

**ALBERTA WATER AND WASTEWATER
OPERATORS ASSOCIATION**

Financial Statements

Year Ended July 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Water and Wastewater Operators Association

Opinion

We have audited the financial statements of Alberta Water and Wastewater Operators Association (the Association), which comprise the statement of financial position as at July 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at July 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of Alberta Water and Wastewater Operators Association *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
November 17, 2020


Chartered Professional Accountants


ALBERTA WATER AND WASTEWATER OPERATORS ASSOCIATION


Statement of Financial Position

July 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 208,618	\$ 132,638
Term deposits (Note 4)	785,797	422,594
Accounts receivable	7,593	2,246
Goods and services tax recoverable	615	320
Prepaid expenses	2,386	2,386
	<u>1,005,009</u>	<u>560,184</u>
TERM DEPOSITS (Note 4)	1,106,320	1,442,453
CAPITAL ASSETS (Note 5)	15,291	20,400
INTANGIBLE ASSETS (Note 6)	17,200	34,400
	<u>\$ 2,143,820</u>	<u>\$ 2,057,437</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,277	\$ 25,860
Vacation payable	17,500	17,500
Unearned revenues	88,503	44,060
Deferred contributions - scholarships (Notes 7, 8)	96,750	99,750
	<u>216,030</u>	<u>187,170</u>
NET ASSETS		
Invested in capital and intangible assets	32,491	54,800
Internally restricted for catastrophic events (Note 3)	400,000	400,000
Internally restricted for evergreening courses	325,000	325,000
Internally restricted for online training development	150,000	150,000
Internally restricted for scholarships (Note 8)	101,000	104,000
Internally restricted for training centre	430,000	350,000
Unrestricted	489,299	486,467
	<u>1,927,790</u>	<u>1,870,267</u>
	<u>\$ 2,143,820</u>	<u>\$ 2,057,437</u>
LEASE COMMITMENT (Note 9)		

APPROVED BY THE BOARD

 Director

 Director

ALBERTA WATER AND WASTEWATER OPERATORS ASSOCIATION

Statement of Operations

Year Ended July 31, 2020

	2020	2019
REVENUE		
Banff seminar (<i>Schedule 1</i>)	\$ 389,799	\$ 408,195
Courses	412,175	611,975
Golf tournament	-	18,100
Interest income	33,734	45,457
Material sales	49,924	54,122
Memberships	118,508	114,909
Other income	16,145	15,079
Scholarships (<i>Note 7</i>)	3,000	2,250
Water week (<i>Schedule 2</i>)	135,988	114,650
	<u>1,159,273</u>	<u>1,384,737</u>
EXPENSES		
Amortization	9,359	14,051
Banff seminar (<i>Schedule 1</i>)	231,082	250,104
Board expenses	32,188	36,725
Bursaries and honorariums	8,250	8,000
Courses (<i>Note 6</i>)	274,976	424,077
Golf tournament	-	15,873
Insurance	6,873	8,582
Interest and bank charges	25,489	28,327
Material purchases	12,832	20,231
Membership levy	24,408	24,060
Newsletter	13,344	27,245
Office	10,752	18,382
Professional fees	10,000	10,016
Rent	39,216	39,216
Salaries and wages	314,138	305,370
Telephone	5,801	5,383
Water week (<i>Schedule 2</i>)	78,211	77,263
Webpage	4,831	5,036
	<u>1,101,750</u>	<u>1,317,941</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 57,523</u>	<u>\$ 66,796</u>

ALBERTA WATER AND WASTEWATER OPERATORS ASSOCIATION

Statement of Changes in Net Assets

Year Ended July 31, 2020

	2019 Balance	Transfers	Excess (deficiency) of revenues over expenses	Investment in capital and intangible assets	2020 Balance
Invested in capital and intangible assets	\$ 54,800	\$ -	\$ (26,559)	\$ 4,250	\$ 32,491
Internally restricted for catastrophic events <i>(Note 3)</i>	400,000	-	-	-	400,000
Internally restricted for evergreening courses	325,000	-	-	-	325,000
Internally restricted for online training development	150,000	-	-	-	150,000
Internally restricted for scholarships <i>(Note 8)</i>	104,000	-	(3,000)	-	101,000
Internally restricted for training centre	350,000	80,000	-	-	430,000
Unrestricted	486,467	(80,000)	87,082	(4,250)	489,299
	<u>\$ 1,870,267</u>	<u>\$ -</u>	<u>\$ 57,523</u>	<u>\$ -</u>	<u>\$ 1,927,790</u>