

**ALBERTA WILDERNESS ASSOCIATION**

**FINANCIAL STATEMENTS**

(Unaudited)

**JULY 31, 2024**



# Roberts & Company

CHARTERED 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, 2024, 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 July 31, 2024, 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 12, 2024

*Roberts & Company*

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

**ALBERTA WILDERNESS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited)

**AS AT JULY 31, 2024**

	<u>2024</u> <u>Operating</u> <u>Fund</u>	<u>2024</u> <u>Restricted</u> <u>Funds</u>	<u>2024</u> <u>Total</u>	<u>2023</u> <u>Total</u>
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalents (Note 2)	\$ 1,167,736	\$ 8,472	\$ 1,176,208	\$ 445,455
Marketable securities (Note 3)	208,599	-	208,599	563,113
Contribution receivable	20,040	-	20,040	-
Interest receivable	-	-	-	2,193
Prepaid expenses	9,021	-	9,021	13,176
GST receivable	953	-	953	2,823
Donated items held for resale	2,809	-	2,809	4,036
	1,409,158	8,472	1,417,630	1,030,796
<b>PROPERTY, PLANT AND EQUIPMENT</b> (Note 4)	730,103	-	730,103	620,954
<b>INVESTMENT IN ART</b> , at cost	4,900	-	4,900	4,600
	\$ 2,144,161	\$ 8,472	\$ 2,152,633	\$ 1,656,350
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued	\$ 9,449	\$ -	\$ 9,449	\$ 7,968
Wages payable	12,745	-	12,745	26,831
Payroll remittances payable	17,279	-	17,279	15,228
Deferred income	-	-	-	3,218
	39,473	-	39,473	53,245
<b>DEFERRED CONTRIBUTION</b> (Note 5)	64,479	-	64,479	-
	103,952	-	103,952	53,245
<b>COMMITMENT</b> (Note 7)				
<b>FUND BALANCES</b>				
Unrestricted	2,040,209	-	2,040,209	1,530,380
Restricted	-	8,472	8,472	72,725
	2,040,209	8,472	2,048,681	1,603,105
	\$ 2,144,161	\$ 8,472	\$ 2,152,633	\$ 1,656,350

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, 2024**

	<u>2024 Operating Fund</u>	<u>2024 Restricted Funds</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>REVENUES</b>				
General donations	\$ 819,269	\$ -	\$ 819,269	\$ 693,290
Grants (Note 6)	159,718	-	159,718	89,626
Investment income	35,780	-	35,780	21,255
Unrealized gain on marketable securities	15,595	-	15,595	8,224
Consulting income	14,347	-	14,347	19,198
Fundraising	10,474	-	10,474	2,798
Realized gain (loss) on sale of marketable securities	9,714	-	9,714	(615)
Membership revenue	2,680	-	2,680	2,150
Casino	-	-	-	73,214
Loss on sale of donated land	-	-	-	(14,329)
	<u>1,067,577</u>	<u>-</u>	<u>1,067,577</u>	<u>894,811</u>
<b>EXPENSES</b>				
Wilderness stewardship and outreach	330,071	64,253	394,324	479,855
Development	106,316	-	106,316	108,972
General and administration	104,026	-	104,026	84,004
Amortization	17,335	-	17,335	8,956
	<u>557,748</u>	<u>64,253</u>	<u>622,001</u>	<u>681,787</u>
<b>EXCESS OF REVENUE (EXPENSES) OVER EXPENSES (REVENUE)</b>	509,829	(64,253)	445,576	213,024
<b>FUND BALANCES, beginning of year</b>	1,530,380	72,725	1,603,105	1,390,081
<b>FUND BALANCES, end of year</b>	\$ 2,040,209	\$ 8,472	\$ 2,048,681	\$ 1,603,105

