152,692	530,657
Expenses				
Advertising	1,535	2,450	-	-
Bank service charges	217	262	-	-
Conference fees	2,409	1,826	30	-
Non-claimable GST paid	4,557	7,521	-	-
Memberships fees	250	900	-	-
In-kind expenses (note 2)	166,412	55,242	-	-
In-kind Board and Committee meetings (note 2)	187,000	-	-	-
Professional and consulting fees	7,427	4,200	169,215	484,306
NSWA administrative overhead	-	-	3,163	-
Workshops	-	18,020	-	-
Insurance	2,560	2,788	-	-
Meeting costs	8,009	3,084	8,220	6,534
Office supplies and miscellaneous	1,796	3,597	7	-
Photographic services	4,550	-	-	-
Printing and reproduction	4,997	4,557	6,957	-
Public events	3,836	-	-	-
Salaries and benefits	404,268	345,301	40,566	67,444
Travel and accommodation	8,480	14,927	956	431
Website	124	5,098	-	-
	808,427	469,773	229,114	558,715
Excess (deficiency) of revenues over expenses	(20,129)	(19,910)	(76,422)	(28,058)
Fund balances at beginning of year	221,581	251,016	239,308	257,841
Interfund transfers	-	(9,525)	-	9,525
Fund balances at end of year	\$ 201,452	\$ 221,581	\$ 162,886	\$ 239,308

North Saskatchewan Watershed Alliance

STATEMENT OF CASH FLOWS AS AT MARCH 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (96,551)	\$ (47,968)
Changes in non-cash working capital:		
Contributors receivable	273,399	(193,621)
Inventory	4,300	(5,182)
Accounts payable	(4,529)	(14,620)
Deferred revenue	476,445	-
Prepaid expenses	534	
Goods and services tax payable (recoverable)	2,971	4,947
	753,120	(208,476)
Cash flow from (used by) operating activities	656,569	(256,444)
INVESTING ACTIVITY		
Purchase of computer equipment	(3,656)	(1,898)
INCREASE (DECREASE) IN CASH FLOW	652,913	(258,342)
Cash - beginning of year	89,351	347,693
CASH - END OF YEAR	\$ 742,264	\$ 89,351
CASH CONSISTS OF:		
Cash	\$ 742,264	\$ -
Short term investment	-	300,000
Bank indebtedness	-	(210,649)
	\$ 742,264	\$ 89,351
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 217	\$ 262

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2010

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

(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.

(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.

(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.

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2010

2 Summary Significant Accounting Policies (cont'd)

(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 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.

(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.

(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 Contributions Receivable

Contributions receivable include \$95,012 (2009 - \$244,636) in contract reimbursement due from Alberta Environment and all received on May 12, 2010.

North Saskatchewan Watershed Alliance

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2010

4 Deferred revenue

	2010	2009
Opening balance	\$ -	\$ -
Grants received in the year		
Government of Alberta - Environment (January 2010 to March 2012)	500,000	300,000
The City of Edmonton	32,000	-
Grants recognized in revenue	(55,555)	(300,000)
Ending balance	\$ 476,445	\$ -

5 Contributions by Major Source

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

	2010	2009
EPCOR	\$ -	\$ 30,000
Government of Alberta - contract reimbursement	100,013	330,657
Agriculture and Agri-Food Canada - contract reimbursement	-	90,000
Other	7,679	20,000
Ducks Unlimited Canada	45,000	60,000
Restricted funds	152,692	530,657
EPCOR	95,000	-
Government of Alberta - operating	305,555	300,000
City of Edmonton	16,000	50,000
Other	13,197	27,265
General funds	429,752	377,265
	\$ 582,444	\$ 907,922

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

During the year, the organization received approximately \$850,013 (\$405,568 for 2010, \$222,222 for 2011, and \$222,223 for 2012) (2009 - \$630,657) in operating and contract reimbursement from the Provincial government for its programs. Of this amount \$405,568 (2009 - \$630,657) has been included in revenue and approximately \$444,445 (2009 - \$nil) 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.

North Saskatchewan Watershed Alliance

SCHEDULE 1

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE FOR RESTRICTED FUNDS
FOR THE YEAR THEN ENDING MARCH 31, 2010

	-----Integrated Watershed Management Plan (IWMP)-----									
	Water Quality Objectives	Ground Water Overview	Watershed Quality Model	Municipality Engagement	General	RAC	Water Use	Economics	Steering Committee	Total
Revenues										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement	-	-	25,013	50,000	-	-	-	25,000	-	100,013
	-	-	25,013	50,000	-	-	-	25,000	-	100,013
Expenses										
Conference fees	-	-	-	-	-	-	-	-	30	30
Professional and consulting fees	69,360	3,005	24,231	47,619	-	-	-	25,000	-	169,215
NSWA administrative overhead	-	-	782	2,381	-	-	-	-	-	3,163
Meeting costs	13	-	-	-	-	-	-	-	284	297
Office supplies and miscellaneous	-	-	-	-	-	-	-	-	7	7
Printing and reproduction	-	3,128	-	-	-	-	-	-	-	3,128
Travel and accommodation	-	-	-	-	-	-	-	-	595	595
	69,373	6,133	25,013	50,000	-	-	-	25,000	916	176,435
Revenues over expenses	(69,373)	(6,133)	-	-	-	-	-	-	(916)	(76,422)
Fund balances at beginning of year	-	-	-	-	141,077	10,282	45,000	-	(3,613)	192,746
Interfund transfers	-	-	-	-	-	-	-	-	-	-
Fund balances at end of year	\$ (69,373)	\$ (6,133)	\$ -	\$ -	\$ 141,077	\$ 10,282	\$ 45,000	\$ -	\$ (4,529)	\$ 116,324

North Saskatchewan Watershed Alliance

SCHEDULE 2

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE FOR RESTRICTED FUNDS FOR THE YEAR THEN ENDING MARCH 31, 2010

	Heritage River Study	Subwatershed Stewardship	Vermilion VRWMP	IWMP (Schedule 1)	Total
Revenues					
Contributions	\$ -	\$ 7,679	\$ 45,000	\$ -	\$ 52,679
Reimbursement	-	-	-	100,013	100,013
	-	7,679	45,000	100,013	152,692
Expenses					
Conference fees	-	-	-	30	30
Professional and consulting fees	-	-	-	169,215	169,215
NSWA administrative overhead	-	-	-	3,163	3,163
Drinking Water Source Protection	-	-	-	-	-
Meeting costs	-	-	7,923	297	8,220
Office supplies and miscellaneous	-	-	-	7	7
Printing and reproduction	-	-	3,829	3,128	6,957
Salaries and benefits	-	7,679	32,887	-	40,566
Travel and accommodation	-	-	361	595	956
	-	7,679	45,000	176,435	229,114
Revenues over expenses	-	-	-	(76,422)	(76,422)
Fund balances at beginning of year	877	45,685	-	192,746	239,308
Interfund transfers	-	-	-	-	-
Fund balances at end of year	\$ 877	\$ 45,685	\$ -	\$ 116,324	\$ 162,886