

Canadian Parks and Wilderness Society

Financial Statements
March 31, 2015



September 21, 2015

Independent Auditor's Report

To the Members of the Canadian Parks and Wilderness Society

We have audited the accompanying financial statements of Canadian Parks and Wilderness Society, which comprise the statement of financial position as at March 31, 2015 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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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 (expense) for the year and cash flows from operating activities for the years ended March 31, 2015 and 2014, current assets as at March 31, 2015 and 2014 and net assets as at the beginning and the end of the years ended March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

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, 2015 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Canadian Parks and Wilderness Society

Statement of Financial Position

As at March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	834,867	785,415
Guaranteed investment certificates (note 4)	1,196,771	1,123,076
Accounts receivable (note 5)	128,296	160,886
Due from the Foundation (note 9)	17,168	25,476
Prepaid expenses	48,775	56,573
	<u>2,225,877</u>	<u>2,151,426</u>
Capital assets (note 6)	<u>152,916</u>	<u>164,683</u>
	<u>2,378,793</u>	<u>2,316,109</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	111,560	82,384
Due to chapters (note 8)	341,888	514,930
Deferred contributions (note 10)	355,153	392,487
	<u>808,601</u>	<u>989,801</u>
Deferred lease incentives	<u>942</u>	<u>6,600</u>
	<u>809,543</u>	<u>996,401</u>
Net assets		
Unrestricted	398,688	479,182
Invested in capital assets	151,974	158,083
Internally restricted – Reserve fund	387,414	382,443
Endowment – Now and Forever Wild Fund (note 11)	631,174	300,000
	<u>1,569,250</u>	<u>1,319,708</u>
	<u>2,378,793</u>	<u>2,316,109</u>
Commitments (note 12)		

Approved by the Board of Directors



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, 2015

	Balance – Beginning of year \$	Net expense for the year \$	Endowment contributions \$	Transfers from (to) \$	Balance – End of year \$
Unrestricted	479,182	(56,169)	–	(24,325)	398,688
Invested in capital assets	158,083	(25,463)	–	19,354	151,974
Internally restricted – Reserve fund	382,443	–	–	4,971	387,414
Endowment – Now and Forever Wild Fund (note 11)	300,000	–	331,174	–	631,174
	<hr/> 1,319,708	<hr/> (81,632)	<hr/> 331,174	<hr/> –	<hr/> 1,569,250

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, 2015

	2015 \$	2014 \$
Revenue (note 8)		
Individuals	1,412,951	1,605,668
Foundation	2,952,041	2,855,445
Corporate (note 9)	218,479	262,921
Government	104,919	120,635
Other	58,884	63,553
	<hr/> 4,747,274	<hr/> 4,908,222
Expense		
Conservation programs (note 8)	3,456,837	3,460,051
Conservation awareness	248,912	269,561
Membership and development	449,023	389,210
Operations	643,013	667,264
Amortization of capital assets	31,121	26,476
	<hr/> 4,828,906	<hr/> 4,812,562
Net revenue (expense) for the year	<hr/> (81,632)	<hr/> 95,660

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, 2015

	2015 \$	2014 \$
Cash flows provided by (used in)		
Operating activities		
Net revenue (expense) for the year	(81,632)	95,660
Items not affecting cash –		
Amortization of capital assets	31,121	26,476
Amortization of deferred lease incentives	(5,658)	(5,658)
Net change in non-cash working capital items	(132,504)	(187,425)
	<u>(188,673)</u>	<u>(70,947)</u>
Investing activities		
Purchase of guaranteed investment certificates	(2,428,320)	(1,123,076)
Proceeds on redemption of guaranteed investment certificates	2,354,625	700,000
Purchase of capital assets	(19,354)	(887)
	<u>(93,049)</u>	<u>(423,963)</u>
Financing activity		
Endowment contributions	331,174	300,000
	<u>49,452</u>	<u>(194,910)</u>
Net change in cash for the year		
	49,452	(194,910)
Cash – Beginning of year	<u>785,415</u>	<u>980,325</u>
Cash – End of year	<u>834,867</u>	<u>785,415</u>

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

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2015

1 Nature and purpose of the organization

The Canadian Parks and Wilderness Society (“the Society”) is incorporated under 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 (Saskatchewan, 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, 2015, the Ottawa Valley Chapter transferred its net assets (cash) of \$27,802 to the Society.

