

Canadian Parks and Wilderness Society

Financial Statements
March 31, 2013



September 23, 2013

Independent Auditor's Report

To the Members of the Canadian Parks and Wilderness Society

We have audited the accompanying financial statements of the Canadian Parks and Wilderness Society, which comprise the statement of financial position as at March 31, 2013 and the statements of changes in net assets, operations and cash flows for the year then ended, and the related notes, which comprise 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

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 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.

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

Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenues from donations, 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 revenue, net revenue for the year and cash flows from operating activities for the year ended March 31, 2013, current assets as at March 31, 2013 and net assets as at March 31, 2012 and 2013.

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 the Society as at March 31, 2013 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.

Comparative information

Without modifying our opinion, we draw attention to note 3 to the financial statements, which describes that the Society adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012, with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011 and the statements of changes in net assets, operations and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Canadian Parks and Wilderness Society

Statement of Financial Position

	March 31, 2013 \$	March 31, 2012 \$ (unaudited)	April 1, 2011 \$ (unaudited)
Assets			
Current assets			
Cash	980,325	604,277	703,099
Guaranteed investment certificates (note 4)	700,000	700,000	700,000
Accounts receivable (note 5)	166,401	206,379	97,657
Prepaid expenses	42,666	20,459	20,754
	<u>1,889,392</u>	<u>1,531,115</u>	<u>1,521,510</u>
Capital assets (note 6)	<u>190,272</u>	<u>213,368</u>	<u>162,052</u>
	<u>2,079,664</u>	<u>1,744,483</u>	<u>1,683,562</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities (note 7)	79,360	105,317	76,648
Amounts due to chapters (note 8)	257,977	295,527	278,558
Amounts due to the Foundation (note 9)	34,271	16,654	60,816
Deferred contributions (note 10)	771,750	503,433	555,843
	<u>1,143,358</u>	<u>920,931</u>	<u>971,865</u>
Deferred lease incentives	<u>12,258</u>	<u>17,915</u>	<u>-</u>
	<u>1,155,616</u>	<u>938,846</u>	<u>971,865</u>
Net assets			
Unrestricted	425,052	293,175	253,934
Invested in capital assets	178,014	195,453	162,052
Internally restricted – Reserve fund	320,982	317,009	295,711
	<u>924,048</u>	<u>805,637</u>	<u>711,697</u>
	<u>2,079,664</u>	<u>1,744,483</u>	<u>1,683,562</u>

Commitments (note 11)

Approved by the Board of Directors



Andre Vallillee

Director



Director

The accompanying notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society

Statement of Changes in Net Assets

For the year ended March 31, 2013

	Balance – April 1, 2011 \$ (unaudited)	Net revenue (expense) for the year \$ (unaudited)	Purchase of capital assets \$ (unaudited)	Lease incentives \$ (unaudited)	Transfers from (to) \$ (unaudited)	Balance – March 31, 2012 \$ (unaudited)
Unrestricted	253,934	115,402	(77,493)	22,630	(21,298)	293,175
Invested in capital assets	162,052	(21,462)	77,493	(22,630)	–	195,453
Internally restricted – Reserve fund	295,711	–	–	–	21,298	317,009
	711,697	93,940	–	–	–	805,637

	Balance – March 31, 2012 \$ (unaudited)	Transfer from Saskatchewan Chapter (note 2) \$	Net revenue (expense) for the year \$	Purchase of capital assets \$	Transfers from (to) \$	Balance – March 31, 2013 \$
Unrestricted	293,175	10,347	129,155	(3,652)	(3,973)	425,052
Invested in capital assets	195,453	1,287	(22,378)	3,652	–	178,014
Internally restricted – Reserve fund	317,009	–	–	–	3,973	320,982
	805,637	11,634	106,777	–	–	924,048

The accompanying notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society

Statement of Operations

For the year ended March 31, 2013

	2013 \$	2012 \$ (unaudited)
Revenue		
Designated revenue (note 8)	1,431,733	1,227,689
Individual donations	1,095,003	1,069,316
Bequests	161,883	205,248
Foundation and corporate grants and donations (note 9)	1,409,331	1,145,686
Other	65,185	44,023
	<hr/> 4,163,135	<hr/> 3,691,962
Expense		
Revenue disbursements to chapters (note 8)	1,268,039	1,197,349
Development and membership	421,120	445,645
Conservation programs	1,559,794	1,071,616
Communication and public education	231,936	237,643
General and administrative	547,434	619,592
Amortization of capital assets	28,035	26,177
	<hr/> 4,056,358	<hr/> 3,598,022
Net revenue for the year	<hr/> 106,777	<hr/> 93,940

