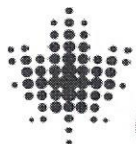
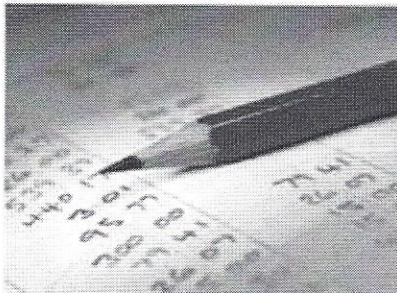


# SYLVAIN & COMPANY

## MIGHTY PEACE WATERSHED ALLIANCE SOCIETY

Financial Statements

Year Ended March 31, 2020



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY**

**Index to Financial Statements**

**Year Ended March 31, 2020**

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# SYLVAIN & COMPANY

Chartered Professional Accountants

Michel A Sylvain, CPA, CGA\*  
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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of MIGHTY PEACE WATERSHED ALLIANCE SOCIETY

We have reviewed the accompanying financial statements of MIGHTY PEACE WATERSHED ALLIANCE SOCIETY (the Society) that comprise the statement of financial position as at March 31, 2020, 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 MIGHTY PEACE WATERSHED ALLIANCE SOCIETY as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Falher, AB  
June 30, 2020

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY****Statement of Financial Position****March 31, 2020**

|   | 2020         | 2019         |
|---|--------------|--------------|
| <b>ASSETS</b>                           |              |              |
| <b>CURRENT</b>                          |              |              |
| Cash                                    | \$ 312,307   | \$ 281,272   |
| Accounts receivable                     | -            | 9,385        |
| Goods and services tax recoverable      | 3,380        | 17,077       |
| Prepaid expenses                        | 1,137        | 1,060        |
|   | 316,824      | 308,794      |
| <b>TANGIBLE CAPITAL ASSETS (Note 3)</b> | <b>1,590</b> | <b>2,153</b> |
|   | \$ 318,414   | \$ 310,947   |
| <b>LIABILITIES AND NET ASSETS</b>       |              |              |
| <b>CURRENT</b>                          |              |              |
| Accounts payable                        | \$ 4,301     | \$ 12,804    |
| Short term debt                         | -            | 2,260        |
| Deferred contributions (Note 4)         | 215,966      | 215,670      |
|   | 220,267      | 230,734      |
| <b>NET ASSETS</b>                       |              |              |
| Unrestricted                            | 96,557       | 78,060       |
| Invested in capital assets              | 1,590        | 2,153        |
|   | 98,147       | 80,213       |
|   | \$ 318,414   | \$ 310,947   |

ON BEHALF OF THE BOARD



Director

See notes to financial statements

SYLVAIN &amp; COMPANY

**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY****Statement of Revenues and Expenditures****Year Ended March 31, 2020**

|   | 2020             | 2019             |
|---|------------------|------------------|
| <b>REVENUES</b>   |                  |                  |
| Alberta Environment Core Grant                          | \$ 223,031       | \$ 294,781       |
| Alberta Environment Water Resiliency, Restoration       | 67,285           | 148,032          |
| Stakeholder Contribution                                | 17,620           | 44,505           |
| Technical Funding Project - Red Willow                  | 76,354           | 545,128          |
|   | <b>384,290</b>   | <b>1,032,446</b> |
| <b>EXPENSES</b>   |                  |                  |
| Advertising and promotion                               | 1,416            | 14,538           |
| Employee benefits                                       | 1,671            | 3,478            |
| GST expense   | 3,380            | 17,077           |
| Honorariums   | 2,475            | 4,575            |
| Insurance   | 2,197            | 2,133            |
| Interest and bank charges                               | 49               | 50               |
| Meetings and conventions                                | 1,833            | 1,373            |
| Office  | 3,235            | 5,716            |
| Printing and reproduction                               | 1,176            | 6,717            |
| Professional fees                                       | 4,410            | 4,565            |
| Rent  | 685              | 3,929            |
| Salaries and wages                                      | 23,142           | 48,600           |
| Sub-contracts   | 234,244          | 248,209          |
| Technical project                                       | 48,925           | 566,719          |
| Telephone   | 5,958            | 6,199            |
| Training  | 1,481            | 4,684            |
| Travel  | 29,575           | 56,756           |
|   | <b>365,852</b>   | <b>995,318</b>   |
| <b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b> | <b>18,438</b>    | <b>37,128</b>    |
| <b>OTHER INCOME (EXPENSES)</b>                          |                  |                  |
| Amortization  | (563)            | (581)            |
| Interest income   | 59               | -                |
|   | <b>(504)</b>     | <b>(581)</b>     |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                 | <b>\$ 17,934</b> | <b>\$ 36,547</b> |