3 Significant accounting policies

Basis of presentation

These financial statements include the assets, liabilities, revenue and expense 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 were not controlled by the Society during the year, 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.

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2015

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.

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 operations expense on a straight-line basis over the term of the lease.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Endowment contributions (note 11) are recognized as direct increases in net assets. Other externally restricted contributions are deferred and 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.

Canadian Parks and Wilderness Society

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March 31, 2015

Allocation of expenses

A portion of salaries and benefits expenses are allocated to conservation programs, conservation awareness, membership and development and operations 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 0.85% to 1.55% (2014 – 1.30%) and mature within one year.

5 Accounts receivable

	2015 \$	2014 \$
Grants receivable	61,287	128,914
Commodity tax rebates	62,693	19,567
Other receivables	4,316	12,405
	<u>128,296</u>	<u>160,886</u>

6 Capital assets

			2015	2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Buildings	225,780	101,493	124,287	129,465
Computer and telephone equipment	90,808	65,310	25,498	15,473
Computer software	16,248	15,858	390	558
Leasehold improvements	65,784	63,043	2,741	19,187
	<u>398,620</u>	<u>245,704</u>	<u>152,916</u>	<u>164,683</u>

Cost and accumulated amortization amounted to \$379,266 and \$214,583, respectively, as at March 31, 2014.

7 Government remittances

Government remittances of \$nil (2014 – \$nil) are included in accounts payable and accrued liabilities.

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2015

8 Chapters – Balances and transactions

Revenue includes 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. Conservation programs expense includes amounts that were contracted to the chapters.

Amounts due to or from 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 under the *Canada Not-for-profit 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.

Canadian Parks and Wilderness Society

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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, 2015 and 2014, and for the years then ended are as follows.

	2015 \$	2014 \$
Financial position		
Total assets	447,878	431,345
Total liabilities	19,569	27,297
Net assets		
Unrestricted	401,907	377,646
Endowment	26,402	26,402
	<u>447,878</u>	<u>431,345</u>
Results from operations		
Total revenue	52,646	136,575
Total expense	28,385	37,941
Net revenue for the year	<u>24,261</u>	<u>98,634</u>
Cash flows provided by		
Operating activities	<u>16,533</u>	<u>158,928</u>

By agreement, the Society transfers a portion of bequests to the Foundation (2015 – \$50,524; 2014 – \$134,498).

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

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

Corporate revenue includes \$24,962 (2014 – \$35,692) in donations from the Foundation.

10 Deferred contributions

	Balance – Beginning of year \$	Amounts received \$	Amounts recognized as revenue \$	Balance – End of year \$
Forest	141,251	1,190,962	(1,203,744)	128,469
Parks	177,150	222,711	(223,438)	176,423
Oceans	1,750	102,694	(82,616)	21,828
Other	72,336	6,063	(49,966)	28,433
	<u>392,487</u>	<u>1,522,430</u>	<u>(1,559,764)</u>	<u>355,153</u>

Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2015

11 Now and Forever Wild Fund

The Now and Forever Wild Fund (“the Fund”) consists of externally restricted endowment contributions whereby the capital of the Fund shall be held in perpetuity and income and realized capital gains may be used in designated areas. In addition, the Society may transform the Fund into a capital campaign fund that would allow the Society to purchase real estate that would house the Society’s operations, if certain conditions are met.

12 Commitments

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

	\$
Year ending March 31, 2016	118,612
2017	19,972
2018	8,527
2019	6,093
2020	5,077

13 Allocation of expenses

					2015	2014
	Conservation programs \$	Conservation awareness \$	Membership and development \$	Operations \$	Total \$	Total \$
Salaries and benefits	918,285	170,908	243,790	279,378	1,612,361	1,367,322

