

ALBERTA LAKE MANAGEMENT SOCIETY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
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, 2022, 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, 2022, 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.

Edmonton, Alberta
September 9, 2022

Yaremchuk & Annicchiarico LLP
Chartered Professional Accountants

ALBERTA LAKE MANAGEMENT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$250,067	\$324,203
Short-term investments	25,000	-
Accounts receivable	63,642	9,912
Inventory	7,657	7,021
Prepaid expenses	<u>1,692</u>	<u>2,900</u>
Total current assets	348,058	344,036
EQUIPMENT - net of accumulated amortization of \$6,670 (2021 - \$4,640)	<u>11,977</u>	<u>6,301</u>
TOTAL	<u>\$360,035</u>	<u>\$350,337</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 20,326	\$ 11,734
Deferred revenue - grants	<u>35,211</u>	<u>20,636</u>
Total current liabilities	<u>55,537</u>	<u>32,370</u>
LOAN PAYABLE (Note 3)	<u>40,000</u>	<u>40,000</u>
NET ASSETS - unrestricted	<u>264,498</u>	<u>277,967</u>
TOTAL	<u>\$360,035</u>	<u>\$350,337</u>

Approved by the Board:

_____ Director

_____ Director

ALBERTA LAKE MANAGEMENT SOCIETY
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
UNRESTRICTED REVENUE - other	\$ <u>4,637</u>	\$ <u>10,313</u>
RESTRICTED REVENUE:		
Grants - Alberta Ecotrust	-	2,350
- Alberta Environment & Parks - Lakewatch.....	160,000	160,000
- Alberta Environment & Parks - Operational Support.....	50,150	50,150
- Canada Summer Jobs	4,200	6,300
- Friends of Environment.....	-	9,000
- Lakekeepers	17,000	-
- Lakewatch.....	73,298	60,607
- Little Beaver Lake Project	10,151	-
- University of Calgary - Alberta Safe Beach Program	48,100	-
Total restricted revenue	<u>362,899</u>	<u>288,407</u>
Total revenue.....	<u>367,536</u>	<u>298,720</u>
EXPENSES:		
Alberta Safe Beach Program.....	39,450	-
Amortization.....	2,030	1,576
Bank charges.....	458	395
Education and outreach.....	-	55
Insurance.....	2,582	2,124
Lakekeepers program.....	59,591	34,863
Lakewatch program	173,670	177,546
Little Beaver Lake Project.....	10,151	-
Office	13,760	9,967
Professional fees	5,106	2,940
Projects	2,841	2,000
Promotion and advertising	1,619	513
Salaries and benefits	67,822	55,707
Training	1,117	1,225
Travel	808	954
Total expenses	<u>381,005</u>	<u>289,865</u>
EXCESS OF REVENUE (EXPENSES) FOR THE YEAR.....	(13,469)	8,855
NET ASSETS AT BEGINNING OF THE YEAR.....	<u>277,967</u>	<u>269,112</u>
NET ASSETS AT END OF THE YEAR	<u>\$264,498</u>	<u>\$277,967</u>

ALBERTA LAKE MANAGEMENT SOCIETY**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES:		
Cash from operations - excess of revenue (expenses) for the year	\$ (13,469)	\$ 8,855
Item not affecting operations - amortization.....	<u>2,030</u>	<u>1,576</u>
	(11,439)	10,431
Increase (decrease) in non-cash working capital balances related to operations:		
Accounts receivable	(53,730)	(1,139)
Inventory.....	(636)	(6,865)
Prepaid expenses.....	1,208	(1,063)
Accounts payable and accrued liabilities	8,592	(1,079)
Deferred revenue.....	<u>14,575</u>	<u>3,886</u>
Net cash from (used in) operating activities.....	<u>(41,430)</u>	<u>4,171</u>
FINANCING ACTIVITY - proceeds from loan.....	<u>-</u>	<u>40,000</u>
INVESTING ACTIVITY - purchase of equipment.....	<u>(7,706)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR....	(49,136)	44,171
CASH AT BEGINNING OF THE YEAR	<u>324,203</u>	<u>280,032</u>
CASH AT END OF THE YEAR.....	<u>\$275,067</u>	<u>\$324,203</u>
CASH CONSISTS OF:		
Cash	\$250,067	\$324,203
Short-term investments	<u>25,000</u>	<u>-</u>
	<u>\$275,067</u>	<u>\$324,203</u>

ALBERTA LAKE MANAGEMENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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.

Short-term investments:

Short-term investments consist of a guaranteed investment certificate and is stated at cost.

Inventory:

Inventory consists of items for resale and is stated at the lower of cost and net realizable value. The cost of inventory is determined using the weighted average cost method.

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, 2022

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, short-term investments, 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. 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, 2023 may result in the forgiveness of up to \$20,000 of the loan. The loan is non-interest bearing until December 31, 2023. If the loan is not repaid by December 31, 2023, it can be converted into a two year term loan with an interest rate of 5%. The loan is unsecured.

ALBERTA LAKE MANAGEMENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

4. FINANCIAL INSTRUMENTS:

The Society is exposed to risk on certain financial instruments as follows:

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The society is mainly exposed to interest rate risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on short-term investments and loan payable. The fixed-rate instrument subjects the Society to a fair value risk. The Society manages this risk by holding guaranteed investment certificates and by staggering the terms of the securities held.

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 accounts payable and accrued liabilities and loan payable.

5. INCOME TAX STATUS:

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