

CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

Financial Statements
March 31, 2021

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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, 2021;
- ♦ 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, 2021 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 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. 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 years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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.

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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 29, 2021

Vancouver

1700 - 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley

600 - 19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

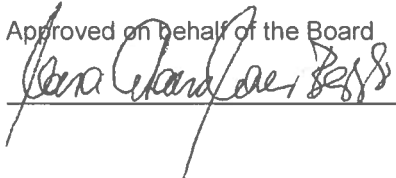
Nanaimo

201 - 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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

	2021	2020
Assets		
Current		
Cash and cash equivalents (note 4)	\$ 776,417	\$ 686,918
Accounts receivable	17,152	53,006
Marketable securities	319,481	319,078
Prepaid expenses	14,114	14,891
	1,127,164	1,073,893
Investments - Restricted (note 5)	96,000	96,000
Capital assets (note 6)	3,648	6,433
	\$ 1,226,812	\$ 1,176,326
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 33,939	\$ 54,554
Deferred revenue (note 7)	584,179	519,434
Current portion of obligation under capital lease	-	1,080
	618,118	575,068
Deferred capital contributions (note 8)	3,648	6,433
Obligation under capital lease	-	2,979
	621,766	584,480
Net Assets		
Unrestricted	274,956	270,636
Internally restricted	330,090	321,210
	605,046	591,846
	\$ 1,226,812	\$ 1,176,326

Commitment (note 10)

Approved on behalf of the Board

 Director

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 by Gonca Ceylan
 Date: 2021.08.12
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See notes to financial statements

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

	2021	2020
Revenues		
Foundation grants	\$ 860,755	\$ 936,566
Donations (note 11)	163,786	161,079
BC Gaming Commission	126,257	153,914
Canada Emergency Wage Subsidy	98,203	-
Corporate donations (note 11)	65,032	100,629
Interest and other investment income	25,255	33,158
Government grants	14,920	55,520
Special events (note 11)	12,072	3,839
Recoveries	2,785	3,155
Amortization of deferred capital contributions (note 8)	2,325	2,077
Bequests (note 11)	-	12,311
	1,371,390	1,462,248
Expenses		
Personnel	872,612	762,066
Contract fees and honoraria	322,559	352,834
Rent and utilities	65,567	60,882
Program related events and venue costs	45,043	64,789
Advertising and promotion	17,998	30,912
Travel and accommodation	12,731	52,063
Reports and publications	9,678	11,996
Insurance	6,412	5,967
Office	2,574	2,487
Professional fees	-	14,020
Amortization	2,325	2,077
	1,357,499	1,360,093
Excess of revenues over expenses before other items	13,891	102,155
Other items		
Gain on disposal of capital assets	4,060	-
Gain (loss) on sale of marketable securities	(4,751)	6,489
	(691)	6,489
Excess of revenues over expenses for year	\$ 13,200	\$ 108,644

See notes to financial statements

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

	Internally Restricted	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 321,210	\$ 270,636	\$ 591,846	\$ 483,202
Excess of revenues over expenses	8,880	4,320	13,200	108,644
Balance, end of year	\$ 330,090	\$ 274,956	\$ 605,046	\$ 591,846

See notes to financial statements

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

	2021	2020
Operating activities		
Excess of revenues over expenses	\$ 13,200	\$ 108,644
Items not involving cash		
Amortization	2,325	2,077
Amortization of deferred capital contributions	(2,325)	(2,077)
Gain on disposal of capital assets	(4,060)	-
Loss (gain) on sale of marketable securities	4,751	(6,489)
Deferred capital contributions	2,586	3,750
	16,477	105,905
Changes in non-cash working capital		
Accounts receivable	35,854	124,416
Prepaid expenses	777	(6,508)
Accounts payable and accrued liabilities	(20,615)	(45,287)
Deferred revenue	64,745	(161,561)
	80,761	(88,940)
Cash provided by operating activities	97,238	16,965
Investing activities		
Proceeds on disposal of capital assets	4,060	-
Purchase of capital assets	(2,586)	(3,750)
Proceeds on sale of marketable securities	27,221	50,259
Purchase of marketable securities	(32,375)	(205,306)
Cash used in investing activities	(3,680)	(158,797)
Financing activity		
Repayment of obligation under capital lease	(4,059)	(1,081)
Inflow (outflow) of cash and cash equivalents	89,499	(142,913)
Cash and cash equivalents, beginning of year	686,918	829,831
Cash and cash equivalents, end of year	\$ 776,417	\$ 686,918
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 365,808	\$ 184,787
Cash held at Raymond James - internally restricted fund	10,609	2,131
Term deposit - interest at 0.25% per annum, maturing December 22, 2021	400,000	-
Term deposit - interest at 1.50% per annum, matured December 22, 2020	-	500,000
	\$ 776,417	\$ 686,918

