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**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**FINANCIAL STATEMENTS**

September 30 2016

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mahmoud virani inc  
chartered professional accountant

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## INDEPENDENT AUDITOR'S REPORT

To the members of Environmental Youth Alliance Society

I have audited the accompanying financial statements of Environmental Youth Alliance Society, which comprise the statement of financial position as at September 30 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the books of the Society and I was not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, cash flows, assets and fund balances. My audit opinion on the financial statements for the year ended September 30 2016 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified Opinion**

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations and fundraising revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Environmental Youth Alliance Society as at September 30 2016, 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. As required by the Society Act of British Columbia, I report that, in my qualified opinion, these principles have been applied on a basis consistent with that of the preceding year.



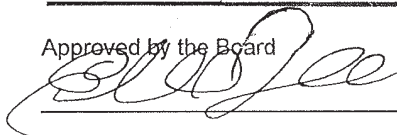
mahmoud virani inc  
chartered professional accountant  
Vancouver

February 4 2017

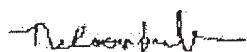
**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**STATEMENT OF FINANCIAL POSITION**

September 30		2016	2015
	notes	\$	\$
<b>Assets</b>			
Current			
Cash - operating		3,303	15,517
Cash - restricted	2	62,730	49,350
Accounts receivable		8,166	-
GST recoverable		5,157	3,924
Prepaid expenses		8,570	8,570
		87,926	77,361
Capital assets	3	237	693
		88,163	78,054
<b>Liabilities</b>			
Current			
Accounts payable & accruals		12,149	15,290
Deferred revenue	4	62,730	49,350
		74,879	64,640
Deferred contributions related to capital assets	5	237	693
		75,116	65,333
<b>Net assets</b>			
Unrestricted		13,047	12,721
		88,163	78,054

Approved by the Board



Director February 6, 2017



Director

**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**STATEMENT OF OPERATIONS**

For the year ended September 30		2016	2015
	notes	\$	\$
<b>Revenue</b>			
Grants - Federal		42,521	24,964
Grants - Provincial		-	6,007
Grants - Municipal		62,277	149,033
BC Gaming - direct access programme		62,097	70,462
Foundations & other		57,560	92,020
Donations		8,476	16,048
Product sales		1,626	55,372
Bank interest & other		866	68
Amortization of deferred contributions related to capital assets	5	456	456
		235,879	414,430
<b>Expenses</b>			
Amortization of capital assets		456	456
Bank charges & interest		1,020	2,967
Contract services		6,653	79,325
Equipment rental		1,205	380
Exchange gain		-	(1,153)
Honorarium		9,083	1,820
Insurance, licences & dues		5,497	5,383
Meetings		981	1,948
Office		3,348	9,045
Professional fees		8,652	8,750
Project expenses		10,102	47,439
Rent		25,367	26,660
Telephone		1,615	1,619
Training		1,250	2,593
Travel		2,057	6,577
Wages & benefits		157,878	202,669
Website		389	12,248
		235,553	408,726
<b>Excess of revenue over expenses</b>		<b>326</b>	<b>5,704</b>

**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**STATEMENT OF CHANGES IN NET ASSETS**

For the year ended September 30

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
	\$	\$	\$
<b>2016</b>			
Balance beginning of year	-	12,721	12,721
Excess of revenue over expenses	-	326	326
<b>Balance end of year</b>	<b>-</b>	<b>13,047</b>	<b>13,047</b>
<b>2015</b>			
Balance beginning of year	-	7,017	7,017
Capital asset additions	711	(711)	-
Capital assets purchased with restricted funds	(711)	711	-
Excess of revenue over expenses	-	5,704	5,704
<b>Balance end of year</b>	<b>-</b>	<b>12,721</b>	<b>12,721</b>

**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**STATEMENT OF CASH FLOWS**

For the year ended September 30	2016	2015
	\$	\$
<b>Cash provided by operating activities</b>		
Excess of revenue over expenses	326	5,704
Amortization of capital assets	456	456
Amortization of deferred contributions related to capital assets	(456)	(456)
	326	5,704
<b>Non-cash working capital items</b>		
Accounts receivable	(8,166)	36,490
GST recoverable	(1,233)	860
Prepaid expenses	-	(1,127)
Accounts payable & accruals	(3,141)	(2,638)
Deferred revenue	13,380	19,304
	1,166	58,593
<b>Financing activities</b>		
Deferred contributions related to capital assets	-	711
<b>Investing activities</b>		
Purchase of capital assets	-	(711)
Increase in cash during the year	1,166	58,593
Cash beginning of year	64,867	6,274
Cash end of year	66,033	64,867
Cash represented by:		
Cash - operating	3,303	15,517
Cash - restricted	62,730	49,350
	66,033	64,867

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**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**NOTES TO THE FINANCIAL STATEMENTS**

September 30 2016

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1. Society operations

The Environmental Youth Alliance Society was incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. The primary purpose of the Society is to educate the community in general and young people in particular in areas of environmental concern.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, product sales interest & other are recognized as revenue as and when earned or received.

Capital assets

Capital assets are recorded at cost and amortized over the life of the asset.

Computer equipment is amortized over 3 years on a straight line basis.

Restricted cash

Restricted cash represents cash which has been segregated based upon external restrictions.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable & accruals.

It is management's opinion that the Society is not exposed to significant interest or credit risks from these financial instruments.

Use of estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses reported during the year. Actual results could differ from these estimates.

Economic dependence

The Society's operations are dependent upon the ability of the management to obtain funding sufficient to exceed fixed expenses. The Society's strategy includes plans for securing short-term revenue sources and a long-term strategy for greater base funding and on-going project revenues. Management is of the opinion that revenue from these sources will adequately fund operations for the foreseeable future.



**ENVIRONMENTAL YOUTH ALLIANCE SOCIETY**  
(Incorporated under the Society Act of British Columbia)  
**NOTES TO THE FINANCIAL STATEMENTS**

September 30 2016

**3. Capital assets**

	Cost \$	Accumulated amortization \$	Net book value \$
<b>2016</b>			
Computer equipment	1,368	1,131	237
<b>2015</b>			
Computer equipment	1,368	675	693

**4. Deferred revenue**

Deferred revenue is made up of grants received which may only be used for the purpose of projects not yet completed. The balance in the account is made up as follows:

	<u>2016</u>	<u>2015</u>
Balance beginning of year	\$ 49,350	30,046
Add: Restricted funds received during the year	223,747	323,614
Less: Amounts utilized during the year	(210,367)	(304,310)
Balance end of year	<u>\$ 62,730</u>	<u>49,350</u>

**5. Deferred contributions related to capital assets**

Deferred contributions related to capital assets consist of grants received that are restricted for the purpose of the purchase of capital assets. The balance in the account is made up as follows

	<u>2016</u>	<u>2015</u>
Balance beginning of year	\$ 693	438
Deferred capital contributions received during the year	-	711
Less: Amounts amortized to revenue	(456)	(456)
Balance end of year	<u>\$ 237</u>	<u>693</u>

**6. Commitments**

The Society has entered into a lease agreement for its premises expiring in April 2018 at a monthly rent of \$1,176 plus operating costs and GST.

**7. Comparative figures**

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