

ALBERTA WILDERNESS ASSOCIATION

FINANCIAL STATEMENTS

(Unaudited)

JULY 31, 2018



Roberts & Company

PROFESSIONAL ACCOUNTANTS LLP

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

We have reviewed the accompanying financial statements of Alberta Wilderness Association that comprise the statement of financial position as at July 31, 2018, and the statements of operations and changes in net assets, and cash flows for the year then ended, as well as 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 the 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 Alberta Wilderness Association as at July 31, 2018, 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.

CALGARY, ALBERTA
November 8, 2018

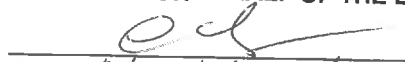

Roberts & Company
PROFESSIONAL ACCOUNTANTS LLP

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)

AS AT JULY 31, 2018

| | <u>2018</u> <u>Operating</u> <u>Fund</u> | <u>2018</u> <u>Restricted</u> <u>Funds</u> | <u>2018</u> <u>Total</u> | <u>2017</u> <u>Total</u> |
|------------------------------------|--|--|-----------------------------|-----------------------------|
| ASSETS | | | | |
| CURRENT | | | | |
| Cash and cash equivalents (Note 2) | \$ 273,609 | \$ 1,977 | \$ 275,586 | \$ 228,890 |
| Term deposits (Note 3) | 136,070 | - | 136,070 | 101,850 |
| Marketable securities (Note 4) | 139,437 | - | 139,437 | 138,668 |
| Accounts receivable | 8,811 | - | 8,811 | 1,100 |
| Prepaid expenses | 4,398 | 2,292 | 6,690 | 5,979 |
| GST receivable | 1,082 | 286 | 1,368 | 1,572 |
| Donated items held for auction | 7,160 | - | 7,160 | 1,906 |
| | <u>570,567</u> | <u>4,555</u> | <u>575,122</u> | <u>479,965</u> |
| LAND AND BUILDING (Note 5) | 657,323 | - | 657,323 | 670,572 |
| | <u>\$ 1,227,890</u> | <u>\$ 4,555</u> | <u>\$ 1,232,445</u> | <u>\$ 1,150,537</u> |
| LIABILITIES | | | | |
| CURRENT | | | | |
| Accounts payable and accrued | \$ 6,424 | \$ - | \$ 6,424 | \$ 16,132 |
| Wages payable | 46,460 | - | 46,460 | 27,953 |
| Payroll remittances payable | 8,816 | - | 8,816 | 7,691 |
| Deferred income | 8,750 | - | 8,750 | - |
| | <u>70,450</u> | <u>-</u> | <u>70,450</u> | <u>51,776</u> |
| FUND BALANCES | | | | |
| Unrestricted | 1,157,440 | - | 1,157,440 | 1,047,523 |
| Restricted | - | 4,555 | 4,555 | 51,238 |
| | <u>1,157,440</u> | <u>4,555</u> | <u>1,161,995</u> | <u>1,098,761</u> |
| | <u>\$ 1,227,890</u> | <u>\$ 4,555</u> | <u>\$ 1,232,445</u> | <u>\$ 1,150,537</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, 2018

| | <u>2018</u> <u>Operating</u> <u>Fund</u> | <u>2018</u> <u>Restricted</u> <u>Funds</u> | <u>2018</u> <u>Total</u> | <u>2017</u> <u>Total</u> |
|---|--|--|-----------------------------|-----------------------------|
| REVENUES | | | | |
| General donations | \$ 537,606 | \$ - | \$ 537,606 | \$ 411,447 |
| Grants (Note 6) | 95,761 | - | 95,761 | 74,990 |
| Fundraising | 35,412 | - | 35,412 | 48,576 |
| Investment income | 10,482 | - | 10,482 | 6,744 |
| Unrealized gain (loss) on marketable securities | 7,709 | - | 7,709 | (6,113) |
| Membership revenue | 3,227 | - | 3,227 | 1,975 |
| Rental income | 800 | - | 800 | - |
| Honorariums | 631 | - | 631 | 750 |
| Casino | - | - | - | 70,645 |
| | <u>691,628</u> | <u>-</u> | <u>691,628</u> | <u>609,014</u> |
| EXPENSES | | | | |
| Wilderness stewardship and outreach | 431,552 | 46,683 | 478,235 | 469,054 |
| Development | 57,020 | - | 57,020 | 74,852 |
| General and administration | 79,890 | - | 79,890 | 73,496 |
| Amortization on building | 13,249 | - | 13,249 | 14,721 |
| | <u>581,711</u> | <u>46,683</u> | <u>628,394</u> | <u>632,123</u> |
| EXCESS OF REVENUE (EXPENSES) OVER EXPENSES (REVENUE) | 109,917 | (46,683) | 63,234 | (23,109) |
| FUND BALANCES, beginning of year | 1,047,523 | 51,238 | 1,098,761 | 1,121,870 |
| FUND BALANCES, end of year | \$ 1,157,440 | \$ 4,555 | \$ 1,161,995 | \$ 1,098,761 |

