

# **Mighty Peace Watershed Alliance Society**

## **Financial Statements**

**Year ended March 31, 2014**

(Unaudited)

**John D. Henderson Professional Corporation**  
Chartered Accountant

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## Review Engagement Report

To: The Board of Directors

I have reviewed the statement of financial position of Mighty Peace Watershed Alliance Society as at March 31, 2014 and the statements of operations, changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to by the society.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Grande Prairie, Alberta  
June 15, 2014



Chartered Accountant

# Mighty Peace Watershed Alliance

## Statement of Financial Position

March 31, 2014  
(Unaudited)

|   | <u>2014</u>       |
|---|-------------------|
| <b>Assets</b>                                 |                   |
| <b>Current</b>                                |                   |
| Cash  | \$ 23,111         |
| Accounts receivable                           | 80,000            |
| GST rebates receivable                        | <u>11,345</u>     |
|   | 114,456           |
| <b>Property, plant and equipment - Note 4</b> | <u>5,818</u>      |
|   | <u>\$ 120,274</u> |
| <br>  |                   |
| <b>Liabilities</b>                            |                   |
| Accounts payable and accrued liabilities      | <u>\$ 7,154</u>   |
| <br>  |                   |
| <b>Net Assets</b>                             |                   |
| Unrestricted net assets                       | <u>113,120</u>    |
|   | <u>\$ 120,274</u> |

# Mighty Peace Watershed Alliance

## Statement of Operations

Year ended March 31, 2014  
(Unaudited)

| <b>Revenue</b>  | <u>2014</u>       |
|---|-------------------|
| Alberta environment core grant                                      | \$ 250,000        |
| Alberta environment project funding                                 | 208,000           |
| Stakeholder contributions   | 10,300            |
| Environmental damages funding                                       | 4,671             |
| Interest income   | <u>99</u>         |
|   | <u>473,070</u>    |
| <br>  |                   |
| <b>Expenses</b>   |                   |
| Advertising and promotions  | 8,094             |
| Amortization  | <u>1,551</u>      |
| Delivery, freight and postage                                       | 774               |
| GST expense   | 11,345            |
| Honorariums   | 7,575             |
| Insurance   | 1,918             |
| Interest and bank charges   | <u>200</u>        |
| Office  | 5,490             |
| Printing and reproduction   | 7,947             |
| Professional fees   | <u>3,124</u>      |
| Rent  | 275               |
| Salaries and wages  | 19,089            |
| Subcontracts  | 154,360           |
| Technical project   | <u>203,557</u>    |
| Telecommunications  | 4,412             |
| Training  | 14,149            |
| Travel  | <u>37,639</u>     |
|   | <u>481,499</u>    |
| <br>  |                   |
| <b>Excess(deficiency) of revenue<br/>over expenses for the year</b> | <u>\$ (8,429)</u> |

# Mighty Peace Watershed Alliance

## Statement of Changes in Net Assets

Year ended March 31, 2014  
(Unaudited)

|  | <u>2014</u>       |
|--|-------------------|
| Balance at beginning of year                       | \$ 121,549        |
| Excess(deficiency) of revenue<br>over expenditures | <u>(8,429)</u>    |
| Balance at end of year                             | <u>\$ 113,120</u> |

# Mighty Peace Watershed Alliance

## Statement of Cash Flows

Year ended March 31, 2014  
(Unaudited)

|  | <u>2014</u>      |
|--|------------------|
| <b>Cash Provided by (used in) operating activities</b> |                  |
| Excess(deficiency) of revenue<br>over expenses         | \$ (8,429)       |
| Amortization   | <u>1,551</u>     |
|  | (6,878)          |
| <b>Changes in working capital accounts</b>             |                  |
| Accounts receivable                                    | (46,000)         |
| GST recoverable  | (1,307)          |
| Accounts payable                                       | <u>5,109</u>     |
|  | <u>(49,076)</u>  |
| <b>Investing activities</b>                            |                  |
| Purchase of equipment                                  | <u>(3,464)</u>   |
| <b>Increase(decrease) in cash</b>                      | (52,540)         |
| <b>Cash, beginning of year</b>                         | <u>75,651</u>    |
| <b>Cash, end of year</b>                               | <u>\$ 23,111</u> |

# Mighty Peace Watershed Alliance Society

## Notes to the Financial Statements

Year ended March 31, 2014

(Unaudited)

### 1. Purpose of the association

The Mighty Peace Watershed Alliance (MPWA) was formed in 2011 and has been designated by the Government of Alberta as the official Watershed Planning and Advisory Council for the Peace/Slave River Basin under Alberta's Water for Life Strategy.