**ALBERTA WILDERNESS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
(Unaudited)

**FOR THE YEAR ENDED JULY 31, 2024**

	<u>2024</u> <u>Operating</u> <u>Fund</u>	<u>2024</u> <u>Restricted</u> <u>Funds</u>	<u>2024</u> <u>Total</u>	<u>2023</u> <u>Total</u>
<b>OPERATING ACTIVITIES</b>				
Excess of revenue (expenses) over expenses (revenue)	\$ 509,829	\$ (64,253)	\$ 445,576	\$ 213,024
Adjustments for items not affecting cash				
Donated marketable securities	(34,733)	-	(34,733)	(31,325)
Deferred contribution	64,479	-	64,479	-
Donated art collection	(300)	-	(300)	-
Donated land	-	-	-	(106,000)
Art collection disposition	-	-	-	150
Realized loss on sale of marketable securities	(9,714)	-	(9,714)	615
Unrealized gain on marketable securities	(15,595)	-	(15,595)	(8,224)
Loss on sale of donated land	-	-	-	14,329
Amortization	17,335	-	17,335	8,956
Working capital provided by operating activities	531,301	(64,253)	467,048	91,525
Change in non-cash operating working capital (Note 8)	(24,670)	303	(24,367)	7,552
<b>Cash provided by operations</b>	<b>506,631</b>	<b>(63,950)</b>	<b>442,681</b>	<b>99,077</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(126,485)	-	(126,485)	(13,593)
Proceeds on sale of marketable securities	414,738	-	414,738	25,108
Purchase of marketable securities	(181)	-	(181)	(385,623)
Proceeds on sale of land	-	-	-	91,672
	288,072	-	288,072	(282,436)
<b>INCREASE (DECREASE) IN THE YEAR</b>	<b>794,703</b>	<b>(63,950)</b>	<b>730,753</b>	<b>(183,359)</b>
<b>CASH &amp; CASH EQUIVALENTS, beginning of year</b>	<b>373,033</b>	<b>72,422</b>	<b>445,455</b>	<b>628,814</b>
<b>CASH &amp; CASH EQUIVALENTS, end of year (Note 9)</b>	<b>\$ 1,167,736</b>	<b>\$ 8,472</b>	<b>\$ 1,176,208</b>	<b>\$ 445,455</b>

**ALBERTA WILDERNESS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited)

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**FOR THE YEAR ENDED JULY 31, 2024**

**NATURE OF OPERATIONS**

Alberta Wilderness Association, ("the organization"), is a not-for-profit organization registered under The Societies Act of Alberta. The organization 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 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. The restricted fund is comprised of proceeds from the organization's volunteer work with Alberta Gaming, Liquor and Cannabis at a casino. The funds received are restricted by Alberta Gaming, Liquor and Cannabis and they are used for the development of educational resource materials, promotional activities, and administrative costs.

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.

**ALBERTA WILDERNESS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED JULY 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

e) Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization for the building is calculated using the declining balance method at ten percent per year. Computer software is being amortized on a straight-line basis over 5 years.

Amortization is calculated from the month of acquisition to the month of disposal.

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.

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, contribution receivable and interest receivable, at amortized cost;
- all financial liabilities, which include accounts payable and accrued liabilities, at amortized cost.

**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 \$8,472 (2023 - \$72,422).

**3. MARKETABLE SECURITIES**

	<u>2024</u>	<u>2023</u>
Marketable securities (cost at \$145,435, 2023 - \$515,544)	\$ <u>208,599</u>	\$ <u>563,113</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, 2024**

**4. PROPERTY, PLANT AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2024</u>
Land	\$ 538,083	\$ -	\$ 538,083
Building	302,411	120,132	182,279
Computer software	<u>13,593</u>	<u>3,852</u>	<u>9,741</u>
	<u>\$ 854,087</u>	<u>\$ 123,984</u>	<u>\$ 730,103</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2023</u>
Land	\$ 538,083	\$ -	\$ 538,083
Building	175,926	105,515	70,411
Computer software	<u>13,593</u>	<u>1,133</u>	<u>12,460</u>
	<u>\$ 727,602</u>	<u>\$ 106,648</u>	<u>\$ 620,954</u>