See notes to financial statements

CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

Notes to Financial Statements

Year Ended March 31, 2021

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 ("ASNPO") 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, 2021

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) Government assistance

Government assistance for wages and salaries received as a result of the Government of Canada COVID-19 response program is reported as revenue presented under Canada Emergency Wage Subsidy in the statement of operations.

(h) 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 collectability of accounts receivable, useful lives of capital assets, and completeness of accrued liabilities. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(i) 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, 2021

2. SIGNIFICANT ACCOUNTING POLICIES — continued

(j) 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 and cash equivalents 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, 2021

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

	2021	2020
Restricted	\$ 574,033	\$ 483,433
Unrestricted	191,775	201,354
Internally restricted	10,609	2,131
	\$ 776,417	\$ 686,918

5. INVESTMENTS - RESTRICTED

Investments consist of term deposits held at amortized cost.

	2021	2020
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
	\$ 96,000	\$ 96,000

As at March 31, 2021, \$96,000 (2020 - \$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, 2021

6. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 6,336	\$ 2,688	\$ 3,648	\$ 2,625
Office equipment	-	-	-	3,808
	\$ 6,336	\$ 2,688	\$ 3,648	\$ 6,433

7. DEFERRED REVENUE

	2021	2020
Balance, beginning of year	\$ 519,434	\$ 680,995
Grants received during the year	1,086,626	927,266
Funds recognized as revenue during the year	(1,021,881)	(1,088,827)
	\$ 584,179	\$ 519,434

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:

	2021	2020
Balance, beginning of year	\$ 6,433	\$ 4,760
Capital contributions received	2,586	3,750
Contributions related to assets disposed of	(3,046)	-
Amounts amortized to revenue	(2,325)	(2,077)
Balance, end of year	\$ 3,648	\$ 6,433

CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA

Notes to Financial Statements

Year Ended March 31, 2021

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 (2020 - \$131,835).

The Society is entitled only to the investment income on these funds, which was \$5,441 (2020 - \$5,250) for the year ended March 31, 2021 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 was required to pay a monthly base rent plus its share of taxes and operating costs under the terms of its lease agreement for premises which terminated on April 30, 2021. The Society has a current license agreement for premises expiring on December 31, 2021. The minimum payment for the year ending March 31, 2022 is \$29,805.

11. RELATED PARTY TRANSACTIONS

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

During the year, there were tax receipted grants of \$840,627 (2020 - \$585,396) received by the National Office, designated for work in British Columbia ("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 \$806,914 (2020 - \$614,665) of these donations was included within donations, corporate donations, special events, and bequests.

As at March 31, 2021, there was \$nil (2020 - \$nil) payable to the National Office.

12. REMUNERATION OF EMPLOYEES, CONTRACTORS AND DIRECTORS

During the year ended March 31, 2021, the Society did not pay any employee remuneration in excess of \$75,000 (2020 - one employee received remuneration of \$84,413). 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 employees or contractors 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, 2021 was \$nil (2020 - \$nil).

CANADIAN PARKS AND WILDERNESS SOCIETY - BRITISH COLUMBIA
Notes to Financial Statements
Year Ended March 31, 2021

14. COVID-19

On March 11, 2020, the World Health Organization categorized the novel strain of coronavirus, specifically identified "COVID-19" as a pandemic. The outbreak of COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial result and the condition of the Society in future periods.