

**Fraser Valley Watersheds Coalition**  
**Financial Statements**  
*June 30, 2021*  
*(Unaudited)*

To the Board of Fraser Valley Watersheds Coalition:

We have reviewed the accompanying financial statements of Fraser Valley Watersheds Coalition that comprise the statement of financial position as at June 30, 2021, and the statements of operations and changes in net assets, cash flows and the related schedules 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 Fraser Valley Watersheds Coalition as at June 30, 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.

Chilliwack, British Columbia

September 30, 2021



Chartered Professional Accountants

# Fraser Valley Watersheds Coalition

## Statement of Financial Position

*As at June 30, 2021  
(Unaudited)*

	2021	2020
<hr/>		
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	1,109,035	568,365
Accounts receivable (Note 4)	63,395	111,337
Restricted cash	-	10,213
	<hr/>	<hr/>
	1,172,430	689,915
<b>Capital assets (Note 5)</b>	<b>6,989</b>	3,095
	<hr/>	<hr/>
	1,179,419	693,010
<hr/>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 6)	78,051	57,426
Deferred contributions (Note 7)	719,083	178,057
Funds held in trust	-	10,213
	<hr/>	<hr/>
	797,134	245,696
<hr/>		
<b>Net Assets</b>		
Net assets, end of year (Note 8)	382,285	447,314
	<hr/>	<hr/>
	1,179,419	693,010
<hr/>		

Approved on behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

*The accompanying notes are an integral part of these financial statements*

# Fraser Valley Watersheds Coalition

## Statement of Operations and Changes in Net Assets

*For the year ended June 30, 2021  
(Unaudited)*

	2021	2020
<b>Revenue</b>		
Project Funds	648,883	1,018,846
Donations	7,898	57,180
Interest	903	411
Memberships	40	200
Administrative revenue	-	529
	<b>657,724</b>	<b>1,077,166</b>
<b>Expenses</b>		
Accounting & legal	18,051	10,229
Administrative	622	529
Advertising	600	265
Amortization	1,477	-
Bank charges and interest	1,014	1,018
Contracted services	231,523	577,062
Field materials & supplies	116,437	88,532
Insurance	13,708	5,090
Meetings	388	2,172
Membership fees	-	154
Office supplies	6,134	7,289
Salaries and benefits	304,973	301,879
Telephone	3,539	3,070
Training and education expense (recovery)	3,358	(1,001)
Travel	20,929	17,319
	<b>722,753</b>	<b>1,013,607</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(65,029)</b>	<b>63,559</b>
<b>Net assets beginning of year</b>	<b>447,314</b>	<b>383,755</b>
<b>Net assets, end of year</b>	<b>382,285</b>	<b>447,314</b>

*The accompanying notes are an integral part of these financial statements*

# Fraser Valley Watersheds Coalition

## Statement of Cash Flows

For the year ended June 30, 2021

(Unaudited)

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(65,029)	63,559
Amortization	1,477	-
Disposal of tangible capital assets	-	567
	(63,552)	64,126
Changes in working capital accounts		
Accounts receivable	47,942	(60,667)
Accounts payable and accruals	20,625	28,550
Deferred contributions	541,026	58,975
Funds held in trust	(10,213)	742
	535,828	91,726
<b>Investing</b>		
Purchase of capital assets	(5,371)	-
<b>Increase in cash resources</b>	<b>530,457</b>	<b>91,726</b>
<b>Cash resources, beginning of year</b>	<b>578,578</b>	<b>486,852</b>
<b>Cash resources, end of year</b>	<b>1,109,035</b>	<b>578,578</b>
<b>Cash resources are composed of:</b>		
Cash	1,109,035	568,365
Restricted cash	-	10,213
	1,109,035	578,578

The accompanying notes are an integral part of these financial statements

# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

For the year ended June 30, 2021  
(Unaudited)

---

### 1. Purpose of the Organization

Fraser Valley Watersheds Coalition (the "Organization") is registered as a charity under the Income Tax Act and as such is exempt from income taxes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met. The Organization works to promote healthy watersheds in the Fraser Valley by facilitating understanding and action in the local communities.

#### **Impacts on operations of COVID-19 (coronavirus)**

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Organization's operations were impacted by COVID-19 due to slowing of operations and project completion disruptions.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause supply chain disruptions, and increased government regulations, all of which may negatively impact the Organization's operations and financial condition.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### **Basis of presentation**

The Organization receives funding from government and non-profit societies in addition to contributions from individual sponsors. The Organization does not believe there is reason to expect the funding to stop and as such has presented the financial statements on the going concern basis.

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Project funding**

The Organization recognizes project funding as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A project fund transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled.