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

| | <u>2018</u> <u>Operating</u> <u>Fund</u> | <u>2018</u> <u>Restricted</u> <u>Funds</u> | <u>2018</u> <u>Total</u> | <u>2017</u> <u>Total</u> |
|--|--|--|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | | | | |
| Excess of revenue (expenses) over expenses (revenue) | \$ 109,917 | \$ (46,683) | \$ 63,234 | \$ (23,109) |
| Adjustments for items not affecting cash | | | | |
| Donated marketable securities | (137,363) | - | (137,363) | (8,142) |
| Gain on sale of marketable securities | (1,628) | - | (1,628) | 22 |
| Unrealized (gain)/loss on marketable securities | (7,709) | - | (7,709) | 6,113 |
| Amortization of building | 13,249 | - | 13,249 | 14,721 |
| Working capital used by operating activities | (23,534) | (46,683) | (70,217) | (10,395) |
| Change in non-cash operating working capital (Note 7) | 4,539 | (8,088) | (3,549) | 25,818 |
| Change in deferred income | 8,750 | - | 8,750 | (200) |
| Cash used (used) by operations | (10,245) | (54,771) | (65,016) | 15,223 |
| INVESTING ACTIVITIES | | | | |
| Proceeds on sale of marketable securities | 145,932 | - | 145,932 | 8,120 |
| Purchase of marketable securities | - | - | - | (100,810) |
| Purchase of term deposit | (136,070) | - | (136,070) | (101,850) |
| Redemption of term deposits | 101,850 | - | 101,850 | 200,000 |
| Purchase of building additions | - | - | - | (9,841) |
| | 111,712 | - | 111,712 | (4,381) |
| INCREASE (DECREASE) IN THE YEAR | 101,467 | (54,771) | 46,696 | 10,842 |
| CASH & CASH EQUIVALENTS, beginning of year | 172,142 | 56,748 | 228,890 | 218,048 |
| CASH & CASH EQUIVALENTS, end of year (Note 8) | \$ 273,609 | \$ 1,977 | \$ 275,586 | \$ 228,890 |

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

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 and is exempt from income taxes under paragraph 149(1)(f). 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, events like the Climb for Wilderness and a planned giving legacy program.

1. SUMMARY OF 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 publicly traded securities 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 when received.

Investment income is recorded on an accrual basis.

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. Significant estimates include, but are not limited to, the estimated useful life of the building.

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

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

The organization recognizes its transaction 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:

- investments in equity instruments that are quoted in an active market at fair value;
- all other financial assets, which include cash and cash equivalents, term deposits and accounts 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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with the bank.

Restricted cash consists of a balance with the bank of \$1,977 (2017 - \$56,748).

3. TERM DEPOSITS

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

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Canadian Western bank term deposit, bearing interest at 2.35% per annum, matures June 8, 2019 | \$ 103,836 | \$ 101,850 |
| Bank of Montreal term deposit, bearing interest at 2.10% per annum, matures May 28, 2019 | <u>32,234</u> | <u>-</u> |
| | <u>\$ 136,070</u> | <u>\$ 101,850</u> |

4. MARKETABLE SECURITIES

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| Marketable securities (cost \$267,007) | <u>\$ 139,437</u> | <u>\$ 138,668</u> |

Marketable securities are presented at fair values and consist of Canadian publicly traded securities, some of which have been donated by individual contributors.

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

5. LAND AND BUILDING

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2018</u> |
|----------|-------------------|-------------------------------------|---------------------|
| Land | \$ 538,083 | \$ - | \$ 538,083 |
| Building | <u>175,926</u> | <u>56,686</u> | <u>119,240</u> |
| | <u>\$ 714,009</u> | <u>\$ 56,686</u> | <u>\$ 657,323</u> |
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2017</u> |
| Land | \$ 538,083 | \$ - | \$ 538,083 |
| Building | <u>175,926</u> | <u>43,437</u> | <u>132,489</u> |
| | <u>\$ 714,009</u> | <u>\$ 43,437</u> | <u>\$ 670,572</u> |

6. GRANTS

The organization received grant funding from various sources in the amount of \$95,761 (2017 - \$74,990).

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

| | <u>2018</u> | <u>2017</u> |
|------------------------------|-----------------|-----------------|
| Organizational Support Grant | <u>\$ 8,060</u> | <u>\$ 8,060</u> |

7. CHANGE IN NON-CASH WORKING CAPITAL

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|------------------|
| DECREASE (INCREASE) IN CURRENT ASSETS | | |
| Accounts receivable | \$ (7,711) | \$ 76 |
| Prepaid expenses | (711) | 315 |
| GST receivable | 203 | 1,138 |
| Donated items held for auction | (5,254) | 5,314 |
| INCREASE (DECREASE) IN CURRENT LIABILITIES | | |
| Accounts payable and accrued | (9,708) | 1,426 |
| Wages payable | 18,507 | 20,058 |
| Payroll remittances payable | <u>1,125</u> | <u>(2,509)</u> |
| | <u>\$ (3,549)</u> | <u>\$ 25,818</u> |

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

8. CASH FLOW INFORMATION

Cash and cash equivalents consist of cash on hand and balances with the bank.

Restricted cash consists of a balance with the bank.

| | <u>2018</u> | <u>2017</u> |
|-------------------|-------------------|-------------------|
| Cash - operating | \$ 273,609 | \$ 172,142 |
| Cash - restricted | <u>1,977</u> | <u>56,748</u> |
| | <u>\$ 275,586</u> | <u>\$ 228,890</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 and 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 a public stock exchange and as such is exposed to risk due to the activity on the stock exchange.