

ALBERTA WILDERNESS ASSOCIATION

FINANCIAL STATEMENTS
(Unaudited)

JULY 31, 2016



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REVIEW ENGAGEMENT REPORT

To the Board of Directors of **ALBERTA WILDERNESS ASSOCIATION**

We have reviewed the statement of financial position of Alberta Wilderness Association as at July 31, 2016 and the statements of operations and changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

CALGARY, ALBERTA
October 26, 2016

Roberts & Company
PROFESSIONAL ACCOUNTANTS LLP

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)

AS AT JULY 31, 2016

	<u>2016</u> <u>Operating</u> <u>Fund</u>	<u>2016</u> <u>Restricted</u> <u>Funds</u>	<u>2016</u> <u>Total</u>	<u>2015</u> <u>Total</u>
ASSETS				
CURRENT				
Cash and cash equivalents (Note 2)	\$ 217,815	\$ 233	\$ 218,048	\$ 406,104
Term deposits (Note 3)	200,000	-	200,000	100,000
Marketable securities (Note 4)	43,972	-	43,972	48,501
Accrued interest receivable	1,176	-	1,176	177
Prepaid expenses	6,294	-	6,294	9,991
GST receivable	2,364	346	2,710	19,069
Donated items held for auction	7,220	-	7,220	6,315
	<u>478,841</u>	<u>579</u>	<u>479,420</u>	<u>590,157</u>
LAND AND BUILDING (Note 5)	<u>675,453</u>	<u>-</u>	<u>675,453</u>	<u>659,152</u>
	<u>\$ 1,154,294</u>	<u>\$ 579</u>	<u>\$ 1,154,873</u>	<u>\$ 1,249,309</u>
LIABILITIES				
CURRENT				
Accounts payable and accrued	\$ 14,708	\$ -	\$ 14,708	\$ 20,710
Wages payable	7,895	-	7,895	267
Payroll remittances payable	10,200	-	10,200	9,030
Deferred income	200	-	200	6,955
	<u>33,003</u>	<u>-</u>	<u>33,003</u>	<u>36,962</u>
SUBSEQUENT EVENT (Note 11)				
FUND BALANCES				
Unrestricted	1,121,291	-	1,121,291	1,198,580
Restricted	-	579	579	13,767
	<u>1,121,291</u>	<u>579</u>	<u>1,121,870</u>	<u>1,212,347</u>
	<u>\$ 1,154,294</u>	<u>\$ 579</u>	<u>\$ 1,154,873</u>	<u>\$ 1,249,309</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

	<u>2016 Operating Fund</u>	<u>2016 Restricted Funds</u>	<u>2016 Total</u>	<u>2015 Total</u>
REVENUES				
General donations	\$ 452,627	\$ -	\$ 452,627	\$ 848,481
Fundraising	115,619	-	115,619	111,603
Grants (Note 6)	36,123	-	36,123	9,124
Investment income	5,885	-	5,885	11,287
Membership revenue	2,582	-	2,582	2,286
Honorariums	2,425	-	2,425	3,254
Casino	-	-	-	77,393
	<u>615,261</u>	<u>-</u>	<u>615,261</u>	<u>1,063,428</u>
EXPENSES				
Wilderness stewardship and outreach	505,127	13,188	518,315	529,468
General and administration	94,146	-	94,146	83,173
Development	72,474	-	72,474	95,225
Unrealized loss on marketable securities	5,540	-	5,540	85,296
Amortization on building	15,263	-	15,263	13,452
	<u>692,550</u>	<u>13,188</u>	<u>705,738</u>	<u>806,614</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(77,289)	(13,188)	(90,477)	256,814
FUND BALANCES, beginning of year	1,198,580	13,767	1,212,347	955,533
FUND BALANCES, end of year	\$ 1,121,291	\$ 579	\$ 1,121,870	\$ 1,212,347

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

	<u>2016</u> <u>Operating</u> <u>Fund</u>	<u>2016</u> <u>Restricted</u> <u>Funds</u>	<u>2016</u> <u>Total</u>	<u>2015</u> <u>Total</u>
OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expense	\$ (77,289)	\$ (13,188)	\$ (90,477)	\$ 256,814
Adjustments for items not affecting cash				
Donated marketable securities	(25,734)	-	(25,734)	(141,790)
Gain on sale of marketable securities	(412)	-	(412)	(173)
Unrealized loss on marketable securities	5,540	-	5,540	85,296
Amortization of building	15,263	-	15,263	13,452
Working capital provided by operating activities	(82,632)	(13,188)	(95,820)	213,599
Change in non-cash operating working capital (Note 7)	28,466	(7,518)	20,948	51,215
Change in deferred income	(6,755)	-	(6,755)	(3,155)
Cash provided (used) by operations	(60,921)	(20,706)	(81,627)	261,659
INVESTING ACTIVITIES				
Proceeds on sale of marketable securities	26,189	-	26,189	11,689
Purchase of marketable securities	(1,054)	-	(1,054)	-
Purchase of term deposit	(100,000)	-	(100,000)	(100,000)
Purchase of land and building	(31,564)	-	(31,564)	(672,604)
	(106,429)	-	(106,429)	(760,915)
DECREASE DURING THE YEAR	(167,350)	(20,706)	(188,056)	(499,256)
CASH & CASH EQUIVALENTS, beginning of year	385,165	20,939	406,104	905,360
CASH & CASH EQUIVALENTS, end of year (Note 8)	\$ 217,815	\$ 233	\$ 218,048	\$ 406,104

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

NATURE OF OPERATIONS

Alberta Wilderness Association is a not-for-profit organization registered under The Societies Act of Alberta. The association is a registered charity under the Income Tax Act. The purpose of the organization is to promote and encourage the creation of additional wildland recreation areas in the Province of Alberta in an attempt to preserve their natural and present state. It also initiates and encourages educational efforts which promote an understanding and appreciation of wildland ethics and wildland resource uses. The organization has an office in Calgary, which houses the Alberta Wilderness Resource Centre, the province's most comprehensive archive of reference materials on wilderness and conservation in Alberta.

