

Nature Alberta

Financial statements

**Unaudited – See independent practitioner's
review engagement report**

March 31, 2020



Independent practitioner's review engagement report

To the Directors of
Nature Alberta

We have reviewed the accompanying financial statements of **Nature Alberta** that comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations 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, 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 **Nature Alberta** as at March 31, 2020, and 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, Canada
November 19, 2020



A member firm of Ernst & Young Global Limited

Nature Alberta

Statement of financial position

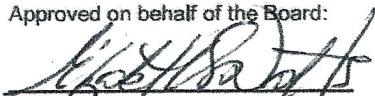
As at March 31

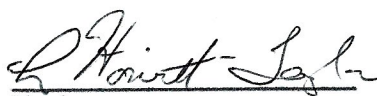
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	2020 \$	2019 \$
Assets		
Current		
Cash and cash equivalents <i>[note 3]</i>	290,107	258,948
Accounts receivable	7,373	27,136
Inventory	20,563	20,531
Prepaid expenses	-	13,533
Total current assets	318,043	320,148
Tangible capital assets <i>[note 4]</i>	4,114	4,790
Long-term investments <i>[note 5]</i>	20,800	10,000
	342,957	334,938
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	24,574	28,538
Government remittances payable	2,572	-
Deferred contributions	99,181	31,747
Total current liabilities	126,327	60,285
Net assets		
Endowment fund	20,800	10,000
Unrestricted net assets	195,830	264,653
	216,630	274,653
	342,957	334,938

See accompanying notes

Approved on behalf of the Board:


Director


Director

Nature Alberta

Statement of changes in net assets

Year ended March 31

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	2020	2019
	\$	\$
Unrestricted net assets, beginning of year	264,653	272,412
Deficiency of revenues over expenses for the year	(58,823)	(7,759)
Transfer to endowment fund	(10,000)	-
	195,830	264,653
Endowment fund, beginning of year	10,000	-
Transfer from unrestricted net assets	10,000	-
Contributions received during the year	800	10,000
	20,800	10,000
Net assets, end of year	216,630	274,653

See accompanying notes

Nature Alberta

Statement of operations

Year ended March 31

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	2020	2019
	\$	\$
Revenue		
Bookstore	5,263	8,272
Donations	17,168	23,631
Casino fundraising proceeds	57,201	44,419
Grants <i>[note 6]</i>	184,049	241,086
Interest income	2,555	245
Memberships	18,334	18,783
Other	14,527	32,944
	299,097	369,380
Expenses		
Advertising and promotion	23,688	14,359
Amortization	1,291	919
Bad debts	368	-
Cost of books sold	(32)	32
Event expenses	-	14,436
Insurance	11,840	10,963
Interest and bank charges	1,137	1,408
Land stewardship and contract services	160,025	171,219
Office	57,445	49,962
Professional fees	8,525	5,447
Telephone and utilities	2,782	2,066
Travel	16,232	30,363
Wages and benefits	74,619	75,965
	357,920	377,139
Deficiency of revenues over expenses for the year	(58,823)	(7,759)

See accompanying notes

Nature Alberta

Statement of cash flows

Year ended March 31

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	2020 \$	2019 \$
Operating activities		
Cash received from (paid to)		
Donations	19,768	23,630
Casino fundraising event	57,201	-
Grants	229,109	223,586
Other	59,573	55,698
Suppliers	(261,307)	(235,907)
Employees	(72,048)	(75,965)
Interest	(1,137)	(1,408)
Cash provided by (used in) operating activities	31,159	(10,366)
Net increase (decrease) in cash and cash equivalents during the year	31,159	(10,366)
Cash and equivalents, beginning of year	258,948	269,314
Cash and equivalents, end of year	290,107	258,948

See accompanying notes

Notes to financial statements

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1. Nature of operations

Federation of Alberta Naturalists [the "Organization"] is a not-for-profit organization incorporated under the *Societies Act* of the Province of Alberta. The Organization provides a base for environmental and wildlife research projects and partnerships for the publication of books on wildlife and the environment.

The Organization is a charity registered under the *Income Tax Act* (Canada), and as such, is exempt from income taxes and is able to issue charitable donation receipts for income tax purposes.

2. Summary of significant accounting policies

Basis of presentation

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described hereafter.

Financial instruments

The Organization initially records a financial instrument at its fair value.

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Subsequently, the Organization measures all financial assets and financial liabilities at amortized cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments with an initial maturity of three months or less.

Inventory

Inventory is stated at the lower of cost measured using the first-in, first-out method and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the declining balance basis over the assets' estimated useful lives:

Computer	30%
Equipment	20%

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Impairment

Long-lived assets subject to amortization

Tangible capital assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Financial assets measured at cost and amortized cost

When there are indications of possible impairment, the Organization determines if there has been a significant adverse change to the expected timing or amounts of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to the asset;
- the amount that could be realized by selling the asset as at the statement of financial position ; and
- the amount the Organization expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include grants and donations. Grants are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, as pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets.

Contributed goods and services are reflected in the financial statements at fair value, if fair value can be reasonably determined. Volunteer hours and services are not recognized in the financial statements due to the difficulty in determining their fair value.

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Revenue from the sale of books is recognized when the significant risks and rewards of ownership of the books have passed to the buyer, which is usually upon the delivery of the books. The costs associated with consigned inventory are also recorded upon the delivery of the books.

Membership fees are determined by the Board of Directors on an annual basis and are recognized as revenue during the fiscal year to which they relate.

Revenue from services provided by the Organization is recognized as the services are rendered.

Interest income is recorded on the accrual basis.

3. Cash and cash equivalents

Included in cash and cash equivalents is \$77,350 [2019 - \$54,945] in proceeds from casinos, which is restricted in use in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

4. Tangible capital assets

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer	3,778	1,879	1,900	2,714
Equipment	25,556	23,342	2,214	2,076
	29,334	25,221	4,114	4,790

5. Long-term investments

Long-term investments consist of endowment contributions to the Nature Alberta endowment fund managed by Edmonton Community Foundation that have been recorded as direct increase in net assets and are required to be maintained permanently as endowments.

Nature Alberta

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6. Grant revenue

	2020			
	Deferred contributions carried forward \$	Grants received \$	Contributions carried to next year \$	Net revenue \$
Alberta Conservation Association	-	10,547	-	10,547
Edmonton Community Foundation	9,920	77,400	(64,606)	22,714
Environment Canada	-	9,621	(3,635)	5,986
Government of Alberta - Alberta Culture, Multiculturalism and Status of Women	-	9,020	-	9,020
Government of Alberta - Operational grant	-	26,535	-	26,535
Government of Canada	-	62,190	-	62,190
Nature Canada	8,000	30,307	-	38,307
North West Redwater Partnership	-	2,500	(2,500)	-
TD Friends of the Environment Foundation	-	17,150	(8,400)	8,750
	17,920	245,270	(79,141)	184,049

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7. Financial instruments - risks and uncertainties

Financial risks

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization believes there is minimal risk associated with these amounts as most are related to grants, membership dues or inventory sales of minimal value. As at March 31, 2020, 81% of accounts receivable is from grants [2019 - 65%].

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its trade and other accounts payable. The Organization believes there is minimal risk associated with these amounts as it does not anticipate any significant difficulties in meeting its financial liabilities.

8. COVID-19

The widely known outbreak of the coronavirus disease [COVID-19] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments, nor the impact on the financial position and financial results of the Organization in future periods.