

Enviros Wilderness School Association

Financial Statements
March 31, 2019



Independent auditor's report

To the Directors of Enviros Wilderness School Association

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Enviros Wilderness School Association (the Association) as at March 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.

What we have audited

The Association's financial statements comprise:

- the statement of financial position as at March 31, 2019;
- the statement of revenue and expenditures and fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related 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:

- 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
June 26, 2019

Enviros Wilderness School Association

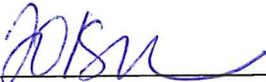
Statement of Financial Position

As at March 31, 2019

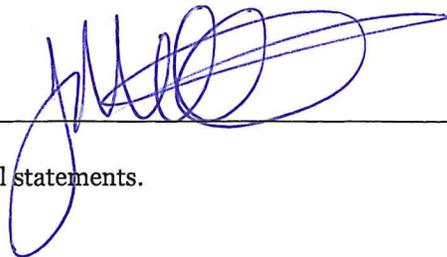
			2019	2018
	Operating Fund \$	Capital Fund \$	Total \$	Total \$
Assets				
Current assets				
Cash and cash equivalents	1,198,141	133,243	1,331,384	1,589,766
Accounts receivable	58,121	-	58,121	138,633
Goods and services tax recoverable	32,147	3,329	35,476	17,748
Prepaid expenses	66,963	-	66,963	77,455
Due to (from) funds	11,077	(11,077)	-	-
	1,366,449	125,495	1,491,944	1,823,602
Investments (note 4)	961,700	1,221,490	2,183,190	2,157,686
Capital assets (note 7)	-	1,848,045	1,848,045	1,902,177
	2,328,149	3,195,030	5,523,179	5,883,465
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 5)	538,031	14,575	552,606	543,217
Deferred revenue	277,952	-	277,952	205,036
Surplus contributions refundable (note 9)	198,991	-	198,991	933,380
	1,014,974	14,575	1,029,549	1,681,633
Deferred contributions (note 6)	-	953,890	953,890	1,002,893
	1,014,974	968,465	1,983,439	2,684,526
Fund Balances				
Unrestricted	1,259,982	-	1,259,982	916,588
Internally restricted	53,193	2,226,565	2,279,758	2,282,351
	1,313,175	2,226,565	3,539,740	3,198,939
	2,328,149	3,195,030	5,523,179	5,883,465

Commitments (note 10)

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Enviros Wilderness School Association
Statement of Revenue and Expenditures and Fund Balances
For the year ended March 31, 2019

			2019	2018
	Operating Fund \$	Capital Fund \$	Total \$	Total \$
Revenue				
Contract revenue				
Calgary & Area Child and Family Services Authority	6,180,690	-	6,180,690	6,072,810
Alberta Health Services – Base Camp	1,689,607	-	1,689,607	1,656,478
Alberta Health Services – Shunda Creek	1,730,064	7,200	1,737,264	1,703,200
Alberta Solicitor General and Public Security and Alberta Justice	731,394	-	731,394	722,008
Calgary Fetal Alcohol Network	241,944	-	241,944	241,944
Surplus contributions repayable (note 9)	(172,771)	-	(172,771)	(519,661)
Fee for service	105,493	-	105,493	114,870
Donations, fundraising and grants	340,030	-	340,030	290,294
Amortization of deferred contributions (note 6)	-	91,741	91,741	93,106
	10,846,451	98,941	10,945,392	10,375,049
Expenses				
Manpower	7,288,775	-	7,288,775	7,043,879
Direct client costs	2,107,913	-	2,107,913	2,138,344
Facility	639,431	-	639,431	635,959
Administration	426,337	8,582	434,919	485,032
Vehicle costs	78,657	-	78,657	80,160
Fundraising costs	28,274	-	28,274	58,147
Amortization	-	163,909	163,909	170,474
	10,569,387	172,491	10,741,878	10,611,995
Other income (expenses)				
Other income	59,688	-	59,688	197,227
Investment income (note 4)	34,835	50,489	85,324	21,254
(Loss) gain on disposal of capital assets	-	(7,725)	(7,725)	6,800
	94,523	42,764	137,287	225,281
Excess (deficiency) of revenue over expenses	371,587	(30,786)	340,801	(11,665)
Fund balances – Beginning of year	941,588	2,257,351	3,198,939	3,210,604
Fund balances – End of year	1,313,175	2,226,565	3,539,740	3,198,939

The accompanying notes are an integral part of these financial statements.

Enviros Wilderness School Association

Statement of Cash Flows

For the year ended March 31, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	340,801	(11,665)
Items not affecting cash		
Amortization of deferred contributions (note 6)	(91,741)	(93,106)
Unrealized income and (gain) loss on investments	(25,504)	23,687
(Gain) loss on disposal of capital assets	7,725	(6,800)
Amortization	163,909	170,474
	<hr/>	<hr/>
	395,190	82,590
Net change in non-cash working capital	155,581	81,348
	<hr/>	<hr/>
	550,771	163,938
Financing activities		
Net movement in surplus contributions refundable (note 9)	(734,389)	468,728
Additions to deferred contributions (note 6)	42,738	-
	<hr/>	<hr/>
	(691,651)	468,728
Investing activities		
Capital asset purchases	(120,565)	-
Disposal proceeds from capital assets	3,063	6,800
Purchase of long-term investments	-	(51,000)
Proceeds from sale of long-term investments	-	65,500
	<hr/>	<hr/>
	(117,502)	21,300
(Decrease) increase in cash and cash equivalents	(258,382)	653,966
Cash and cash equivalents – Beginning of year	1,589,766	935,800
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Cash and cash equivalents – End of year	1,331,384	1,589,766
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The accompanying notes are an integral part of these financial statements.

