

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**

**Financial Statements**  
**March 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

#### *Report on the Audit of the Financial Statements*

#### *Qualified Opinion*

We have audited the financial statements of Canadian Parks and Wilderness Society - British Columbia (the "Society"), which comprise:

- ♦ the statement of financial position as at March 31, 2020;
- ♦ the statement of operations for the year then ended;
- ♦ the statement of changes in net assets for the year then ended;
- ♦ the statement of cash flows for the year then ended; and
- ♦ the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter 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 March 31, 2020, 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 ("ASNPO").

#### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives part of its revenue from donations and other unreceptable 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. Therefore, we were unable to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2020, and current assets and net assets as at March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities 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 statements 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 for our qualified opinion.

#### *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 ASNPO, 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.

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.

### *Auditors' 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 auditors' 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 Society'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 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 auditors' 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 auditors' 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.

*Report on Other Legal and Regulatory Requirements*

As required by *Societies Act* (British Columbia), we report that, in our opinion, the accounting principles in ASNPO have been applied on a basis consistent with that of the preceding year.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
July 28, 2020

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Statement of Financial Position**  
**March 31**

	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (note 4)	\$ 686,918	\$ 829,831
Accounts receivable	53,006	177,422
Marketable securities	319,078	157,542
Prepaid expenses	14,891	8,383
	1,073,893	1,173,178
<b>Investments - Restricted (note 5)</b>	96,000	96,000
<b>Capital assets (note 6)</b>	6,433	4,760
	\$ 1,176,326	\$ 1,273,938
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 54,554	\$ 99,841
Deferred revenue (note 7)	519,434	680,995
Current portion of obligation under capital lease	1,080	1,080
	575,068	781,916
<b>Deferred capital contributions (note 8)</b>	6,433	4,760
<b>Obligation under capital lease</b>	2,979	4,060
	584,480	790,736
<b>Net Assets</b>		
<b>Unrestricted</b>	270,636	182,164
<b>Internally restricted</b>	321,210	301,038
	591,846	483,202
	\$ 1,176,326	\$ 1,273,938

**Commitment (note 10)**

Approved on behalf of the Board

Signatures removed for web version

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Statement of Operations**  
**Year Ended March 31**

	2020	2019
<b>Revenues</b>		
Foundation grants	\$ 936,566	\$ 967,249
Donations (note 11)	161,079	190,182
BC Gaming Commission	153,914	115,952
Corporate donations (note 11)	100,629	-
Government grants	55,520	100,402
Interest and other investment income	33,158	25,572
Bequests (note 11)	12,311	21,582
Special events (note 11)	3,839	35,080
Recoveries	3,155	6,313
Amortization of deferred capital contributions (note 8)	2,077	1,194
Other (note 11)	-	12,164
	1,462,248	1,475,690
<b>Expenses</b>		
Personnel	762,066	753,443
Contract fees and honoraria	352,834	236,832
Program related events and venue costs	64,789	83,087
Rent and utilities	60,882	57,907
Travel and accommodation	52,063	117,524
Advertising and promotion	30,912	10,431
Professional fees	14,020	11,340
Reports and publications	11,996	3,899
Insurance	5,967	5,595
Office	2,487	35,657
Amortization	2,077	1,194
	1,360,093	1,316,909
<b>Excess of revenues over expenses before other items</b>	<b>102,155</b>	<b>158,781</b>
<b>Other items</b>		
Gain on sale of marketable securities	6,489	5,593
Loss on disposal of capital assets	-	(5,962)
	6,489	(369)
<b>Excess of revenues over expenses for year</b>	<b>\$ 108,644</b>	<b>\$ 158,412</b>

See notes to financial statements

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2020**

	<b>Internally Restricted</b>	<b>Unrestricted</b>	<b>Total 2020</b>	<b>Total 2019</b>
Balance, beginning of year	\$ 301,038	\$ 182,164	\$ 483,202	\$ 324,790
Excess of revenues over expenses	20,172	88,472	108,644	158,412
Balance, end of year	\$ 321,210	\$ 270,636	\$ 591,846	\$ 483,202

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Statement of Cash Flows**  
**Year Ended March 31**

	2020	2019
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 108,644	\$ 158,412
Items not involving cash		
Amortization	2,077	1,194
Amortization of deferred capital contributions	(2,077)	(1,194)
Loss on disposal of capital assets	-	5,962
Gain on sale of marketable securities	(6,489)	(5,593)
Deferred capital contributions	3,750	-
	105,905	158,781
Changes in non-cash working capital		
Accounts receivable	124,416	(161,767)
Prepaid expenses	(6,508)	4,758
Accounts payable and accrued liabilities	(45,287)	57,056
Deferred revenue	(161,561)	(397,216)
	(88,940)	(497,169)
Cash provided by (used in) operating activities	16,965	(338,388)
<b>Investing activities</b>		
Purchase of capital assets	(3,750)	-
Proceeds on sale of marketable securities	50,259	28,978
Purchase of marketable securities	(205,306)	(180,927)
Cash used in investing activities	(158,797)	(151,949)
<b>Financing activity</b>		
Repayment of obligation under capital lease	(1,081)	(810)
<b>Outflow of cash and cash equivalents</b>	(142,913)	(491,147)
<b>Cash and cash equivalents, beginning of year</b>	829,831	1,320,978
<b>Cash and cash equivalents, end of year</b>	\$ 686,918	\$ 829,831
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	\$ 184,787	\$ 111,335
Cash held at Raymond James - internally restricted fund	2,131	143,496
Term deposit - interest at 1.50% per annum (2019 - 1.90%), maturing December 22, 2020	500,000	525,000
Term deposit - interest at 1.90% per annum (2019 - 1.90%), matured October 31, 2019	-	50,000
	\$ 686,918	\$ 829,831

See notes to financial statements



# CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended March 31, 2020

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### 1. OPERATIONS

Canadian Parks and Wilderness Society - British Columbia (the "Society") was incorporated on January 17, 1992 under the *Societies 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 became registered as a charitable organization on April 1, 2019.

