

**THE FEDERATION OF ALBERTA NATURALISTS**

**Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

**THE FEDERATION OF ALBERTA NATURALISTS**  
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**Year Ended March 31, 2021**  
*(Unaudited)*

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of  
The Federation of Alberta Naturalists

We have reviewed the accompanying financial statements of The Federation of Alberta Naturalists which comprise the statement of financial position as at March 31, 2021 and the statements of operations, changes in net assets and cash flow 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 for the Financial Statements***

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 these financial statements do not present fairly, in all material respects, the financial position of The Federation of Alberta Naturalists as 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***

The prior year financial statements were reviewed by another Chartered Professional Accountant firm.

Edmonton, Alberta  
October 13, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

**THE FEDERATION OF ALBERTA NATURALISTS**

**Statement of Financial Position**

**March 31, 2021**

*(Unaudited)*

	<b>2021</b>	2020 <i>Restated (Note 9)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments <i>(Note 3)</i>	\$ 238,191	\$ 290,107
Accounts receivable	2,740	7,373
Inventory	<u>20,563</u>	<u>20,563</u>
	<b>261,494</b>	318,043
<b>EQUIPMENT <i>(Note 4)</i></b>	<u><b>3,100</b></u>	<u>4,113</u>
	<u><b>\$ 264,594</b></u>	<u>\$ 322,156</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 13,820	\$ 27,146
Deferred contributions <i>(Note 5)</i>	<u>50,122</u>	<u>159,330</u>
	<u><b>63,942</b></u>	<u>186,476</u>
<b>NET ASSETS</b>		
Invested in equipment	<u>3,100</u>	4,113
Unrestricted	<u>197,552</u>	<u>131,567</u>
	<u><b>200,652</b></u>	<u>135,680</u>
	<u><b>\$ 264,594</b></u>	<u>\$ 322,156</u>

**APPROVED BY THE BOARD**

*J. Deinum* Director  
*Richard Schneider* Director

# THE FEDERATION OF ALBERTA NATURALISTS

## Statement of Operations

Year Ended March 31, 2021

(Unaudited)

	2021	2020
		<i>Restated (Note 9)</i>
<b>REVENUE</b>		
Grants (Note 6)	\$ 167,834	\$ 184,049
Casino fundraising proceeds	44,690	57,201
Donations	24,329	17,168
Memberships	20,173	18,334
Bookstore	10,250	5,295
Other	8,070	14,527
Interest income	86	2,555
	<u>275,432</u>	<u>299,129</u>
<b>EXPENSES</b>		
Land stewardship and contract services	93,895	160,025
Wages and benefits	54,658	74,619
Office	24,211	57,445
Insurance	12,995	11,840
Professional fees	10,236	8,525
Advertising and promotion	7,320	23,688
Travel	3,606	16,232
Interest and bank charges	1,086	1,138
Amortization	1,013	1,291
Bad debts	857	368
Telephone and utilities	583	2,782
Donation to Edmonton Community Foundation	-	10,800
	<u>210,460</u>	<u>368,753</u>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 64,972</u>	<u>\$ (69,624)</u>

**THE FEDERATION OF ALBERTA NATURALISTS**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2021**

*(Unaudited)*

	Invested in equipment	Unrestricted	<b>2021</b>	2020 <i>Restated (Note 9)</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 4,113	\$ 131,567	<b>\$ 135,680</b>	\$ 205,304
Revenue over (under) expenses	(1,013)	65,985	<b>64,972</b>	(69,624)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,100</b>	<b>\$ 197,552</b>	<b>\$ 200,652</b>	<b>\$ 135,680</b>

**THE FEDERATION OF ALBERTA NATURALISTS**  
**Statement of Cash Flow**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$ 64,972	\$ (69,624)
Item not affecting cash:		
Amortization	1,013	1,291
	<u>65,985</u>	<u>(68,333)</u>
Changes in non-cash working capital:		
Accounts receivable	4,633	19,763
Inventory	-	(32)
Prepaid expenses	-	13,533
Accounts payable and accrued liabilities	(13,326)	(1,388)
Deferred contributions	(109,208)	67,616
	<u>(117,901)</u>	<u>99,492</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(51,916)</b>	<b>31,159</b>
Cash - beginning of year	<u>290,107</u>	<u>258,948</u>
<b>CASH - END OF YEAR</b>	<b>\$ 238,191</b>	<b>\$ 290,107</b>

# THE FEDERATION OF ALBERTA NATURALISTS

## Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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### 1. NATURE OF OPERATIONS

The Federation of Alberta Naturalists ('The Federation') is a not-for-profit organization incorporated under the Societies Act (Alberta). The Federation provides a base for environmental and wildlife research projects and partnerships for the publication of books on wildlife and the environment.

