

# **Canadian Parks and Wilderness Society**

Financial Statements  
**March 31, 2014**



September 29, 2014

## **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, 2014 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 for the year and cash flows from operating activities for the years ended March 31, 2014 and 2013, current assets as at March 31, 2014 and 2013 and net assets as at April 1 and March 31 for both the 2014 and 2013 years. Our audit opinion on the financial statements for the year ended March 31, 2013 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, 2014 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.

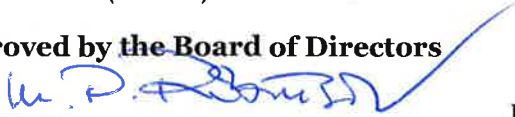

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

# Canadian Parks and Wilderness Society

## Statement of Financial Position

As at March 31, 2014

	2014 \$	2013 \$	
<b>Assets</b>			
<b>Current assets</b>			
Cash	785,415	980,325	
Guaranteed investment certificates (note 4)	1,123,076	700,000	
Accounts receivable (note 5)	160,886	163,728	
Due from chapters (note 8)	—	2,673	
Due from the Foundation (note 9)	25,476	—	
Prepaid expenses	56,573	42,666	
	<u>2,151,426</u>	<u>1,889,392</u>	
<b>Capital assets (note 6)</b>	<u>164,683</u>	<u>190,272</u>	
	<u>2,316,109</u>	<u>2,079,664</u>	
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities (note 7)	82,384	79,360	
Due to chapters (note 8)	514,930	257,977	
Due to the Foundation (note 9)	—	34,271	
Deferred contributions (note 10)	392,487	771,750	
	<u>989,801</u>	<u>1,143,358</u>	
<b>Deferred lease incentives</b>	<u>6,600</u>	<u>12,258</u>	
	<u>996,401</u>	<u>1,155,616</u>	
<b>Net assets</b>			
Unrestricted	479,182	425,052	
Invested in capital assets	158,083	178,014	
Internally restricted – Reserve fund	382,443	320,982	
Endowment – Now and Forever Wild Fund (note 11)	300,000	—	
	<u>1,319,708</u>	<u>924,048</u>	
	<u>2,316,109</u>	<u>2,079,664</u>	
<b>Commitments (note 12)</b>			
<b>Approved by the Board of Directors</b>			
	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, 2014

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	Balance – Beginning of year \$	Net revenue (expense) for the year \$	Endowment contributions \$	Transfers from (to) \$	Balance – End of year \$
Unrestricted	425,052	116,478	–	(62,348)	479,182
Invested in capital assets	178,014	(20,818)	–	887	158,083
Internally restricted – Reserve fund	320,982	–	–	61,461	382,443
Endowment – Now and Forever Wild Fund (note 11)	–	–	300,000	–	300,000
	<u>924,048</u>	<u>95,660</u>	<u>300,000</u>	<u>–</u>	<u>1,319,708</u>

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, 2014

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	2014	2013
	\$	\$
<b>Revenue</b> (note 8)		
Individuals	1,605,668	1,268,355
Foundation	2,855,445	2,380,029
Corporate (note 9)	262,921	200,934
Government	120,635	241,090
Other	63,553	72,727
	<hr/> 4,908,222	<hr/> 4,163,135
<b>Expense</b>		
Conservation programs (note 8)	3,460,051	2,827,833
Conservation awareness	269,561	231,936
Membership and development	389,210	421,120
Operations	667,264	547,434
Amortization of capital assets	26,476	28,035
	<hr/> 4,812,562	<hr/> 4,056,358
<b>Net revenue for the year</b>	<hr/> <b>95,660</b>	<hr/> <b>106,777</b>

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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, 2014