The accompanying notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society

Statement of Cash Flows

For the year ended March 31, 2013

	2013 \$	2012 \$ (unaudited)
Cash flows provided by (used in)		
Operating activities		
Net revenue for the year	106,777	93,940
Items not affecting cash –		
Amortization of capital assets	28,035	26,177
Amortization of deferred lease incentives	(5,657)	(4,715)
Net change in non-cash working capital items	239,174	(136,731)
	<u>368,329</u>	<u>(21,329)</u>
Investing activities		
Purchase of guaranteed investment certificates	(1,700,000)	(1,200,000)
Proceeds on redemption of guaranteed investment certificates	1,700,000	1,200,000
Purchase of capital assets	(3,652)	(77,493)
	<u>(3,652)</u>	<u>(77,493)</u>
Net change in cash for the year	364,677	(98,822)
Transfer from Saskatchewan chapter (note 2)	11,371	–
	<u>376,048</u>	<u>(98,822)</u>
Cash – Beginning of year	<u>604,277</u>	<u>703,099</u>
Cash – End of year	<u>980,325</u>	<u>604,277</u>

The accompanying notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2013

1 Nature and purpose of the organization

The Canadian Parks and Wilderness Society (“the Society”) is incorporated under the provisions of the Canada Not-for-profit Corporations Act. The Society is a registered charity and as such, it is exempt from income taxes, and may issue tax receipts for donations.

The Society is dedicated to protecting Canada's wild ecosystems in parks, wilderness and similar natural areas. The Society also promotes awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience.

2 Chapters

Regional activities are conducted by “Regional Chapters” of the Society, some of which are controlled by the Society (Manitoba, Quebec, New Brunswick and Newfoundland and Labrador) and some of which are not controlled by the Society, but operate through agency agreements (The Wildlands League, Ottawa Valley, Southern Alberta, Northern Alberta, British Columbia, Nova Scotia, the Yukon and the Northwest Territories).

On April 1, 2012, the Society assumed control of the Saskatchewan Regional Chapter. Assets and liabilities assumed were as follows:

	\$
Assets	
Cash	11,371
Capital assets	<u>1,287</u>
	12,658
Liabilities	
Accounts payable and accrued liabilities	<u>1,024</u>
Net assets assumed	<u><u>11,634</u></u>

3 Significant accounting policies

Basis of presentation

Effective April 1, 2012, the Society elected to adopt Canadian accounting standards for not-for-profit organizations as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively for comparative purposes. No changes to the statements of financial position as at March 31, 2012 and April 1, 2011, or the statements of changes in net assets, operations and cash flows for the year ended March 31, 2012, were required as a result of this transition.

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2013

These financial statements include the assets, liabilities, revenues and expenses of the Society, including its controlled chapters (note 2).

These financial statements do not include the assets, liabilities, revenues or expenses of the chapters that are not controlled by the Society, but operate through agency agreements.

The Society also controls the Foundation for Canadian Parks and Wilderness (“the Foundation”) as it is the sole member of the Foundation and therefore has the ability to appoint all of the Foundation's Board of Directors. The Foundation has not been consolidated in the Society's financial statements. Summaries of the financial position, results from operations and cash flows of the Foundation are provided in note 9.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expense during the reporting periods. Actual results could differ from these estimates.

Guaranteed investment certificates

Guaranteed investment certificates are measured at amortized cost.

Capital assets

Capital assets are recorded at cost less accumulated amortization.

Capital assets are amortized on a declining balance basis, over their expected useful lives, at the following annual rates:

Buildings	4%
Computer and telephone equipment	30%
Computer software	30%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Canadian Parks and Wilderness Society

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March 31, 2013

Lease incentives

As part of a lease of office space for its national office, the Society became entitled to lease incentives for leasehold improvements. These lease incentives are amortized as a reduction of general and administrative expenses on a straight-line basis over the term of the lease.

Revenue recognition

The Society follows the deferral method of accounting for contributions which consist of designated revenue, individual donations, bequests, and foundation and corporate grants and donations. Externally 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 is reasonably estimable and collection is reasonably assured.

Contributed material and services

Volunteers contribute an indeterminable number of hours per year to the Society. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated materials are recorded as donations revenue at their fair value at the time the materials are donated if these materials are used in the normal course of operations, would otherwise be purchased by the Society and their fair value can be reasonably estimated. Donated materials are not material to the Society's financial statements.

Allocation of expenses

A portion of salaries and benefits expenses are allocated to development and membership, conservation programs, communication and public education, and general and administrative in order to reflect support and management oversight provided to those areas. These expenses are allocated based on estimates of time spent by the relevant personnel on those areas during the year.

4 Guaranteed investment certificates

Guaranteed investment certificates earn interest at rates ranging from 1.25% to 1.30% (March 31, 2012 – 1.00% to 1.10%; April 1, 2011 – 0.75% to 1.25%) and mature within one year.