**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY****Statement of Changes in Net Assets****Year Ended March 31, 2020**

|   | Unrestricted | Invested in<br>Capital Assets | 2020      | 2019      |
|---|--------------|-------------------------------|-----------|-----------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>       | \$ 78,060    | \$ 2,153                      | \$ 80,213 | \$ 43,666 |
| <b>EXCESS OF REVENUES OVER<br/>EXPENSES</b> | 18,497       | (563)                         | 17,934    | 36,547    |
| <b>NET ASSETS - END OF YEAR</b>             | \$ 96,557    | \$ 1,590                      | \$ 98,147 | \$ 80,213 |

See notes to financial statements

SYLVAIN &amp; COMPANY

**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY****Statement of Cash Flows****Year Ended March 31, 2020**

|   | 2020       | 2019       |
|---|------------|------------|
| <b>OPERATING ACTIVITIES</b>                 |            |            |
| Excess of revenues over expenses            | \$ 17,934  | \$ 36,547  |
| Item not affecting cash:                    |            |            |
| Amortization of tangible capital assets     | 563        | 581        |
|   | 18,497     | 37,128     |
| Changes in non-cash working capital:        |            |            |
| Accounts receivable                         | 9,385      | (2,884)    |
| Accounts payable                            | (8,503)    | 4,190      |
| Deferred contributions                      | 296        | 23,917     |
| Prepaid expenses                            | (77)       | 13         |
| Goods and services tax payable              | 13,697     | (14,270)   |
|   | 14,798     | 10,966     |
| Cash flow from operating activities         | 33,295     | 48,094     |
| <b>INVESTING ACTIVITY</b>                   |            |            |
| Purchase of tangible capital assets         | -          | (910)      |
| Cash flow used by investing activity        | -          | (910)      |
| <b>FINANCING ACTIVITY</b>                   |            |            |
| Short term debt                             | (2,260)    | 1,855      |
| Cash flow from (used by) financing activity | (2,260)    | 1,855      |
| <b>INCREASE IN CASH FLOW</b>                | 31,035     | 49,039     |
| Cash - beginning of year                    | 281,272    | 232,233    |
| <b>CASH - END OF YEAR</b>                   | \$ 312,307 | \$ 281,272 |
| <b>CASH CONSISTS OF:</b>                    |            |            |
| Cash  | \$ 312,307 | \$ 281,272 |

# MIGHTY PEACE WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

### 1. PURPOSE OF THE SOCIETY

MIGHTY PEACE WATERSHED ALLIANCE SOCIETY (the "society") is a not-for-profit organization incorporated provincially under the Societies 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 society is a multi-sector not-for-profit society committed to planning for an ecologically healthy watershed while ensuring environmental, economic and social sustainability.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Cash and cash equivalents

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

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

|                    |                              |
|--------------------|------------------------------|
| Equipment          | 20% declining balance method |
| Computer equipment | 30% declining balance method |

The society regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### 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.

(continues)



# MIGHTY PEACE WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

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

#### Revenue recognition

MIGHTY PEACE WATERSHED ALLIANCE SOCIETY follows the deferral method of accounting for contributions.

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

#### Financial instruments policy

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.