The Mighty Peace Watershed Alliance is a multi-sector, not-for-profit society committed to planning for an ecologically healthy watershed while ensuring environmental, economic and social sustainability.

### 2. Going concern

These statements have been prepared on a going concern basis, presuming that the society will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The society is dependent on its ability to secure funding from outside sources, notably from Alberta Environment and Sustainable Resource Development.

The financial statements do not reflect the adjustments or reclassification of assets and liabilities should the society be unable to continue operations.

### 3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the by the standards board using the following significant accounting policies.

#### Cash and cash equivalents

Cash and cash equivalents include balances with the bank. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### Capital assets

Capital assets are recorded at cost. Amortization is recorded using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful life.

|                         | Rate |
|-------------------------|------|
| Computer equipment      | 30%  |
| Furniture and equipment | 20%  |

These notes represent an integral part of the financial statements

# **Mighty Peace Watershed Alliance Society**

## **Notes to the Financial Statements**

**Year ended March 31, 2014**

(Unaudited)

### **Contributed services**

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined; they are used in the normal course of the Society's operations, and would otherwise have been purchased. There were no contributed services in the period ended 2014.

### **Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. There were no restricted contributions in 2014.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

### **Measurement uncertainty**

The preparation of financial statements on accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of expenses and/or revenue in the periods which they become known.

### **Financial Instruments**

Held for trading:

The Society has classified cash and accounts receivable as held for trading. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in the statements of operations.

The Society's held for trading instruments are initially and subsequently measured at their fair value, without any deduction for transaction cost incurred on sale or other disposal. Gains and losses arising from changes in the fair value are recognized immediately in the statement of operations.



# Mighty Peace Watershed Alliance Society

## Notes to the Financial Statements

Year ended March 31, 2014

(Unaudited)

Other financial liabilities:

The Society has classified accounts payable and accrued liabilities as other financial liabilities. These liabilities are initially recognized as their fair value which is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in the current year statement of operations.

Other financial liabilities are subsequently measured and amortized at cost using the interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Total interest expense calculated using the affected interest method is recognized in the statements of operations. Gains and losses arising from changes in their fair value are recognized in net income upon de-recognition.

### Recent accounting pronouncements

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in part III of the CICA Handbook – Accounting (the “Handbook”). Part III will comprise:

- The existing “4400 series” of standards dealing with the unique circumstances of NFPOs, currently part V of the Handbook; and
- The new accounting standards for private enterprise in Part II of the Handbook, to the extent that they would apply to NFPOs

Effective fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Early adoption is permitted. The Society has decided to adopt of Part III of the Handbook on its March 31, 2014 financial statements.

### 4. Property, plant, and equipment

|                         | Cost            | Accumulated<br>Amortization | 2014<br>Net book<br>value |
|-------------------------|-----------------|-----------------------------|---------------------------|
| Computer equipment      | \$ 4,566        | \$ 1,271                    | \$ 3,295                  |
| Furniture and equipment | 2,803           | 280                         | 2,523                     |
|                         | <u>\$ 7,369</u> | <u>\$ 1,551</u>             | <u>\$ 5,818</u>           |

These notes represent an integral part of the financial statements

# **Mighty Peace Watershed Alliance Society**

## **Notes to the Financial Statements**

**Year ended March 31, 2014**

(Unaudited)

### **5. Economic dependence**

As the source of 97% of the Society's revenue, it is dependent on the Province of Alberta for it to continue to operations. As at the date of the financial statements the Society believes that it is in compliance with the guidelines set out for it to continue receiving the grant funding.

### **6. Capital management**

The Society's objectives when managing capital are to maintain a strong cash flow for its operations and to continue to operate as a going concern. The Society sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes in economic conditions.

The following is managed as capital:

|      |          |
|------|----------|
| Cash | \$23,111 |
|------|----------|

### **7. Income tax**

The Society is income tax exempt.