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2013

5 Accounts receivable

	March 31, 2013 \$	March 31, 2012 \$ (unaudited)	April 1, 2011 \$ (unaudited)
Grants receivable	99,702	67,375	78,832
Receivables from chapters	2,673	10,940	—
Receivable from the Foundation (note 9)	—	36,940	5,100
Commodity tax rebates	56,804	63,743	12,150
Lease incentives receivable	—	21,334	—
Other receivables	7,222	6,047	1,575
	<u>166,401</u>	<u>206,379</u>	<u>97,657</u>

6 Capital assets

	Cost \$	Accumulated amortization \$	March 31, 2013 Net \$
Buildings	225,780	90,920	134,860
Computer and telephone equipment	70,567	51,584	18,983
Computer software	16,248	15,452	796
Leasehold improvements	65,784	30,151	35,633
	<u>378,379</u>	<u>188,107</u>	<u>190,272</u>

	Cost \$	Accumulated amortization \$	March 31, 2012 (unaudited) Net \$
Buildings	225,780	85,301	140,479
Computer and telephone equipment	55,863	36,190	19,673
Computer software	16,248	15,111	1,137
Leasehold improvements	65,784	13,705	52,079
	<u>363,675</u>	<u>150,307</u>	<u>213,368</u>

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March 31, 2013

			April 1, 2011 (unaudited)
	Cost \$	Accumulated amortization \$	Net \$
Buildings	225,780	79,448	146,332
Computer and telephone equipment	44,154	30,058	14,096
Computer software	16,248	14,624	1,624
	286,182	124,130	162,052

7 Government remittances

Government remittances of \$nil (March 31, 2012 – \$nil; April 1, 2011 – \$nil) are included in accounts payable and accrued liabilities.

8 Chapters – balances and transactions

Designated revenue consists of donations, bequests and grants that are specifically designated for a program. These items are normally applied for by a chapter. The Society initially receives these amounts and then contracts with the appropriate chapter. Revenue disbursements represent amounts that were contracted to the chapters.

Amounts due to chapters are non-interest bearing.

The building that is owned by the Society is used by one of the chapters in exchange for which all incremental costs related to the use of the building are the responsibility of the chapter.

9 Foundation for Canadian Parks and Wilderness

The Foundation is incorporated without share capital under Part II of the Canada Corporations Act. The Foundation is a registered charity and as such, it is exempt from income taxes, and may issue tax receipts for donations. The Foundation was established to support the Society.

The Foundation also promotes the conservation of natural land and marine ecosystems in Canada through public education, scientific studies and protection. In doing so the Foundation may solicit and receive donations, grants and bequests to fund its administration as well as projects undertaken directly or by other organizations promoting the same objectives of the Foundation.

The Society controls the Foundation as it is the sole member of the Foundation and therefore has the ability to appoint all of the Foundation's Board of Directors.

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The Foundation has not been consolidated in these financial statements. Summaries of the financial position, results from operations and cash flows of the Foundation as at March 31, 2013, March 31, 2012, and April 1, 2011, and for the years ended March 31, 2013 and 2012 are as follows:

	March 31, 2013 \$	March 31, 2012 \$ (unaudited)	April 1, 2011 \$ (unaudited)
Financial position			
Total assets	306,688	334,633	265,418
Total liabilities	1,274	39,643	9,530
Net assets	305,414	294,990	255,888
	306,688	334,633	265,418
Results from operations			
Total revenue	58,655	70,853	
Total expense	48,231	31,751	
Net revenue for the year	10,424	39,102	
Cash flows from (used in)			
Operating activities	(45,562)	113,377	

By agreement, the Society transfers a portion of bequests to the Foundation amounting to \$56,621 for 2013 (2012 – \$68,408).

The Society provides administrative services to the Foundation at no cost.

Amounts due to or from the Foundation (note 5) have no specific repayment terms or conditions and are interest free.

Foundation and corporate grants and donations revenue includes \$46,266 (2012 – \$28,506) from the Foundation.

Canadian Parks and Wilderness Society

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10 Deferred contributions

	Balance – April 1, 2011 \$ (unaudited)	Amounts received \$ (unaudited)	Amounts recognized as revenue \$ (unaudited)	Balance – March 31, 2012 \$ (unaudited)
Forest	243,959	571,831	(611,494)	204,296
Parks	228,619	43,300	(81,145)	190,774
Oceans	60,095	82,715	(91,427)	51,383
Other	23,170	144,594	(110,784)	56,980
	<u>555,843</u>	<u>842,440</u>	<u>(894,850)</u>	<u>503,433</u>

	Balance – March 31, 2012 \$ (unaudited)	Amounts received \$	Amounts recognized as revenue \$	Balance – March 31, 2013 \$
Forest	204,296	667,968	(470,000)	402,264
Parks	190,774	522,416	(384,550)	328,640
Oceans	51,383	2,040	(51,833)	1,590
Other	56,980	43,398	(61,122)	39,256
	<u>503,433</u>	<u>1,235,822</u>	<u>(967,505)</u>	<u>771,750</u>

11 Commitments

The Society has commitments related to the purchases of services, and rental of equipment and premises as follows:

	\$
Year ending March 31, 2014	112,934
2015	117,634
2016	102,917
2017	17,032
2018	2,434

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2013

12 Allocation of expenses

					2013	2012
	Development and membership \$	Conservation programs \$	Communication and public education \$	General and administrative \$	Total \$	Total \$ (unaudited)
Salaries and benefits	141,678	629,741	142,619	265,126	1,179,164	1,104,041