

ALBERTA WILDERNESS ASSOCIATION

FINANCIAL STATEMENTS

(Unaudited)

JULY 31, 2019



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 Wednesday, July 31, 2019, and the statements of operations and changes in fund balances, 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 Wednesday, July 31, 2019, 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 14, 2019

Roberts & Company



PROFESSIONAL ACCOUNTANTS LLP

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(Unaudited)

AS AT JULY 31, 2019

	<u>2019</u> <u>Operating</u> <u>Fund</u>	<u>2019</u> <u>Restricted</u> <u>Funds</u>	<u>2019</u> <u>Total</u>	<u>2018</u> <u>Total</u>
ASSETS				
CURRENT				
Cash and cash equivalents (Note 2)	\$ 302,395	\$ 32,626	\$ 335,021	\$ 275,586
Term deposits (Note 3)	33,316	-	33,316	136,070
Marketable securities (Note 4)	129,593	-	129,593	139,437
Accounts receivable	11,844	-	11,844	8,811
Prepaid expenses	1,870	5,781	7,651	6,690
GST receivable	1,817	-	1,817	1,368
Donated items held for auction	9,773	-	9,773	7,160
	490,608	38,407	529,015	575,122
LAND AND BUILDING (Note 5)	645,400	-	645,400	657,323
INVESTMENT IN ART , at cost	3,500	-	3,500	-
	\$ 1,139,508	\$ 38,407	\$ 1,177,915	\$ 1,232,445
LIABILITIES				
CURRENT				
Accounts payable and accrued	\$ 9,630	\$ -	\$ 9,630	\$ 6,424
Wages payable	53,604	-	53,604	46,460
Payroll remittances payable	9,832	-	9,832	8,816
Deferred income	5,175	-	5,175	8,750
	78,241	-	78,241	70,450
FUND BALANCES				
Unrestricted	1,061,267	-	1,061,267	1,157,440
Restricted	-	38,407	38,407	4,555
	1,061,267	38,407	1,099,674	1,161,995
	\$ 1,139,508	\$ 38,407	\$ 1,177,915	\$ 1,232,445

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, 2019

	<u>2019 Operating Fund</u>	<u>2019 Restricted Funds</u>	<u>2019 Total</u>	<u>2018 Total</u>
REVENUES				
General donations	\$ 454,832	\$ -	\$ 454,832	\$ 537,606
Unrealized gain on marketable securities	94,557	-	94,557	7,709
Grants (Note 6)	65,408	-	65,408	95,761
Fundraising	46,069	-	46,069	35,412
Investment income	11,291	-	11,291	8,858
Membership revenue	1,705	-	1,705	3,227
Honorariums	1,122	-	1,122	631
Rental income	350	-	350	800
Casino	-	69,528	69,528	-
Realized (loss) gain on sale of marketable securities	(94,404)	-	(94,404)	1,624
	<u>580,930</u>	<u>69,528</u>	<u>650,458</u>	<u>691,628</u>
EXPENSES				
Wilderness stewardship and outreach	487,373	31,788	519,161	478,235
Development	60,340	106	60,446	57,020
General and administration	117,466	3,782	121,248	79,890
Amortization on building	11,924	-	11,924	13,249
	<u>677,103</u>	<u>35,676</u>	<u>712,779</u>	<u>628,394</u>
EXCESS OF REVENUE (EXPENSES) OVER EXPENSES (REVENUE)	(96,173)	33,852	(62,321)	63,234
FUND BALANCES, beginning of year	<u>1,157,440</u>	<u>4,555</u>	<u>1,161,995</u>	<u>1,098,761</u>
FUND BALANCES, end of year	<u>\$ 1,061,267</u>	<u>\$ 38,407</u>	<u>\$ 1,099,674</u>	<u>\$ 1,161,995</u>

