ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION

FINANCIAL STATEMENTS

December-31-18

Bergeron &Co.
CHARTERED PROFESSIONAL ACCOUNTANTS
COMPTABLES PROFESSIONNELS AGRÉÉS

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION

FINANCIAL STATEMENTS

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CHARTERED PROFESSIONAL ACCOUNTANTS
COMPTABLES PROFESSIONNELS AGRÉÉS

Gary Doran CPA,CGA
Pierre Bergeron CPA,CGA
Simon Belzile CPA,CGA
Mathieu Lepage CPA,CGA

INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Institute for Wildlife Conservation

Qualified Opinion
We have audited the financial statements of Alberta Institute for Wildlife Conservation (the Society), which comprise the statement of financial position as at December-31-18, and the statements of operations, changes in net assets, and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December-31-18, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Completeness of revenue
In common with many not-for-profit organizations, the Society derives revenues from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations, sales, and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Inventories
We were not able to observe the counting of the physical closing inventories as at December 31, 2018 or satisfy ourselves concerning those inventory quantities by alternative means. Since closing inventories affect the determination of the results of the operations, we were unable to determine whether adjustments to the results of operations might be necessary for 2018.

Land deferral
We were not able to confirm the beginning balance and the transactions related to land deferral (revenue and expenses) for the year ended December 31, 2018 or satisfy ourselves concerning those transactions and balances by alternative means. Since land deferral transactions and the land deferral closing balance affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations might be necessary for 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsiblities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statments in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified audit opinion.

Emphasis of matter
We draw attention to Note 2 in the financial statements, which describes prior period adjustments related to land deferral and long-term debt and their impact on the corresponding figures. We also draw attention to Note 15 in the financial statements, which describes a major subsequent event. Our opinion is not modified in respect of these matters.

Responsiblities 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, whehter due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 controls.

- Obtain an understanding of internal controls relevant ot 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 effectivesness of the Society's internal controls.

- 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 Society'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 dislcosures in the financial statments 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 Society 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.

Bergeron & Company

Calgary, AB
May 23, 2019

Bergeron & Co. Chartered Professional Accountants

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF OPERATIONS
For the year ended December-31-18

	2018	2017 (Restated)
REVENUE		
Donations	$ 281,140	$ 321,034
Grants	97,065	217,650
In-kind travel (Note 13)	89,270	122,327
Special events, sales, rebates	57,355	17,471
In-kind bookkeeping (Note 14)	18,313	-
Training and education	15,994	17,739
Amortization of deferred capital contributions	2,050	-
Memberships	7,950	7,545
Casino	7,919	61,287
	577,056	765,053
EXPENSES		
Schedule of Expenses - Page 15	667,761	717,731
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(90,705)	47,322
OTHER		
Interest income	1,740	1,936
Dividend income	152	-
Misappropriation of funds	-	(18,313)
Change in fair value of investments	(75)	-
	1,817	(16,377)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	**$ (88,888)**	**$ 30,945**

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December-31-18

NET ASSETS	Restricted	Invested in capital assets	Unrestricted	Total 2018	Total 2017 (Restated)
Net assets, beginning of year as previously restated	$ 50,989	$ 715,048	$ 172,423	$ 938,460	$ 883,844
Prior period adjustment (Note 2)	(50,989)	10,714	27,318	(12,957)	-
Balance, beginning of year, as restated	$ -	$ 725,762	$ 199,741	$ 925,503	$ 883,844
(Deficiency) excess of revenues over expenses	-	(30,948)	(57,940)	(88,888)	30,945
Investment in capital assets	-	51,915	(51,915)	-	-
Capital Donations (Note 2)	-	11,038	-	11,038	10,714
	-	757,767	89,886	847,653	925,503
Balance, end of year	**$ -**	**$ 757,767**	**$ 89,886**	**$ 847,653**	**$ 925,503**

Bergeron&Co.

