

ALBERTA LAKE MANAGEMENT SOCIETY

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE YEAR ENDED MARCH 31, 2021

AND

REVIEW ENGAGEMENT REPORT

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of **Alberta Lake Management Society**:

We have reviewed the accompanying financial statements of **Alberta Lake Management Society** that comprise the statement of financial position as at March 31, 2021, and the statement of operations and net assets and of 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, 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 **Alberta Lake Management Society** at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

We draw attention to Note 6 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 and its effect on the global economy. Our conclusion is not modified in respect of this matter.

Edmonton, Alberta
September 9, 2021

Yaremchuk & Annicchiarico LLP
Chartered Professional Accountants

ALBERTA LAKE MANAGEMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021
(Unaudited)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$324,203	\$280,032
Accounts receivable	9,912	8,773
Inventory	7,021	156
Prepaid expenses	<u>2,900</u>	<u>1,837</u>
Total current assets	344,036	290,798
EQUIPMENT - net of accumulated amortization of \$4,640 (2020 - \$3,064)	<u>6,301</u>	<u>7,877</u>
TOTAL	<u>\$350,337</u>	<u>\$298,675</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 11,734	\$ 12,813
Deferred revenue - grants	<u>20,636</u>	<u>16,750</u>
Total current liabilities	<u>32,370</u>	<u>29,563</u>
LOAN PAYABLE (Note 5)	<u>40,000</u>	<u>-</u>
NET ASSETS - unrestricted	<u>277,967</u>	<u>269,112</u>
TOTAL	<u>\$350,337</u>	<u>\$298,675</u>

Approved by the Board:

Adam Nours ADAM NOURS
Treasurer Director

Debra Koster DEBRA KOSTER
Chair Director

ALBERTA LAKE MANAGEMENT SOCIETY
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021
(Unaudited)

	<u>2021</u>	<u>2020</u>
UNRESTRICTED REVENUE:		
Annual workshop	\$ -	\$ 13,540
Other	3,213	15,366
Projects	<u>7,100</u>	<u>1,049</u>
Total unrestricted revenue	<u>10,313</u>	<u>29,955</u>
RESTRICTED REVENUE:		
Grants - Alberta Ecotrust	2,350	5,483
- Alberta Environment & Parks - AIS	-	22,148
- Alberta Environment & Parks - Lakewatch	160,000	160,000
- Alberta Environment & Parks - Operational Support	50,150	50,150
- Canada Summer Jobs	6,300	4,200
- Friends of Environment	9,000	-
- Lakewatch	<u>60,607</u>	<u>56,220</u>
Total restricted revenue	<u>288,407</u>	<u>298,201</u>
Total revenue	<u>298,720</u>	<u>328,156</u>
EXPENSES:		
Amortization	1,576	1,970
Annual workshop	-	8,938
Bank charges	395	391
Education and outreach	55	191
Insurance	2,124	2,103
Lakekeepers program	34,863	11,130
Lakewatch program	177,546	226,462
Office	9,967	11,490
Professional fees	2,940	3,045
Projects	2,000	2,000
Promotion and advertising	513	53
Salaries and benefits	55,707	58,129
Training	1,225	364
Travel	<u>954</u>	<u>2,041</u>
Total expenses	<u>289,865</u>	<u>328,307</u>
EXCESS OF REVENUE (EXPENSES) FOR THE YEAR	8,855	(151)
NET ASSETS AT BEGINNING OF THE YEAR	269,112	269,263
NET ASSETS AT END OF THE YEAR	<u>\$277,967</u>	<u>\$269,112</u>

ALBERTA LAKE MANAGEMENT SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021
(Unaudited)

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES:		
Cash from operations - excess of revenue (expenses) for the year	\$ 8,855	\$ (151)
Item not affecting operations - amortization.....	<u>1,576</u>	<u>1,970</u>
	10,431	1,819
Increase (decrease) in non-cash working capital balances related to operations:		
Accounts receivable	(1,139)	(3,773)
Inventory.....	(6,865)	31
Prepaid expenses.....	(1,063)	(1,386)
Accounts payable and accrued liabilities	(1,079)	7,388
Deferred revenue.....	<u>3,886</u>	<u>(5,398)</u>
Net cash from (used in) operating activities.....	<u>4,171</u>	<u>(1,319)</u>
FINANCING ACTIVITY - proceeds from loan.....	<u>40,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR....	44,171	(1,319)
CASH AT BEGINNING OF THE YEAR	<u>280,032</u>	281,351
CASH AT END OF THE YEAR.....	<u>\$324,203</u>	<u>\$280,032</u>

ALBERTA LAKE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)

1. PURPOSE OF THE SOCIETY:

The Alberta Lake Management Society was incorporated under The Societies Act, Alberta. Its purpose is to promote understanding and comprehensive management of lakes and reservoirs and their watersheds.

2. ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are as follows:

Revenue recognition:

Grants and donations are included in revenue in the year in which they are received or become receivable, with the exception that amounts received to fund specific expenditures are included in revenue in the year the funds are expended.

Revenue from all other sources is included in revenue in the year in which it is received or becomes receivable.

Donation of services:

The work of the Society is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Society and because of the difficulty of determining their fair values donated services are not recognized in these financial statements.

Inventory:

Inventory consists of items for resale and is stated at the lower of cost and net realizable value.

Equipment:

Equipment is stated at cost. Amortization is provided using the declining balance method at the rate of 20% per annum.

Deferred revenue:

Deferred revenue represents amounts received for which the specific expenditures have not been incurred. The amounts will be recognized as revenue when the specific expenditures have been made.

ALBERTA LAKE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)

2. ACCOUNTING POLICIES (continued):

Financial instruments:

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

The Society's financial instruments measured at amortized cost consist of cash, accounts receivable, accounts payable and accrued liabilities and loan payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount of impairment recognized previously. The amount of the reversal is recognized in net income.

Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and short-term investments that can be converted readily to cash.

Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and adjustments are made to income as appropriate in the year they become known.

3. FINANCIAL INSTRUMENTS:

It is management's opinion that the Society is not exposed to significant credit risk, market risk (which consists of currency risk, interest rate risk and other price risk) or liquidity risk arising from the Society's financial instruments.

4. INCOME TAX STATUS:

The Society is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

ALBERTA LAKE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)

5. LOAN PAYABLE:

In response to the global pandemic, the government of Canada introduced the Canada Emergency Business Account which provides entities with loans of up to \$60,000 to finance expenses which cannot be deferred or avoided. Repaying the loan in full on or before December 31, 2022 may result in the forgiveness of up to \$20,000 of the loan. The loan is non-interest bearing until December 31, 2022. If the loan is not repaid by December 31, 2022, it can be converted into a three year term loan with an interest rate of 5%. The loan is unsecured.

6. OTHER MATTER:

On March 11, 2020, the World Health Organization declared a global pandemic due to a novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of Alberta Lake Management Society and its operations in future periods.