

**CANADIAN PARKS AND
WILDERNESS SOCIETY - BC
CHAPTER**

**Financial Statements
March 31, 2017**

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Parks and Wilderness Society - BC Chapter, which comprise the statement of financial position as at March 31, 2017 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

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

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and other unreceiptable activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to excess of revenues over expenses, cash flows, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Parks and Wilderness Society - BC Chapter at March 31, 2017, 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.

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Report on Other Legal and Regulatory Requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants

Vancouver, British Columbia
July 31, 2017

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CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Statement of Financial Position
March 31

	2017	2016
Assets		
Current		
Cash and cash equivalents (note 4)	\$ 1,034,661	\$ 995,302
Accounts receivable	168,267	40,827
Short-term investments - restricted (note 5)	0	96,329
Prepaid expenses	8,862	5,711
	1,211,790	1,138,169
Investments - Restricted (note 5)	96,000	0
Capital Assets (note 6)	9,965	10,153
	\$ 1,317,755	\$ 1,148,322
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 51,402	\$ 114,835
GST payable	0	1,345
Deferred revenue (note 7)	968,608	796,746
	1,020,010	912,926
Deferred Capital Contributions (note 8)	9,953	10,141
	1,029,963	923,067
Net Assets		
Internally Restricted (note 9)	131,835	131,835
Unrestricted	155,957	93,420
	287,792	225,255
	\$ 1,317,755	\$ 1,148,322

Commitment (note 10)

Approved by the Board:

Signature removed
 _____ Director
for this copy

Signature removed
 _____ Director
for this copy

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Statement of Operations
Year Ended March 31

	2017	2016
Revenues		
Foundation grants	\$ 591,138	\$ 913,545
Chapter grant (note 11)	257,550	204,231
BC Gaming Commission	126,174	120,376
Donations (note 11)	113,982	101,797
Government grants	97,279	86,583
Special events	30,946	15,309
Interest and other (note 11)	11,281	12,372
Recoveries	10,597	20,051
Bequests (note 11)	6,892	108,290
Amortization of deferred capital contributions (note 8)	4,046	4,072
	1,249,885	1,586,626
Expenses		
Personnel	634,433	700,814
Contract fees and honoraria	156,390	302,622
Travel and accommodation	152,666	106,152
Program related events and venue costs	112,530	148,448
Rent and utilities	58,215	51,655
Reports and publications	14,994	22,667
Office	38,222	57,118
Professional fees	10,131	9,202
Advertising and promotion	3,328	5,286
Insurance	2,393	2,799
Amortization	4,046	4,072
	1,187,348	1,410,835
Excess of Revenues over Expenses for the Year	\$ 62,537	\$ 175,790

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Statement of Changes in Net Assets
Year Ended March 31

	Internally Restricted (note 9)	Unrestricted	2017	2016
Balance, Beginning of Year	\$ 131,835	\$ 93,420	\$ 225,255	\$ 49,465
Excess of revenues over expenses for the year	0	62,537	62,537	175,790
Balance, End of Year	\$ 131,835	\$ 155,957	\$ 287,792	\$ 225,255

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER

Statement of Cash Flows

Year Ended March 31

	2017	2016
Operating Activities		
Excess of revenues over expenses	\$ 62,537	\$ 175,790
Items not involving cash		
Amortization of deferred capital contributions	(4,046)	(4,072)
Amortization	4,046	4,072
	62,537	175,790
Changes in non-cash working capital		
Accounts receivable	(127,440)	(24,889)
Prepaid expenses	(3,151)	20,266
Accounts payable and accrued liabilities	(63,433)	77,142
GST payable	(1,345)	8,687
Deferred revenue	171,862	348,784
Deferred capital contributions	3,858	10,757
	(19,649)	440,747
Cash Provided by Operating Activities	42,888	616,537
Investing Activities		
Redemption of short-term investments - restricted	96,329	(809)
Purchase of investments - restricted	(96,000)	(10,769)
Purchase of capital assets	(3,858)	0
Cash Used in Investing Activities	(3,529)	(11,578)
Inflow of Cash	39,359	604,959
Cash and Cash Equivalents, Beginning of Year	995,302	390,343
Cash and Cash Equivalents, End of Year	\$ 1,034,661	\$ 995,302
Represented by:		
Cash on hand	\$ 83,834	\$ 65,565
Term deposit - interest at 1.00% per annum (2016 - 1.10%), maturing November 9, 2017	350,000	650,000
Term deposit - interest at 1.00% per annum (2016 - 1.10%), maturing December 22, 2017	525,000	150,000
Term deposit - interest at 0.90% per annum (2016 - 1.10%), maturing February 9, 2018	75,827	75,000
Term deposit - interest at 1.10% per annum, matured November 19, 2016	0	40,280
Term deposit - interest at 1.10% per annum, matured February 14, 2017	0	14,457
	\$ 1,034,661	\$ 995,302

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER

Notes to Financial Statements

Year Ended March 31, 2017

1. NATURE OF OPERATIONS

Canadian Parks and Wilderness Society - BC Chapter (the "Society") was incorporated on January 17, 1992 under the *Society Act* (British Columbia). The Society promotes the protection of national, provincial and territorial parks and other places of natural significance so that Canadians and visitors may develop a personal commitment to preserve, enjoy and benefit from parks, wild lands and natural areas.

The Society's goals are:

- (a) protecting Canada's wild ecosystems in parks, wilderness and similar natural areas, and preserving the full diversity of habitats and their species;
- (b) promoting awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience;
- (c) encouraging individual action to complete these goals; and
- (d) working cooperatively with government, business, other organizations and individuals in a consensus-seeking manner whenever possible.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) 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 expenditures are incurred.