**5. DEFERRED CONTRIBUTION**

	<u>Grant Amount</u>	<u>Accumulated Recognized grant</u>	<u>Net 2024</u>
Heritage Incentive Reserve Grant	\$ 49,045	\$ (3,270)	\$ 45,775
Alberta Heritage Preservation Partnership Program Grant	<u>20,040</u>	<u>(1,336)</u>	<u>18,704</u>
	<u>\$ 69,085</u>	<u>\$ (4,606)</u>	<u>\$ 64,479</u>

During the year, the organization received a Heritage Incentive Reserve Grant for \$49,045 from the City of Calgary and an Alberta Heritage Preservation Partnership Program grant for \$20,040 from the Alberta Arts, Culture and Status of Women for building improvements, of which \$3,270 and \$1,336 were recognized as grant income in 2024 (Note 6).

**6. GRANTS**

Grant income reported in 2024, in the amount of \$159,718 (2023 - \$89,626), includes \$4,606 (2023 - nil) in respect of deferred contributions (Note 5).

Included in the grant funding received during the year is funding from the Government of Alberta, Sport, Physical Activity and Recreation Branch, an Organization Grant amount of \$24,750 (2023 - \$16,455).

**7. COMMITMENT**

In April 2024, the organization entered a three year IT management service agreement. Under the terms of the IT management service agreement, the organization will be required to make annual payments as follows:

2025	\$ 16,652
2026	16,652
2027	<u>11,102</u>
	<u>\$ 44,406</u>



**ALBERTA WILDERNESS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED JULY 31, 2024**

**8. CHANGE IN NON-CASH WORKING CAPITAL**

	<u>2024</u>	<u>2023</u>
DECREASE (INCREASE) IN CURRENT ASSETS		
Accounts receivable	\$ -	\$ 4,074
Interest receivable	2,193	(2,193)
Contribution receivable	(20,040)	-
Prepaid expenses	4,155	(4,030)
GST receivable	1,870	(1,983)
Donated items held for resale	1,227	(1,236)
 INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued	1,481	625
Wages payable	(14,086)	(548)
Payroll remittances payable	2,051	9,625
Deferred income	<u>(3,218)</u>	<u>3,218</u>
	<u>\$ (24,367)</u>	<u>\$ 7,552</u>

**9. 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>2024</u>	<u>2023</u>
Cash - operating	\$ 1,167,736	\$ 373,033
Cash - restricted	<u>8,472</u>	<u>72,422</u>
	<u>\$ 1,176,208</u>	<u>\$ 445,455</u>

**10. 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.

**11. 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.

## Alberta Wilderness Association

### Effect of the Disbursement Quota rules

The Income Tax Act contains rules designed to ensure that registered charities do not hold indefinitely the assets, acquired by way of donation, which are “not used directly in carrying charitable activities”. These rules are known as the Disbursement Quota (“DQ”) calculation. It is computed annually and is reported on the tax return. Registered charities have 2 key attributes which make the DQ rules necessary:

- The ability to issue tax receipts, and
- Non-taxable status

For AWA, assets which are “not used directly in carrying charitable activities” constitute its cash balances and its marketable securities. AWA holds most of these assets in order to earn investment income. This income is used to contribute to the funding of AWA’s operations. At October 31, 2024 aggregate of cash and marketable securities held was approximately \$1,450,000. Essentially, the DQ guarantees that every year at least a minimum portion of this property is used for charitable purposes, rather than being accumulated.

The steps in calculating AWA’s DQ are:

1. Compute the average amount of property not used directly in carrying charitable activities for the past 24 months. This is approximately \$1,088,000, referred to Amount A.
2. If amount A is more than \$1,000,000, calculate the DQ as follows:
  - $\$1,000,000 \times 3.5\%$
  - Excess of Amount A over \$1,000,000  $\times 5\%$

For AWA at August 31, 2024 this produces a DQ of approximately \$40,000. Thus, this the minimum spending required in the year ended August 31, 2024.

3. Compare the DQ with the actual spending in the year  
Spending per financial statements, before amortization - \$604,666
4. Clearly, spending is vastly in excess of the DQ and is likely to remain so for some considerable time.

Chris Saunders

November 6, 2024