The Federation 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.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Cash and short-term investments

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Short-term investments include cashable guaranteed investment certificates that mature within six months.

#### 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.

#### Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized on a declining balance method over its estimated useful lives at the following rates:

Equipment	20%
Computer equipment	30%

#### Impairment of Long Lived Assets

Long lived 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.

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## THE FEDERATION OF ALBERTA NATURALISTS

### Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Contributed goods and services

The Federation receives a substantial amount of volunteer time and effort as well as donated goods to carry out its activities. Due to the difficulty in determining the fair value of these contributed amounts, they have not been recognized in these financial statements.

##### Revenue recognition

The Federation 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 amounts 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.

Revenue from the sale of books are recognized when the significant risks and reward 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 Federation are recognized as the services are rendered.

Interest income is recorded on the accrual basis.

##### Financial instruments

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.

##### Use of estimates

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 amounts reported in the financial statements. Significant estimates include allowance for doubtful accounts, allowance for inventory obsolescence, useful life of equipment and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

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## THE FEDERATION OF ALBERTA NATURALISTS

### Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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#### 3. CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments include \$35,499 (2020--\$80,189) in casino proceeds which can only be used in accordance with the licensing agreement with the Alberta Gaming Liquor and Cannabis Commission.

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#### 4. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 25,556	\$ 23,785	\$ 1,771	\$ 2,214
Computer equipment	3,778	2,449	1,329	1,899
	<u>\$ 29,334</u>	<u>\$ 26,234</u>	<u>\$ 3,100</u>	<u>\$ 4,113</u>

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#### 5. DEFERRED CONTRIBUTIONS

A portion of receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred. Deferred contributions consist of the following:

	2021	2020
Casino	\$ 35,499	\$ 80,189
TD Friends of the Environment Foundation	14,623	8,400
Edmonton Community Foundation	-	64,606
Environment Canada	-	3,635
North West Redwater Partnership	-	2,500
	<u>\$ 50,122</u>	<u>\$ 159,330</u>

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## THE FEDERATION OF ALBERTA NATURALISTS

### Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

#### 6. GRANTS

	2021	2020
Edmonton Community Foundation	\$ 64,606	\$ 22,714
Environment Canada	30,225	5,986
Nature Canada	26,570	38,307
Government of Alberta - Alberta Culture, Multiculturalism and Status of Women	23,881	35,555
TD Friends of the Environment Foundation	17,052	8,750
Parkland County - operating grant	3,000	-
Alberta Conservation Association	2,500	10,547
Government of Canada	-	62,190
	<b>\$ 167,834</b>	<b>\$ 184,049</b>

#### 7. ENDOWMENT FUNDS

The Edmonton Community Foundation holds two endowment funds that benefit the Federation on an ongoing basis. At December 31, 2020, the fair value of these funds was \$70,839 and provides annual support equal to 4% of the fund value to the Federation. The fund is the property of the Edmonton Community Foundation and is not recorded in the accounts of the Federation.

The Federation received grants totalling \$2,733. This has been recognized as other income in the statement of operations.

#### 8. FINANCIAL INSTRUMENTS

The Federation's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable and accrued liabilities.

The Federation is exposed to the following risks through its financial instruments:

##### 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 Federation's main credit risk relates to accounts receivable. Accounts receivable are generally amounts due from member clubs. It is management's opinion that there is no significant credit risk as of March 31, 2021.

##### Liquidity risk

Liquidity risk arises from the possibility that the Federation might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of March 31, 2021.

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## THE FEDERATION OF ALBERTA NATURALISTS

### Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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#### 8. FINANCIAL INSTRUMENTS *(continued)*

##### 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 Federation is exposed to interest rate risk arising on its interest bearing assets.

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#### 9. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The prior year financial statements have been restated in order to adjust the deferred casino funds to actual. The impact is to increase the 2020 deferred contributions balance by \$60,149 and decrease the unrestricted net asset balance by \$60,149. The adjustment had no impact on the 2020 revenue under expenses balance. The prior year financial statements have also been revised to remove the long-term investment at the Edmonton Community Foundation as this is not an asset of The Federation as the funds are the property of the Edmonton Community Foundation as described in Note 7. The adjustment resulted in a reduction of the long-term investment by \$20,800 and a reduction to the unrestricted net assets by \$20,800.

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