

THE FEDERATION OF ALBERTA NATURALISTS

Financial Statements

Year Ended March 31, 2023

(Unaudited)

THE FEDERATION OF ALBERTA NATURALISTS

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Year Ended March 31, 2023

(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, 2023 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, 2023, 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 20, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Financial Position

March 31, 2023

(Unaudited)

	2023	2022
ASSETS		
CURRENT		
Cash and short-term investments (Note 3)	\$ 248,143	\$ 201,757
Accounts receivable	6,199	9,681
Inventory (Note 4)	14,797	16,882
Prepaid expenses	11,233	817
	<u>280,372</u>	<u>229,137</u>
EQUIPMENT (Note 5)	3,336	2,347
	<u>\$ 283,708</u>	<u>\$ 231,484</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 18,150	\$ 21,137
Deferred contributions (Note 7)	81,427	15,841
	<u>99,577</u>	<u>36,978</u>
NET ASSETS		
Invested in equipment	3,336	2,347
Unrestricted	180,795	192,159
	<u>184,131</u>	<u>194,506</u>
	<u>\$ 283,708</u>	<u>\$ 231,484</u>

APPROVED BY THE BOARD

 Director

 Director

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Operations

Year Ended March 31, 2023

(Unaudited)

	2023	2022
REVENUE		
Grants (Note 8)	\$ 91,971	\$ 95,358
Donations	48,772	55,849
Casino fundraising proceeds	26,065	30,738
Memberships	19,445	17,792
Bookstore	15,714	14,853
Fees for services and other	8,927	30,523
Interest income	2,681	2,237
	213,575	247,350
EXPENSES		
Wages and benefits	86,084	94,899
Donations (Note 9)	41,429	61,250
Contract services	30,241	34,483
Advertising and promotion	20,224	13,671
Insurance	15,983	12,773
Program costs	10,410	11,471
Professional fees	8,149	12,635
Office	7,331	8,639
Interest and bank charges	1,375	1,498
Travel	1,361	943
Amortization	836	753
Telephone and utilities	297	339
Bad debts	230	142
	223,950	253,496
REVENUE UNDER EXPENSES	\$ (10,375)	\$ (6,146)

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Changes in Net Assets

Year Ended March 31, 2023

(Unaudited)

	Invested in equipment	Unrestricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 2,347	\$ 192,159	\$ 194,506	\$ 200,652
Purchase of equipment	1,825	(1,825)	-	-
Revenue under expenses	(836)	(9,539)	(10,375)	(6,146)
NET ASSETS - END OF YEAR	\$ 3,336	\$ 180,795	\$ 184,131	\$ 194,506

THE FEDERATION OF ALBERTA NATURALISTS

Statement of Cash Flow

Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Revenue under expenses	\$ (10,375)	\$ (6,146)
Item not affecting cash:		
Amortization	836	753
	<u>(9,539)</u>	<u>(5,393)</u>
Changes in non-cash working capital:		
Accounts receivable	3,482	(6,941)
Inventory	2,085	3,681
Prepaid expenses	(10,416)	(817)
Accounts payable and accrued liabilities	(2,987)	7,317
Deferred contributions	65,586	(34,281)
	<u>57,750</u>	<u>(31,041)</u>
	<u>48,211</u>	<u>(36,434)</u>
INVESTING ACTIVITY		
Purchase of equipment	<u>(1,825)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	46,386	(36,434)
Cash and short-term investments - beginning of year	<u>201,757</u>	<u>238,191</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 248,143	\$ 201,757

THE FEDERATION OF ALBERTA NATURALISTS

Notes to Financial Statements

Year Ended March 31, 2023

(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 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 are cashable guaranteed investment certificates.

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, 2023

(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 recognized as revenue during the fiscal year to which they are purchased.

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 \$57,427 (2022--\$4,761) 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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Notes to Financial Statements

Year Ended March 31, 2023

(Unaudited)

4. INVENTORY

	2023	2022
Books	\$ 37,711	\$ 39,796
Allowance for obsolescence	(22,914)	(22,914)
	<u>\$ 14,797</u>	<u>\$ 16,882</u>

The cost of books sold during the year was \$2,085, which is shown as a reduction to bookstore revenue.

5. EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment	\$ 25,556	\$ 24,422	\$ 1,134	\$ 1,417
Computer equipment	5,603	3,401	2,202	930
	<u>\$ 31,159</u>	<u>\$ 27,823</u>	<u>\$ 3,336</u>	<u>\$ 2,347</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is the following government remittance:

	2023	2022
Payroll deductions	<u>\$ 5,142</u>	<u>\$ 4,229</u>

7. 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:

	2023	2022
Casino	\$ 57,427	\$ 4,761
TD Friends of the Environment Foundation	24,000	9,080
Nature Canada	-	2,000
	<u>\$ 81,427</u>	<u>\$ 15,841</u>

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(Unaudited)

8. GRANTS

	2023	2022
Nature Canada	\$ 32,500	\$ 34,500
Government of Alberta - Minister of Culture	23,881	-
TD Friends of the Environment Foundation	20,590	22,477
Alberta Conservation Association	15,000	12,000
Alberta Ministry of Culture and Status of Women	-	26,381
	<u>\$ 91,971</u>	<u>\$ 95,358</u>

9. ENDOWMENT FUNDS

The Edmonton Community Foundation holds two endowment funds that benefit the Federation on an ongoing basis. At December 31, 2022, the fair value of these funds was \$296,956 (2021--\$219,435) 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 2023, the Federation actively raised \$41,429 (2022--\$61,250) which was donated to the Edmonton Community Foundation endowment funds to continue supporting the future sustainability of the Federation.

The Federation received grants totalling \$8,777 (2022--\$2,834). This has been recognized as other income in the statement of operations.

10. 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, 2023.

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, 2023.

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10. 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.