#### **Other revenue**

Other revenue derived from such sources as donations, memberships, interest income, etc., is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Contributed materials**

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Fraser Valley Watersheds Coalition**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2021*  
*(Unaudited)*

---

3. **Significant accounting policies** *(Continued from previous page)*

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Computer equipment	declining balance	55 %
Equipment	declining balance	30 %

**Measurement uncertainty**

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Project funds receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess (deficiency) of revenues and expenses in the periods in which they become known.

**Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

**Fraser Valley Watersheds Coalition**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2021*  
*(Unaudited)*

**3. Cash and cash equivalents**

	<i>2021</i>	<i>2020</i>
Bank Accounts	<b>828,315</b>	401,146
GIC's	<b>280,720</b>	167,219
	<b>1,109,035</b>	568,365

**4. Accounts receivable**

	<i>2021</i>	<i>2020</i>
Project funds receivable	<b>49,156</b>	89,927
GST rebates	<b>14,239</b>	21,410
	<b>63,395</b>	111,337

**5. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>	<i>2020 Net book value</i>
Computer equipment	<b>5,371</b>	<b>1,477</b>	<b>3,894</b>	-
Equipment	<b>3,095</b>	-	<b>3,095</b>	3,095
	<b>8,466</b>	<b>1,477</b>	<b>6,989</b>	3,095

**6. Accounts payable and accruals**

	<i>2021</i>	<i>2020</i>
Vacation and banked time payable	<b>60,397</b>	42,847
Accrued liabilities	<b>8,628</b>	8,628
Payroll tax payable	<b>8,193</b>	5,274
WCB payable	<b>833</b>	677
	<b>78,051</b>	57,426



# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

For the year ended June 30, 2021  
(Unaudited)

---

### 7. Deferred contributions

Deferred contributions consist of unspent contributions designated for specific projects per the terms of the contract agreements. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2021	2020
Balance, beginning of year	178,057	119,082
Amount received during the year	578,934	58,975
Less: amount recognized as revenue during the year	(37,908)	-
<b>Balance, end of year</b>	<b>719,083</b>	<b>178,057</b>

---

### 8. Net assets

	2021	2020
Restricted net assets	97,635	345,668
Internally restricted net assets	284,650	101,646
	<b>382,285</b>	<b>447,314</b>

---

### 9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**Fraser Valley Watersheds Coalition**  
**Schedule 1 - Schedule of Administration Revenues and Expenses**

*For the year ended June 30, 2021*  
*(Unaudited)*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Donations	<b>5,321</b>	56,056
Interest	<b>903</b>	379
Memberships	<b>40</b>	200
Administrative revenue	<b>-</b>	529
	<b>6,264</b>	57,164
<b>Expenses</b>		
Amortization	<b>1,477</b>	-
Accounting & legal	<b>18,051</b>	10,229
Advertising	<b>549</b>	265
Bank charges and interest	<b>1,014</b>	1,018
Contracted services	<b>-</b>	346
Field materials & supplies	<b>-</b>	568
Insurance	<b>13,708</b>	5,090
Meetings	<b>68</b>	814
Membership fees	<b>-</b>	154
Office supplies	<b>6,134</b>	7,289
Salaries and benefits	<b>70,262</b>	68,272
Telephone	<b>-</b>	98
Travel	<b>-</b>	498
	<b>111,263</b>	94,641
<b>Deficiency of revenue over expenses</b>	<b>(104,999)</b>	<b>(37,477)</b>

**Fraser Valley Watersheds Coalition**  
**Schedule 2 - Schedule of Project Revenues and Expenses**

*For the year ended June 30, 2021*  
*(Unaudited)*

	2021	2020
<b>Revenue</b>		
Project funds	<b>648,883</b>	1,018,846
<b>Expenses</b>		
Advertising	<b>51</b>	-
Contracted services	<b>231,199</b>	576,666
Field materials & supplies	<b>116,437</b>	87,964
Meetings	<b>286</b>	1,244
Salaries and benefits	<b>234,711</b>	233,607
Telephone	<b>3,539</b>	2,972
Training and education expense (recovery)	<b>3,358</b>	(1,001)
Travel	<b>20,929</b>	16,822
	<b>610,510</b>	918,274
<b>Excess of revenue over expenses</b>	<b>38,373</b>	100,572

**Fraser Valley Watersheds Coalition**  
**Schedule 3 - Schedule of CLASS Revenues and Expenses**

*For the year ended June 30, 2021*  
*(Unaudited)*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Donations	<b>2,577</b>	1,123
Interest	-	32
	<b>2,577</b>	1,155
<b>Expenses</b>		
Administrative	<b>622</b>	529
Meetings	<b>33</b>	114
Contracted services	<b>324</b>	50
	<b>979</b>	693
<b>Excess of revenue over expenses</b>	<b>1,598</b>	462