

Fraser Valley Watersheds Coalition
Financial Statements
June 30, 2022
(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, 2022, 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, 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.

Chilliwack, British Columbia

September 29, 2022


Chartered Professional Accountants

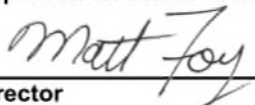
Fraser Valley Watersheds Coalition

Statement of Financial Position

*As at June 30, 2022
(Unaudited)*

	2022	2021
Assets		
Current		
Cash and cash equivalents (Note 3)	1,122,839	932,633
Accounts receivable (Note 4)	92,973	63,395
Restricted cash (Note 5)	518,128	176,402
	1,733,940	1,172,430
Capital assets (Note 6)	4,847	6,989
	1,738,787	1,179,419
Liabilities		
Current		
Accounts payable and accruals (Note 7)	164,321	78,051
Deferred contributions (Note 8)	1,081,916	719,083
	1,246,237	797,134
Net Assets	492,550	382,285
	1,738,787	1,179,419

Approved on behalf of the Board of Directors



Director

Digitally signed by David Urban
Date: 2022.10.07 14:25:54 -07'00'

David Urban

Director

Fraser Valley Watersheds Coalition

Statement of Operations and Changes in Net Assets

*For the year ended June 30, 2022
(Unaudited)*

	2022	2021
Revenue		
Project Funds	759,886	648,883
Donations	41,059	7,898
Interest	2,146	903
Memberships	50	40
	803,141	657,724
Expenses		
Accounting & legal	17,110	18,051
Administrative	-	622
Advertising	71	600
Amortization	2,142	1,477
Bank charges and interest	1,087	1,014
Contracted services	257,450	231,523
Field materials & supplies	50,140	116,437
Insurance	14,070	13,708
Meetings	411	388
Office supplies	8,401	6,134
Salaries and benefits	316,460	304,973
Telephone	4,066	3,539
Training and education expense	1,206	3,358
Travel	20,262	20,929
	692,876	722,753
Excess (deficiency) of revenue over expenses	110,265	(65,029)
Net assets beginning of year	382,285	447,314
Net assets, end of year	492,550	382,285

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, 2022

(Unaudited)

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	110,265	(65,029)
Amortization	2,142	1,477
	112,407	(63,552)
Changes in working capital accounts		
Accounts receivable	(29,578)	47,942
Accounts payable and accruals	86,270	20,625
Deferred contributions	362,833	541,026
Funds held in trust	-	(10,213)
	531,932	535,828
Investing		
Purchase of capital assets	-	(5,371)
Increase in cash resources	531,932	530,457
Cash resources, beginning of year	1,109,035	578,578
Cash resources, end of year	1,640,967	1,109,035
Cash resources are composed of:		
Cash and cash equivalents	1,122,839	932,633
Restricted cash	518,128	176,402
	1,640,967	1,109,035

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, 2022
(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, 2022
(Unaudited)

2. 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.

	Method	Rate
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. Amortization is based on the estimated useful lives of capital assets.

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, 2022
(Unaudited)*

3. Cash and cash equivalents

	2022	2021
Bank Accounts	841,880	651,913
GIC's	280,959	280,720
	1,122,839	932,633

4. Accounts receivable

	2022	2021
Project funds receivable	76,619	49,156
GST rebates	16,354	14,239
	92,973	63,395

5. Restricted cash

Restricted cash is comprised of funding received from the Ministry of Transportation and Infrastructure, the Habitat Conservation Trust Foundation, and B.C. Hydro. This money can only be used for the specific purpose set out in the Agreements.

The restricted cash is included in the deferred contributions (see Note 8).

6. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	5,371	3,619	1,752	3,894
Equipment	3,095	-	3,095	3,095
	8,466	3,619	4,847	6,989

7. Accounts payable and accruals

	2022	2021
Accrued liabilities	94,463	8,628
Vacation and banked time payable	68,976	60,397
Payroll tax payable	-	8,193
WCB payable	882	833
	164,321	78,051

Fraser Valley Watersheds Coalition

Notes to the Financial Statements

For the year ended June 30, 2022
(Unaudited)

8. 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:

	2022	2021
Balance, beginning of year	719,083	178,057
Amount received during the year	1,030,979	578,934
Less: amount recognized as revenue during the year	(668,146)	(37,908)
Balance, end of year	1,081,916	719,083

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.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

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

For the year ended June 30, 2022
(Unaudited)

	2022	2021
Revenue		
Project Funds	50,634	-
Donations	41,059	5,321
Interest	2,146	903
Memberships	50	40
	93,889	6,264
Expenses		
Accounting & legal	17,110	18,051
Advertising	20	549
Amortization	2,142	1,477
Bank charges and interest	1,087	1,014
Insurance	14,070	13,708
Meetings	36	68
Office supplies	8,401	6,134
Salaries and benefits	102,128	70,262
Telephone	721	-
Training and education	886	-
	146,601	111,263
Deficiency of revenue over expenses	(52,712)	(104,999)

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

For the year ended June 30, 2022
(Unaudited)

	2022	2021
Revenue		
Project funds	709,252	648,883
Expenses		
Advertising	51	51
Contracted services	257,450	231,199
Field materials & supplies	50,140	116,437
Meetings	376	286
Salaries and benefits	214,332	234,711
Telephone	3,345	3,539
Training and education	320	3,358
Travel	20,262	20,929
	546,276	610,510
Excess of revenue over expenses	162,976	38,373

Fraser Valley Watersheds Coalition
Schedule 3 - Schedule of CLASS Revenues and Expenses
For the year ended June 30, 2022
(Unaudited)

	2022	2021
Revenue		
Donations	-	2,577
Expenses		
Administrative	-	622
Meetings	-	33
Contracted services	-	324
	-	979
Excess of revenue over expenses	-	1,598