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
STATEMENT OF FINANCIAL POSITION
December-31-18

	2018	2017 (Restated)
ASSETS		
CURRENT		
Cash (Note 4)	$ 236,158	$ 266,319
Accounts receivable (Note 5)	45,436	55
Goods and Services Tax recoverable	2,995	16,498
Inventories (Note 6)	11,054	2,341
Prepaid expenses	5,239	4,901
Short-term Investments, at fair value	5,390	4,064
TOTAL CURRENT ASSETS	306,272	294,178
INVESTMENTS AT AMORTIZED COST	741	741
TANGIBLE CAPITAL ASSETS (Note 7)	1,164,123	1,145,205
TOTAL ASSETS	**$ 1,471,136**	**$ 1,440,124**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	$ 76,323	$ 35,283
Deferred revenues (Note 9)	94,341	54,431
Scheduled repayments of long-term debt (Note 10)	11,372	11,038
TOTAL CURRENT LIABILITIES	182,036	100,752
LONG-TERM DEBT (Note 10)	402,497	413,869
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	38,950	-
TOTAL LIABILITIES	623,483	514,621
NET ASSETS		
Net assets invested in capital assets	757,767	725,762
Unrestricted net assets	89,886	199,741
TOTAL NET ASSETS	847,653	925,503
TOTAL LIABILITIES AND NET ASSETS	**$ 1,471,136**	**$ 1,440,124**

Approved by the Directors:

_____, Director

_____, Director

See accompanying Notes to Financial Statements

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
CASH FLOW STATEMENT
For the year ended December-31-18

	2018	2017 (Restated)
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	$ (88,888)	$ 30,945
Add (deduct):		
Charges to income not involving cash		
Amortization of tangible capital assets	32,998	29,079
Amortization of deferred capital contributions	(2,050)	-
Change in fair value of investments	75	-
	(57,865)	60,024
Net change in non-cash working capital balances related to operations		
Accounts receivable	(4,381)	946
Goods and services tax recoverable	13,503	(6,419)
Inventories	(8,713)	2,341
Prepaid expenses	(338)	3,516
Accounts payable and accrued liabilities	41,040	23,747
Deferred revenues	39,910	(70,569)
	23,156	13,586
FINANCING ACTIVITIES		
Repayment of long-term debt	(11,038)	(10,618)
Capital Donations	11,038	10,714
	-	96
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(51,915)	(99,702)
Purchase of investments	(1,402)	(4,117)
	(53,317)	(103,819)
DECREASE IN CASH	(30,161)	(90,137)
CASH, beginning of year	266,319	356,456
CASH, end of year	**$ 236,158**	**$ 266,319**

See accompanying Notes to Financial Statements

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

Alberta Institute for Wildlife Conservation (the "Society") was incorporated under the name of Rockyview Wildlife Recovery Society and amended its name to Alberta Institute for Wildlife Conservation. The society is a not-for-profit organization incorporated under the Societies Act of Alberta. The society is a registered charity and is exempt from the payment of income taxes under the Income Tax Act. The purpose of the society is to contribute to wildlife conservation in Alberta by providing comprehensive and humane rehabilitation programs to promote awareness and greater stewardship of native wildlife in addition to providing wildlife conflict resolution services to resolve wildlife intrusion onto private property.

2. PRIOR PERIOD ADJUSTMENT

The Society discovered that the interest loan on its mortgage was 2.98% instead 3%. It also discovered that the donations with regards to the repayment of the capital and interest on the long-term debt (land deferral) was improperly recorded. As a result, the net assets as at January 1, 2018 were decreased by $12,957 and the financial statements for the year ended December 31, 2017 were restated. The donations revenue were decreased by $28,919, interest expenses were decreased by $5,249 and the excess of revenue over expenses was decreased by $23,671 in the statement of operations for 2017. The net assets invested in capital assets was increased by $10,714, the land deferral was increased by $18,205 and the balance of the long-term debt was decreased by $5,249 in the statement of financial position as at December 31, 2017.