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 co-operatively with government, business, other organizations and individuals in a consensus-seeking manner whenever possible.

### 2. SIGNIFICANT 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:

#### (a) Net assets

##### (i) Unrestricted

Unrestricted net assets represent cumulative excess of revenues over expenses available for use for the day-to-day operations of the Society.

##### (ii) Internally restricted

The internally restricted amount was established by the Board in 2018. These funds have been internally restricted for capacity building and emergencies which require Board approval for use. The net investment income earned on these funds is recognized in the internally restricted fund.

#### (b) 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 collections 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.

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES — continued**

(c) Cash and cash equivalents

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

(d) Amortization

Equipment is amortized using the declining-balance method at the following annual rates:

Computer equipment	30 %
Office equipment	20 %

(e) Impairment

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(f) 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.

(g) 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, useful lives of capital assets and collectability 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.

(h) 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 - BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**2. SIGNIFICANT ACCOUNTING POLICIES — continued**

(i) Financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses in the period incurred.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in equity instruments.

**3. FINANCIAL INSTRUMENTS**

(a) Currency risk

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

The Society is not exposed to currency risk as it receives grants in US dollars but has no US dollar accounts payable.

(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 major financial institutions.

(c) 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 and has sufficient current assets to satisfy its liabilities.

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**3. FINANCIAL INSTRUMENTS — continued**

(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's investment portfolio is exposed to interest rate price risk through its fixed income instruments. Investments are made with different maturity terms to mitigate the effect of any changes in market rates.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk).

The Society is exposed to other price risk on its publicly traded equity investments as the fair value of those investments fluctuates with changes in market prices.

**4. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
Restricted	\$ 483,433	\$ 512,727
Unrestricted	201,354	173,608
Internally restricted	2,131	143,496
	<b>\$ 686,918</b>	<b>\$ 829,831</b>

**5. INVESTMENTS - RESTRICTED**

Investments consist of term deposits held at amortized cost.

	<b>2020</b>	<b>2019</b>
Term deposit bearing interest at 1.50% to 2.20% per annum, maturing August 22, 2022	\$ 71,000	\$ 71,000
Term deposit bearing interest at 1.50% to 2.20% per annum, maturing December 22, 2022	25,000	25,000
	<b>\$ 96,000</b>	<b>\$ 96,000</b>

As at March 31, 2020, \$96,000 (2019 - \$96,000) of investments were externally restricted for specific programs.

## CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

### Notes to Financial Statements

Year Ended March 31, 2020

#### 6. CAPITAL ASSETS

	2020			2019	
	Cost	Accumulated amortization	Net	Net	
Office equipment	\$ 5,950	\$ 2,142	\$ 3,808	\$ 4,760	
Computer equipment	3,750	1,125	2,625	-	
	\$ 9,700	\$ 3,267	\$ 6,433	\$ 4,760	

#### 7. DEFERRED REVENUE

	2020	2019
Balance, beginning of year	\$ 680,995	\$ 1,078,212
Grants received during the year	927,266	692,226
Funds recognized in revenue during the year	(1,088,827)	(1,089,443)
	\$ 519,434	\$ 680,995

#### 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:

	2020	2019
Balance, beginning of year	\$ 4,760	\$ 8,090
Capital contributions received	3,750	5,950
Contributions related to assets disposed of	-	(8,086)
Amounts amortized to revenue	(2,077)	(1,194)
Balance, end of year	\$ 6,433	\$ 4,760

# CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended March 31, 2020

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### 9. ENDOWMENT FUND

The Society, with the approval of the Board of Directors, made an investment to be held in perpetuity with the Vancouver Foundation (the "Foundation"). The CPAWS' BC Transferable Fund (the "Fund") was established September 29, 2017 and the total cost invested to date is \$131,835 (2019 - \$131,835).

The Society is entitled only to the investment income on these funds, which was \$5,250 (2019 - \$5,078) for the year ended March 31, 2020 and is distributed to the Society periodically throughout the year. Accordingly, the endowment fund capital is not reflected in the Society's statement of financial position. The investment income is recorded when it is earned and is used for general operations.

If the Society ceases to exist, the Foundation will disburse the income of the Fund to similar charitable entities for similar charitable purposes, as the Foundation determines.

### 10. COMMITMENT

The Society is required to pay a monthly base rent plus its share of taxes and operating costs under the terms of its lease agreement for premises expiring on December 31, 2022. The minimum lease payments over the next three years are as follows:

2021	\$	62,019
2022		63,087
2023		47,916
	\$	173,022

### 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 \$585,396 (2019 - \$335,336) received by the National Office, designated for work in BC. 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 designated for work in BC. During the year, a total of \$614,665 (2019 - \$280,573) of these donations was included within donations, corporate donations, bequests, special events, and other revenues.

At the end of the year, there was \$nil (2019 - \$52,280) payable to the National Office.

**CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**12. REMUNERATION OF EMPLOYEES, CONTRACTORS AND DIRECTORS**

During the year ended March 31, 2020, the Society paid one employee total remuneration of \$84,413 (2019 - \$79,788). 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 on any outstanding balance. The balance at March 31, 2020 was \$nil (2019 - \$nil).

**14. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**15. COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Society's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Society's operations.

The extent of the impact of this outbreak and related containment measures on the Society's operations cannot be reliably estimated at this time.