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

Interest income is recognized as earned in accordance with the terms of the instrument.

Deferred capital contributions are deferred and recognized as revenue on the same basis as the related amortization expense.

(b) Cash and cash equivalents

Cash and cash equivalents includes term deposits that are cashable in up to 90 days.

(c) Amortization

Equipment is amortized on the basis of its useful life using the declining-balance method and the following rates:

Computer equipment	- 30%
Office equipment	- 20%

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Notes to Financial Statements
Year Ended March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Contributed services and goods

The Society benefits from the efforts of its volunteers, who have varied skills and experience. Since the fair value of services contributed by volunteers is difficult to determine objectively, the value of these services has not been recognized in these financial statements.

Donated goods used in regular operations of the Society that would otherwise be purchased are recorded at fair value, if the value can be reasonably estimated at the time they are donated to the Society.

(e) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts 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 reporting period. Estimates include accrued liabilities, amortization and valuation of accounts receivable. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(f) Financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenses. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in excess of revenues over expenses provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into excess of revenues over expenses on a straight-line basis over the term of the instrument. All other transaction costs are recognized in excess of revenues over expenses in the period incurred.

(g) Foreign currency transactions

The Society receives certain grants and contributions in US dollars, which are translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction.

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Notes to Financial Statements
Year Ended March 31, 2017

3. FINANCIAL INSTRUMENTS

(a) 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 accrued liabilities. The Society manages liquidity risk by forecasting cash flows from operations.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Society is not exposed to significant credit risk with respect to its accounts receivable due to the nature of operations.

The Society has mitigated its credit risk related to cash and cash equivalents and investments by holding these instruments with a major financial institution.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Society is exposed to currency risk as it receives grants in US dollars.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Society is exposed to interest rate risk on its investments and term deposits.

4. RESTRICTED CASH

	2017	2016
Restricted cash	\$ 939,078	\$ 799,513
Unrestricted cash	95,583	195,789
	\$ 1,034,661	\$ 995,302

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Notes to Financial Statements
Year Ended March 31, 2017

5. INVESTMENTS

Investments consist of term deposits held at amortized cost.

	2017	2016
Short-Term Investments		
Term deposit bearing interest at 3.05% per annum, matured August 22, 2016	\$ 0	\$ 71,000
Term deposit bearing interest at 1.15% per annum, matured August 31, 2016	0	25,329
	\$ 0	\$ 96,329
Long-Term Investments		
Term deposit bearing interest at 1.10% to 2.20% per annum, maturing August 22, 2019	\$ 71,000	\$ 0
Term deposit bearing interest at 1.10% to 2.20% per annum, maturing December 22, 2019	25,000	0
	\$ 96,000	\$ 0

As at March 31, 2017, \$96,000 (2016 - \$96,329) of investments were externally restricted for specific programs.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2017	2016
Computer equipment	\$ 21,329	\$ 12,590	\$ 8,739	\$ 8,621
Office equipment	4,445	3,219	1,226	1,532
	\$ 25,774	\$ 15,809	\$ 9,965	\$ 10,153

7. DEFERRED REVENUE

	2017	2016
Balance, beginning of year	\$ 796,746	\$ 447,962
Grants received during the year	1,168,743	1,643,483
Funds recognized in revenue during the year	(996,881)	(1,294,699)
Balance, end of year	\$ 968,608	\$ 796,746

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER

Notes to Financial Statements

Year Ended March 31, 2017

8. DEFERRED CAPITAL CONTRIBUTIONS

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

	2017	2016
Balance, beginning of year	\$ 10,141	\$ 3,456
Capital contributions received	3,858	10,757
Amounts amortized to revenue	(4,046)	(4,072)
Balance, end of year	\$ 9,953	\$ 10,141

9. INTERNAL RESTRICTIONS

The Board of Directors allocated \$131,835 to be used as a contingency fund. The Society may not use these internally restricted amounts for any other purpose without the approval of the Board of Directors.

10. COMMITMENT

The Society has entered into a lease agreement for its premises expiring December 31, 2017. Under the terms of the lease, the Society is required to pay a monthly base rent plus its share of taxes and operating costs. The remaining commitment for the lease is \$44,061 expiring in 2018.

11. RELATED PARTY TRANSACTIONS

The Canadian Parks and Wilderness Society National Office (the "National Office") (an Ontario Society) is a registered charity.

During the year, there were tax receipted grants of \$249,506 (2016 - \$219,910) designated for the Society that flowed through the National Office. These are recognized as chapter grants revenue in the year they are spent.

The National Office also receives all membership dues and some tax receipted donations where a percentage of these amounts is received from BC members and is forwarded to the Society. During the year, a total of \$123,194 (2016 - \$208,891) of tax receipted donations was included within donations, bequests, and interest and other revenues.

12. REMUNERATION FOR DIRECTORS, EMPLOYEES AND CONTRACTORS

During the year ended March 31, 2017, the Society paid two employees total remuneration of \$166,080 (2016 - \$166,080). The Society does not provide remuneration to its Board of Directors, and there were no individuals under contract with the Society whose remuneration exceeded \$75,000. This disclosure is in accordance with the *Societies Act* (British Columbia) that requires reporting of remuneration to individuals earning in excess of \$75,000 per year.

13. LINE OF CREDIT

A line of credit is available to a maximum of \$40,000. Interest is charged at prime plus 3% per annum. The balance at March 31, 2017 was \$nil (2016 - \$nil).

CANADIAN PARKS AND WILDERNESS SOCIETY - BC CHAPTER
Notes to Financial Statements
Year Ended March 31, 2017

14. COMPARATIVE FIGURES

Certain comparative figures were reclassified to conform to the presentation adopted in the current year.