Alberta Wilderness Association achieves its mission through conservation, education, stewardship and advocacy, and is supported through volunteers, member and donor programs and fundraising that includes grants, campaign development, events like the Climb and Run for Wilderness, and a planned giving legacy program.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The organization's significant accounting policies are as follows:

a) **Marketable Securities**

Marketable securities are comprised of shares of public corporations and are accounted for at fair value using the latest closing price at the balance sheet date. Transaction costs and changes in fair value are recognized in income in the period incurred.

b) **Fund Accounting**

The organization follows the restricted fund method of accounting for contributions. The general fund accounts for the organization's operating and administrative activities including unrestricted contributions and grants. The restricted fund reports only restricted resources that are to be used for specific purposes.

c) **Revenue recognition**

Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue of the appropriate restricted fund.

d) **Contributed services**

Volunteer services contributed on behalf of the organization in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

e) **Land and building**

Land and building are recorded at cost. Amortization for the building is calculated using the straight line method at ten percent per year.

f) **Use of estimates**

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from estimates in these financial statements.

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

The organization initially records a financial instrument at its fair value.

The organization recognizes its transactions costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Subsequently, the organization measures financial instruments as follows:

- all other financial assets, which include cash and cash equivalents, term deposits and accrued interest receivable at amortized cost; and
- all financial liabilities, which include accounts payable and accrued at amortized cost.

h) Tangible equipment

The organization expenses the cost of all equipment as it is purchased, as the amounts involved are not material. No tangible equipment was purchased during the year.

i) Comparative figures

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, balances with the bank and a money market fund. Restricted cash consists of a balance with the bank of \$233 (2015 - \$20,939).

3. TERM DEPOSITS

Term deposits consist of the following guaranteed investment certificates with the banks:

	<u>2016</u>	<u>2015</u>
Bank of Montreal term deposit, bearing interest at 1.60% per annum, matures November 7, 2016	\$ 100,000	\$ -
Canadian Western bank term deposit, bearing interest at 1.85% per annum, matures June 8, 2017	100,000	-
Term deposit, matured June 24, 2016	<u>-</u>	<u>100,000</u>
	<u>\$ 200,000</u>	<u>\$ 100,000</u>

4. MARKETABLE SECURITIES

	<u>2016</u>	<u>2015</u>
Marketable securities (cost \$134,851)	\$ <u>43,972</u>	\$ <u>48,501</u>

Marketable securities are presented at fair values and are comprised of Canadian equities donated by individual contributors.

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

5. LAND AND BUILDING

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2016</u>
Land	\$ 538,083	\$ -	\$ 538,083
Building	<u>166,085</u>	<u>28,715</u>	<u>137,370</u>
	<u>\$ 704,168</u>	<u>\$ 28,715</u>	<u>\$ 675,453</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2015</u>
Land	\$ 538,083	\$ -	\$ 538,083
Building	<u>134,521</u>	<u>13,452</u>	<u>121,069</u>
	<u>\$ 672,604</u>	<u>\$ 13,452</u>	<u>\$ 659,152</u>

6. GRANTS

The organization received grant funding from various sources in the amount of \$36,123 (2015 - \$9,124).

Included in the grant funding received during the year is funding from the Government of Alberta, Recreation and Physical Activity Division:

	<u>2016</u>	<u>2015</u>
Organizational Support Grant	\$ <u>12,090</u>	\$ <u>8,060</u>

7. CHANGE IN NON-CASH WORKING CAPITAL

	<u>2016</u>	<u>2015</u>
DECREASE (INCREASE) IN CURRENT ASSETS		
Accrued interest receivable	\$ (999)	\$ 469
Prepaid expenses	3,697	(3,396)
GST receivable	16,359	(17,022)
Donated items held for auction	(905)	2,420
Deposit on land and building	-	66,000
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued	(6,002)	3,136
Wages payable	7,628	(1,429)
Payroll remittances payable	<u>1,170</u>	<u>1,037</u>
	<u>\$ 20,948</u>	<u>\$ 51,215</u>

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2016

8. CASH FLOW INFORMATION

Cash and cash equivalents consist of cash on hand, balances with the bank and a money market fund. Restricted cash consists of a balance with the bank.

	<u>2016</u>	<u>2015</u>
Cash - operating	\$ 217,815	\$ 102,513
Money market fund - operating	<u>-</u>	<u>282,652</u>
	217,815	385,165
Cash - restricted	<u>233</u>	<u>20,939</u>
	<u>\$ 218,048</u>	<u>\$ 406,104</u>

9. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUND-RAISING ACT AND REGULATION

No expenses were incurred for the purpose of soliciting contributions. There were no monies paid as remuneration to employees whose principal duties involve fund-raising as no such employees are employed by the organization.

10. FINANCIAL INSTRUMENTS - RISKS AND UNCERTAINTIES

The organization monitors, evaluates and manages the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include market risk.

Market risk

The organization is exposed to market risk as the organization holds marketable securities that are traded on the public stock exchange and as such is exposed to risk due to the activity on the stock exchange.

11. SUBSEQUENT EVENT

Subsequent to year end, the organization received an Alberta Historical Resources Fund Grant in the amount of \$6,660. The grant was paid in respect to building improvements that were completed during the year.