When the society issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

# MIGHTY PEACE WATERSHED ALLIANCE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

### 3. TANGIBLE CAPITAL ASSETS

| Cost      | 2019<br>Balance | Additions | Disposals | 2020<br>Balance |
|-----------|-----------------|-----------|-----------|-----------------|
| Equipment | \$ 2,803        | \$ -      | \$ -      | \$ 2,803        |
| Computers | 5,476           | -         | -         | 5,476           |
|           | \$ 8,279        | \$ -      | \$ -      | \$ 8,279        |

| Accumulated Amortization | 2019<br>Balance | Amortization | Accumulated<br>Amortization<br>on Disposals | 2020<br>Balance |
|--------------------------|-----------------|--------------|---|-----------------|
| Equipment                | \$ 1,977        | \$ 165       | \$ -  | \$ 2,142        |
| Computers                | 4,149           | 398          | -   | 4,547           |
|                          | \$ 6,126        | \$ 563       | \$ -  | \$ 6,689        |

| Net book value | 2020     | 2019     |
|----------------|----------|----------|
| Equipment      | \$ 661   | \$ 826   |
| Computers      | 929      | 1,327    |
|                | \$ 1,590 | \$ 2,153 |

**MIGHTY PEACE WATERSHED ALLIANCE SOCIETY****Notes to Financial Statements****Year Ended March 31, 2020***(Unaudited)***4. DEFERRED CONTRIBUTIONS**

Deferred contributions represent unspent resources restricted for operating funding received in the current period that is related to the subsequent period. Changes in the deferred contribution balances are as follows.

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| <b>Core Operational &amp; Program Support</b>                       |                   |                   |
| Beginning balance, related to operating funding                     | \$ 123,833        | \$ 14,024         |
| Less - amount recognized as revenue in the year                     | (223,031)         | (294,781)         |
| Add - amount received during the year - Alberta Environment & Parks | 130,040           | 400,070           |
| Add - amount received during the year - other                       | -                 | 4,520             |
|   | <b>30,842</b>     | <b>123,833</b>    |
| <b>Technical Funding Project - Red Willow</b>                       |                   |                   |
| Beginning balance, related to operating funding                     | -                 | -                 |
| Less - amount recognized as revenue in the year                     | -                 | (545,128)         |
| Add - amount received during the year                               | -                 | 545,128           |
|   | <b>-</b>          | <b>-</b>          |
| <b>Water Resiliency and Restoration Program - Stream</b>            |                   |                   |
| Beginning balance, related to operating funding                     | 70,108            | 155,833           |
| Less - amount recognized as revenue in the year                     | (45,127)          | (87,101)          |
| Add - amount received during the year                               | 24                | 1,376             |
|   | <b>25,005</b>     | <b>70,108</b>     |
| <b>Water Resiliency and Restoration Program - Livestock</b>         |                   |                   |
| Beginning balance, related to operating funding                     | 21,729            | 21,896            |
| Less - amount recognized as revenue in the year                     | (15,180)          | (60,931)          |
| Add - amount received during the year                               | 10                | 60,764            |
|   | <b>6,559</b>      | <b>21,729</b>     |
| <b>Wapiti Bank Stabilization</b>                                    |                   |                   |
| Beginning balance, related to operating funding                     | -                 | -                 |
| Less - amount recognized as revenue in the year                     | (6,979)           | -                 |
| Add - amount received during the year                               | 160,539           | -                 |
|   | <b>153,560</b>    | <b>-</b>          |
| <b>Grand total</b>  | <b>\$ 215,966</b> | <b>\$ 215,670</b> |

**5. ECONOMIC DEPENDENCE**

The society is dependent on its ability to secure funding from outside sources, notably from Alberta Transportation, Alberta Environment and Sustainable Resource Development as well as Environment Canada. The Society receives 95% (2019 - 96%) of its revenue from government funding.

# **MIGHTY PEACE WATERSHED ALLIANCE SOCIETY**

## **Notes to Financial Statements**

**Year Ended March 31, 2020**

*(Unaudited)*

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### **6. 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. It is management's opinion that the society is not exposed to significant interest, currency, or credit risk arising from these financial statements. The following analysis provides information about the society's liquidity risk exposure and concentration as of March 31, 2020.

#### 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, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.