

THE FEDERATION OF ALBERTA NATURALISTS

Financial Statements

Year Ended March 31, 2022

(Unaudited)

THE FEDERATION OF ALBERTA NATURALISTS

Index to Financial Statements

Year Ended March 31, 2022

(Unaudited)

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 11

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, 2022 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, 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
August 15, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS

THE FEDERATION OF ALBERTA NATURALISTS


Statement of Financial Position

March 31, 2022

(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash <i>(Note 3)</i>	\$ 201,757	\$ 238,191
Accounts receivable	9,681	2,740
Inventory <i>(Note 4)</i>	16,882	20,563
Prepaid expenses	817	-
	229,137	261,494
EQUIPMENT <i>(Note 5)</i>	2,347	3,100
	\$ 231,484	\$ 264,594
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 21,137	\$ 13,820
Deferred contributions <i>(Note 6)</i>	15,841	50,122
	36,978	63,942
NET ASSETS		
Invested in equipment	2,347	3,100
Unrestricted	192,159	197,552
	194,506	200,652
	\$ 231,484	\$ 264,594

APPROVED BY THE BOARD



Richard Schnsider

Director

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Operations

Year Ended March 31, 2022

(Unaudited)

	2022	2021
REVENUE		
Grants (Note 7)	\$ 95,358	\$ 167,834
Donations	55,849	24,329
Casino fundraising proceeds	30,738	44,690
Fees for services and other	30,523	8,070
Memberships	17,792	20,173
Bookstore	14,853	10,250
Interest income	2,237	86
	247,350	275,432
EXPENSES		
Wages and benefits	94,899	54,658
Donations (Note 8)	61,250	2,000
Land stewardship and contract services	34,483	93,895
Advertising and promotion	13,671	7,320
Insurance	12,773	12,995
Professional fees	12,635	10,236
Program costs	11,471	5,937
Office	8,639	16,275
Interest and bank charges	1,498	1,085
Travel	943	3,606
Amortization	753	1,013
Telephone and utilities	339	583
Bad debts	142	857
	253,496	210,460
REVENUE (UNDER) OVER EXPENSES	\$ (6,146)	\$ 64,972

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Changes in Net Assets

Year Ended March 31, 2022

(Unaudited)

	Invested in equipment	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 3,100	\$ 197,552	\$ 200,652	\$ 135,680
Revenue (under) over expenses	(753)	(5,393)	(6,146)	64,972
NET ASSETS - END OF YEAR	\$ 2,347	\$ 192,159	\$ 194,506	\$ 200,652

THE FEDERATION OF ALBERTA NATURALISTS
Statement of Cash Flow
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Revenue (under) over expenses	\$ (6,146)	\$ 64,972
Item not affecting cash:		
Amortization	<u>753</u>	1,013
	<u>(5,393)</u>	65,985
Changes in non-cash working capital:		
Accounts receivable	(6,941)	4,633
Inventory	3,681	-
Prepaid expenses	(817)	12,995
Accounts payable and accrued liabilities	7,317	(26,321)
Deferred contributions	<u>(34,281)</u>	(109,208)
	<u>(31,041)</u>	(117,901)
DECREASE IN CASH	(36,434)	(51,916)
Cash - beginning of year	<u>238,191</u>	290,107
CASH - END OF YEAR	\$ 201,757	\$ 238,191

THE FEDERATION OF ALBERTA NATURALISTS

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

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.

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

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

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%

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.

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THE FEDERATION OF ALBERTA NATURALISTS

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. 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.

3. CASH

Cash includes \$4,761 (2021--\$35,499) in casino proceeds which can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

THE FEDERATION OF ALBERTA NATURALISTS

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

4. INVENTORY

	<u>2022</u>	<u>2021</u>
Books	\$ 39,796	\$ 43,477
Allowance for obsolescence	(22,914)	(22,914)
	<u>\$ 16,882</u>	<u>\$ 20,563</u>

The cost of books sold during the year was \$3,681, which is shown as a reduction to bookstore revenue.

5. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 25,556	\$ 24,139	\$ 1,417	\$ 1,771
Computer equipment	3,778	2,848	930	1,329
	<u>\$ 29,334</u>	<u>\$ 26,987</u>	<u>\$ 2,347</u>	<u>\$ 3,100</u>

6. 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:

	<u>2022</u>	<u>2021</u>
TD Friends of the Environment Foundation	\$ 9,080	\$ 14,623
Casino	4,761	35,499
Nature Canada	2,000	-
	<u>\$ 15,841</u>	<u>\$ 50,122</u>

THE FEDERATION OF ALBERTA NATURALISTS

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

7. GRANTS

	<u>2022</u>	<u>2021</u>
Nature Canada	\$ 34,500	\$ 26,570
Alberta Ministry of Culture and Status of Women	26,381	23,881
TD Friends of the Environment Foundation	22,477	17,052
Alberta Conservation Association	12,000	2,500
Environment Canada	-	30,225
Parkland County - operating grant	-	3,000
Edmonton Community Foundation	-	64,606
	<u>\$ 95,358</u>	<u>\$ 167,834</u>

8. ENDOWMENT FUNDS

The Edmonton Community Foundation holds two endowment funds that benefit the Federation on an ongoing basis. At December 31, 2021, the fair value of these funds was \$219,435 (2020--\$70,839) and provides annual support to the Federation. The fund is the property of the Edmonton Community Foundation and is not recorded in the accounts of the Federation. During 2022, the Federation actively raised \$61,250 (2021--\$2,000) which was donated to the Edmonton Community Foundation endowment funds to continue supporting the future sustainability of the Federation.

The Federation received grants totalling \$2,834 (2021--\$2,733). This has been recognized as other income in the statement of operations.

9. FINANCIAL INSTRUMENTS

The Federation's financial instruments consist of cash, 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, 2022.

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, 2022.