ALBERTA WILDERNESS ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

	<u>2019</u> <u>Operating</u> <u>Fund</u>	<u>2019</u> <u>Restricted</u> <u>Funds</u>	<u>2019</u> <u>Total</u>	<u>2018</u> <u>Total</u>
OPERATING ACTIVITIES				
Excess of revenue (expenses) over expenses (revenue)	\$ (96,173)	\$ 33,852	\$ (62,321)	\$ 63,234
Adjustments for items not affecting cash				
Donated marketable securities	(8,739)	-	(8,739)	(137,363)
Donated art collection	(3,500)	-	(3,500)	-
Realized loss (gain) on sale of marketable securities	94,404	-	94,404	(1,628)
Unrealized gain on marketable securities	(94,557)	-	(94,557)	(7,709)
Amortization of building	11,924	-	11,924	13,249
Working capital used by operating activities	(96,641)	33,852	(62,789)	(70,217)
Change in non-cash operating working capital (Note 7)	7,522	(3,203)	4,319	(3,549)
Change in deferred income	(3,575)	-	(3,575)	8,750
Cash used by operations	(92,694)	30,649	(62,045)	(65,016)
INVESTING ACTIVITIES				
Proceeds on sale of marketable securities	18,726	-	18,726	145,932
Purchase of term deposit	(33,316)	-	(33,316)	(136,070)
Redemption of term deposits	136,070	-	136,070	101,850
	121,480	-	121,480	111,712
INCREASE IN THE YEAR	28,786	30,649	59,435	46,696
CASH & CASH EQUIVALENTS, beginning of year	273,609	1,977	275,586	228,890
CASH & CASH EQUIVALENTS, end of year (Note 8)	\$ 302,395	\$ 32,626	\$ 335,021	\$ 275,586

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

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 the 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, 2019

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.

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 and balances with the bank.

Restricted cash consists of a balance with the bank of \$32,626 (2018 - \$1,977).

3. TERM DEPOSITS

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

	<u>2019</u>	<u>2018</u>
Bank of Montreal term deposit, bearing interest at 2.21% per annum, matures June 5, 2020	\$ 33,316	\$ 32,234
Canadian Western bank term deposit, matured in year	<u>-</u>	<u>103,836</u>
	<u>\$ 33,316</u>	<u>\$ 136,070</u>

4. MARKETABLE SECURITIES

	<u>2019</u>	<u>2018</u>
Marketable securities (cost \$124,320, 2018 - \$228,720)	<u>\$ 129,593</u>	<u>\$ 139,437</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, 2019

5. LAND AND BUILDING

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2019</u>
Land	\$ 538,083	\$ -	\$ 538,083
Building	<u>175,926</u>	<u>68,609</u>	<u>107,317</u>
	<u>\$ 714,009</u>	<u>\$ 68,609</u>	<u>\$ 645,400</u>
	<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>

6. GRANTS

The organization received grant funding from various sources in the amount of \$65,408 (2018 - \$95,761).

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

	<u>2019</u>	<u>2018</u>
Organizational Support Grant	<u>\$ 8,060</u>	<u>\$ 8,060</u>

7. CHANGE IN NON-CASH WORKING CAPITAL

	<u>2019</u>	<u>2018</u>
DECREASE (INCREASE) IN CURRENT ASSETS		
Accounts receivable	\$ (3,033)	\$ (7,711)
Prepaid expenses	(960)	(711)
GST receivable	(449)	203
Donated items held for auction	(2,612)	(5,254)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued	3,213	(9,708)
Wages payable	7,144	18,507
Payroll remittances payable	<u>1,016</u>	<u>1,125</u>
	<u>\$ 4,319</u>	<u>\$ (3,549)</u>

ALBERTA WILDERNESS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

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>2019</u>	<u>2018</u>
Cash - operating	\$ 302,395	\$ 273,609
Cash - restricted	<u>32,626</u>	<u>1,977</u>
	<u>\$ 335,021</u>	<u>\$ 275,586</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.