Enviros Wilderness School Association

Notes to Financial Statements

March 31, 2019

1 Purpose of the Organization

Enviros Wilderness School Association (Enviros or the Organization) is a registered Association under the Societies Act of the Province of Alberta. Enviros was incorporated to provide for the social, physical, emotional and educational development of youth and families in Alberta. Enviros is a registered charity under the Income Tax Act (Canada), and as such is exempt from income taxes.

2 Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Fund accounting

The Organization uses fund accounting. The Organization maintains the following funds:

- the operating fund contains the assets, liabilities, revenue and expenses related to the Organization's operating activities; and
- the capital fund contains the assets, liabilities, revenue and expenses related to the Organization's capital assets.

Revenue recognition

Enviros follows the deferral method of accounting for contributions. Restricted contributions relating to operations are recognized as revenue in the operating fund in the year in which the related expenditures are incurred. Restricted contributions related to capital assets are recognized as revenue in the capital fund as the related capital assets are amortized. Unrestricted contributions are recognized in the operating fund when received or receivable if the amount can be reasonably estimated and collection reasonably assured.

Contract and fee for services are recognized when services are rendered.

Interest income is recognized as revenue, when earned, in the fund in which the related investment resides.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value when fair value can be reasonably estimated.

Enviros Wilderness School Association

Notes to Financial Statements

March 31, 2019

Amortization is provided over the estimated useful lives of the assets on the following basis:

Buildings	30 years straight-line
Vehicles	8 years straight-line
Equipment and furniture	20% declining balance

Construction-in-progress items are not subject to amortization until they are put into use.

Contributed goods and services

Enviros has numerous volunteers who contribute many hours each year. Contributed volunteer services are not recognized in the financial statements because of the difficulty in determining their value. Contributed goods are not recognized in the financial statements.

Measurement uncertainty

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

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with initial terms to maturity of less than 90 days.

Investments

Long-term investments are recorded at market value with distributions, realized and unrealized gains recognized in the statement of revenue and expenditures and fund balances as investment income.

Donations of investments in kind, if any, are recorded at market value on the date of donation.

Financial instruments

Enviros initially measures financial assets and financial liabilities at their fair value and subsequently measures all its financial assets and financial liabilities, other than long-term investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and surplus contributions refundable.

Enviros Wilderness School Association

Notes to Financial Statements

March 31, 2019

3 Economic dependence

The Organization operates programs which are funded by governments and agencies. These contracts are annually renewed and can be cancelled based on policy changes on redirection of funding.

4 Investments

	2019 \$	2018 \$
Fixed income funds	802,287	783,732
Equity funds	1,380,903	1,373,954
	<u>2,183,190</u>	<u>2,157,686</u>

During the year, dividends of \$45,516 (2018 – \$36,204) and interest income of \$15,562 (2018 – \$7,626) from short-term investments was recorded in investment income on the statement of revenue and expenditures and fund balances.

Investment income earned on internally restricted investment is also internally restricted by the Board of Directors requiring Board approval prior to use.

5 Government remittances payable

In respect of government remittances as at March 31, 2019, payroll withholding tax of \$31,252 (2018 – \$33,645) is included in accounts payable and accrued liabilities.

6 Deferred contributions

Deferred contributions reported in the capital fund include unamortized portions of contributed capital assets and restricted contributions for capital assets. The contributions are amortized over the same basis as the capital assets in the capital fund.

The changes for the year in the deferred contribution balance reported in the capital fund are as follows:

	2019 \$	2018 \$
Balance – Beginning of year	1,002,893	1,095,999
Amounts amortized to revenue	(91,741)	(93,106)
Contributions – other	42,738	-
	<u>953,890</u>	<u>1,002,893</u>

Enviros Wilderness School Association

Notes to Financial Statements

March 31, 2019

7 Capital assets

			2019	2018
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	330,220	-	330,220	330,220
Buildings	2,579,712	1,425,517	1,154,195	1,171,938
Vehicles	446,391	293,953	152,438	129,672
Equipment and furniture	1,186,583	975,391	211,192	270,347
	4,542,906	2,694,861	1,848,045	1,902,177

Lease

Buildings, with a net book value of \$882,418 as at March 31, 2019 (2018 – \$870,879) and included above, were erected on lands subject to a recreational lease. This lease, with the Alberta Forestry Land and Wildlife, expired on September 30, 2011. A temporary field authorization with an expiration date of October 31, 2019 has been provided in the interim. The Organization is currently negotiating a lease renewal. Anticipated lease costs are unknown. Presently, these lease costs are nominal in value.

8 Line of credit

Enviros has a demand revolving credit facility of \$300,000 (2018 – \$300,000) of which \$nil was drawn as at March 31, 2019 (2018 – \$nil). The facility bears interest at prime and is collateralized by the carrying value of property owned by the Organization.

9 Surplus contributions refundable

Surplus contributions refundable represent advances received from funders which have not been fully expended as at March 31, 2019 and which have not been approved for use. The funding agencies may approve retention of these funds for specified purposes, or may request the amounts to be paid.

10 Commitments

The Organization entered into a lease agreement for office space with a term to December 31, 2021. The Organization also entered into additional lease agreements, committing to the following annual rental payments:

	\$
2020	189,518
2021	194,980
2022	146,235

Enviros Wilderness School Association

Notes to Financial Statements

March 31, 2019

11 Fundraising expenses

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	106,175
Direct expenses incurred for the purpose of soliciting contributions	28,274