The society discovered an error with regards to restricted net assets that was used for the purpose of a restriction. Therefore, the beginning balance of the restricted net assets as of January 1, 2018 have been reduced by $50,989 and the unrestricted net assets have been increased by the same amount. The was no impact on the total net assets.

3. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Management's use of estimates

a) The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Revenue recognition

b) The society uses the deferral method of accounting for contributions (i.e. grants and contributions). Under this method, contributions restricted to expenses of future periods are deferred and recognized as revenue in the period when the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets to be amortized are deferred. They will be recognized in revenues using the same method and rate used for amortization of capital assets acquired to which they relate to.

Investment income, which is reported on an accrual basis, includes interest income, dividends and capital gains (losses) on the sale of securities.

Training and education fees are recognized as revenue when the seminars are held. Sale of memberships revenues are recognized as revenue when the memberships are sold, and amortized over the life of the membership. Sepcial events, sales and rebate are recognized when the events are held or the sales occur.

Financial instruments

c) The Society initially measures all its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred. Subsequently, investments are recorded as follows:

Financial assets measured at amortized cost consist of cash, trade receivables, casino receivable and investments in a co-operative.

Investments in publicly traded equity securities are recorded at fair value based on the quoted market prices.

Financial liabilities measured at amortized cost consist of accounts payable and accrued, and long-term debt.

Transaction costs, such as commissions, arising from investments in publicly trade equity securities are expensed when incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

Financial instruments impairment

d) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the Statement of Operations. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

Cash and cash equivalents

e) Cash equivalents are comprised of bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Inventory measurement

f) Inventories are measured at the lower of cost (determined by using the first-in, first-out method) and net realizable value. Net realizable value for merchandise is the estimated selling price in the ordinary course of business, less the costs of completion and costs necessary to make the sale. Net realizable value for medical supplies is the replacement cost.

Tangible capital assets

g) Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is recorded at the following rates, which have been established by estimates of useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition. Amortization expense is reported in the statement of operations.

Automotive equipment	20%	declining balance
Computer hardware	45%	declining balance
Furniture and fixtures	20%	declining balance
Building	4%	declining balance
Land Improvements	3%	declining balance
Equipment	10%	declining balance
Other assets	20%	declining balance
Office Equipment	20%	declining balance
Cages	20%	declining balance

When a tangible capital asset or an intangible asset that is subject to amortization no longer has any long-term service potential for the Society, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

Contributed materials and services

h) Contributed materials and services used in the normal course of the Society's operations are recognized when their fair value can be reasonably estimated. Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. Contributed services of volunteers are not recognized in these financial statements because fair value cannot be reasonably determined.

4. RESTRICTED CASH

	2018	2017 (Restated)
Externally restricted cash - deferred revenue	$ 90,235	$ 48,705
Externally restricted cash - casino	4,106	5,726
	94,341	54,431
Unrestricted cash	141,817	211,888
Cash	$ 236,158	$ 266,319

5. ACCOUNTS RECEIVABLE

	2018	2017 (Restated)
Casino receivable	$ 4,436	$ 55
Grant receivable	41,000	-
	$ 45,436	$ 55

6. INVENTORIES

	2018	2017 (Restated)
Merchandise	$ 6,054	$ -
Medical Supplies	5,000	-
Other	-	2,341
	$ 11,054	$ 2,341

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2018	Net Book Value 2017
Automotive equipment	$ 21,943	$ 15,472	$ 6,471	$ 8,089
Computer hardware	2,377	1,969	408	743
Furniture and fixtures	70,334	46,780	23,554	29,442
Building	315,625	122,621	193,004	198,859
Land	753,526	-	753,526	753,526
Land Improvements	16,306	5,456	10,850	11,185
Equipment	62,104	44,471	17,633	19,592
Other assets	75,078	26,936	48,142	10,213
Office Equipment	18,744	15,938	2,806	2,220
Cages	196,663	88,934	107,729	111,336
	$ 1,532,700	$ 368,577	$ 1,164,123	$ 1,145,205

8. GOVERNMENT REMITTANCES

The amount owing for government remittances other than those accounts that are separately reported in the balance sheet is $5,301 (2017 - $7,312). This amount is included in accounts payable and accrued liabilities.