	2014 \$	2013 \$
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net revenue for the year	95,660	106,777
Items not affecting cash –		
Amortization of capital assets	26,476	28,035
Amortization of deferred lease incentives	(5,658)	(5,657)
Net change in non-cash working capital items	(187,425)	239,174
	<u>(70,947)</u>	<u>368,329</u>
<b>Investing activities</b>		
Purchase of guaranteed investment certificates	(1,123,076)	(1,700,000)
Proceeds on redemption of guaranteed investment certificates	700,000	1,700,000
Purchase of capital assets	(887)	(3,652)
	<u>(423,963)</u>	<u>(3,652)</u>
<b>Financing activity</b>		
Endowment contributions	300,000	–
	<u>(194,910)</u>	<u>364,677</u>
	300,000	
<b>Transfer from Saskatchewan chapter</b>	<u>–</u>	<u>11,371</u>
<b>Net change in cash for the year</b>	(194,910)	376,048
<b>Cash – Beginning of year</b>	980,325	604,277
<b>Cash – End of year</b>	<u>785,415</u>	<u>980,325</u>

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

# Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2014

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## 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 (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).

## 3 Significant accounting policies

### Basis of presentation

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.



# Canadian Parks and Wilderness Society

## Notes to Financial Statements

March 31, 2014

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### 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 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. 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.

### 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.

# Canadian Parks and Wilderness Society

## Notes to Financial Statements

March 31, 2014

### 4 Guaranteed investment certificates

Guaranteed investment certificates earn interest at rates of 1.30% (2013 – 1.25% to 1.30%) and mature within one year.

### 5 Accounts receivable

	2014	2013
	\$	\$
Grants receivable	128,914	99,702
Commodity tax rebates	19,567	56,804
Other receivables	12,405	7,222
	<u>160,886</u>	<u>163,728</u>

### 6 Capital assets

			2014	2013
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Buildings	225,780	96,315	129,465	134,860
Computer and telephone equipment	71,454	55,981	15,473	18,983
Computer software	16,248	15,690	558	796
Leasehold improvements	65,784	46,597	19,187	35,633
	<u>379,266</u>	<u>214,583</u>	<u>164,683</u>	<u>190,272</u>

Cost and accumulated amortization amounted to \$378,379 and \$188,107, respectively, as at March 31, 2013.

### 7 Government remittances

Government remittances of \$nil (2013 – \$nil) are included in accounts payable and accrued liabilities.

### 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.

# Canadian Parks and Wilderness Society

## Notes to Financial Statements

March 31, 2014

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### 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.

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, 2014 and 2013, and for the years ended March 31, 2014 and 2013 are as follows.

	2014 \$	2013 \$
<b>Financial position</b>		
Total assets	431,345	306,688
Total liabilities	27,297	1,274
Net assets		
Unrestricted	377,646	279,012
Endowment	26,402	26,402
	431,345	306,688
<b>Results from operations</b>		
Total revenue	136,575	58,655
Total expense	37,941	48,231
Net revenue for the year	98,634	10,424
<b>Cash flows provided by (used in)</b>		
Operating activities	158,928	(45,562)

By agreement, the Society transfers a portion of bequests to the Foundation amounting to \$134,498 (2013 – \$53,961).

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 \$35,692 (2013 – \$46,266) from the Foundation.

# Canadian Parks and Wilderness Society

Notes to Financial Statements

March 31, 2014

## 10 Deferred contributions

	Balance – Beginning of year \$	Amounts received \$	Amounts recognized as revenue \$	Balance – End of year \$
Forest	402,264	995,175	(1,256,188)	141,251
Parks	333,628	250,623	(407,101)	177,150
Oceans	1,590	20,200	(20,040)	1,750
Other	34,268	62,090	(24,022)	72,336
	<u>771,750</u>	<u>1,328,088</u>	<u>(1,707,351)</u>	<u>392,487</u>

## 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. Certain donors have committed to make additional contributions to the Fund based on the sum of amounts received into the Fund by the Society from other donors before the end of March 2015.

## 12 Commitments

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

	\$
Year ending March 31, 2015	127,262
2016	110,209
2017	17,542
2018	2,434

## 13 Allocation of expenses

					2014	2013
	Conservation programs \$	Conservation awareness \$	Membership and development \$	Operations \$	Total \$	Total \$
Salaries and benefits	731,220	151,956	177,113	307,033	1,367,322	1,179,164