9. DEFERRED REVENUE

Deferred revenue represents the unexpended portion of the funds as at December 31, 2018.

	Opening December 31, 2017	Amounts deferred	Amounts utilized	Ending December 31, 2018
Imperial Oil Resources	$ 25,000	$ 50,000	$ 25,000	$ 50,000
Casino (AGLC)	5,726	2,213	3,833	4,106
SAWF	5,000	3,359	5,000	3,359
Madden Lions Club	500	-	500	-
Land Deferral	18,205	14,711	21,593	11,323
Summerlee Foundation	-	6,544	3,422	3,122
Inter Pipeline	-	50,000	27,569	22,431
	$ 54,431	$ 126,827	$ 86,917	$ 94,341

10. LONG-TERM DEBT

	2018	2017 (Restated)
Land mortgage, 2.98%, repayable in monthly blended instalments of $1,963, maturing in May 2020, secured by land having a net carrying amount of $753,526	$ 413,869	$ 424,907
	413,869	424,907
Less current portion:		
Cash repayments required within 12 months	$ 11,372	$ 11,038
Callable debt	-	-
Current debt	11,372	11,038
Long-term debt	$ 402,497	$ 413,869

The long-term debt principal repayments required during the next two years are estimated as follows.

2019	$ 11,372
2020	402,497
	$ 413,869

11. DEFERRED CONTRIBUTIONS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions with which one of the Society's tangible capital asset was originally purchased. The changes in the balance of deferred contributions related to capital assets for the period are as follows:

Deferred contributions represents the unexpended portion of the funds as at December 31.

Deferred Contributions	2018	2017 (Restated)
Beginning balance	$ -	$ -
Received from Inter Pipeline	41,000	-
Amortized to income	(2,050)	-
Ending balance	$ 38,950	$ -

12. FINANCIAL RISKS

Credit risk:

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Society by failing to discharge an obligation. The Society's credit risk is mainly related to accounts receivable.

Interest rate risk:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest rate instruments subject the company to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. The society is exposed to interest rate risk with respect to its long-term debt.

Liquidity risk:

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and long-term debt.

Market risk:

Market risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices. Some of the Society's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to this risk through its investment in publicly-traded shares.

13. VOLUNTEER MILEAGE

These services are deemed in-kind contributions and expenses of non-monetary nature from volunteers based on the prescribed rates for the amount of kilometres driven.

14. MISAPPROPRIATION OF FUNDS

In 2017, a contractor committed fraud against the society and funds of $18,313 were misappropriated. Bookkeeping services were provided in-kind in order to reciprocate this loss and were recognized as revenue and the corresponding expense in 2018.

15. SUBSEQUENT EVENT

As of January 2019, a sum of $680,000 was donated to the society from the Estate of Otto Leo Barley. The first amount in the sum of $340,000 was transferred at the end of January 2019 while the remainder amount will be transferred at a later point in time pending clearance from CRA.

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ALBERTA INSTITUTE FOR WILDLIFE CONSERVATION
SCHEDULE OF EXPENSES
For the year ended December-31-18

	2018	2017 (Restated)
EXPENSES		
Wages and benefits	$ 349,984	$ 356,329
In-kind travel expenses (Note 9)	89,270	122,327
Professional fees	34,173	27,242
Amortization of tangible capital assets	32,998	29,079
Supplies	31,658	41,554
Fundraising expenses	31,258	20,105
Office and general	22,022	28,714
Insurance	13,530	13,248
Interest on long-term debt	12,518	12,939
Consulting fees	11,903	22,911
Telephone	11,132	5,137
Utilities	9,001	9,674
Repairs and maintenance	7,849	7,202
Training	3,756	5,998
Travel	2,805	8,011
Interest and bank charges	2,686	5,263
Business taxes and licences	1,218	1,998
	$ 667,761	$ 717,731

See accompanying Notes to Financial Statements