

Foundation for Canadian Parks and Wilderness

Financial Statements
March 31, 2023



Independent auditor's report

To the Members of Foundation for Canadian Parks and Wilderness

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Foundation for Canadian Parks and Wilderness (the Foundation) as at March 31, 2023 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.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2023;
- the statement of operations and changes in net assets – unrestricted for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 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.

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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's 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 auditor's 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 25, 2023

Foundation for Canadian Parks and Wilderness

Statement of Financial Position

As at March 31, 2023

	2023 \$	2022 \$
Assets		
Current assets		
Cash and cash equivalents	949,956	889,574
	<u>949,956</u>	<u>889,574</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,040	7,490
Due to Canadian Parks and Wilderness Society (note 3)	61,259	20,268
	<u>70,299</u>	<u>27,758</u>
Net Assets		
Unrestricted	853,255	835,414
Endowment	26,402	26,402
	<u>879,657</u>	<u>861,816</u>
	<u>949,956</u>	<u>889,574</u>

Approved by the Board of Directors

Signatures intentionally removed for website

_____ Director _____ Director

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

Foundation for Canadian Parks and Wilderness
Statement of Operations and Changes in Net Assets – Unrestricted
For the year ended March 31, 2023

	2023	2022
	\$	\$ (revised – note 5)
Revenue		
Bequests transferred from Canadian Parks and Wilderness Society (note 3)	50,000	100,192
Grant income (note 4)	12,340	10,666
Investment income	10,406	11,678
	<hr/> 72,746	<hr/> 122,536
Expenses		
Donations to Canadian Parks and Wilderness Society (notes 3 and 4)	45,840	30,934
Professional fees	9,040	7,490
Other	25	25
	<hr/> 54,905	<hr/> 38,449
Net revenue for the year	17,841	84,087
Net assets – Unrestricted – Beginning of year	<hr/> 835,414	<hr/> 751,327
Net assets – Unrestricted – End of year	<hr/> 853,255	<hr/> 835,414

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

Foundation for Canadian Parks and Wilderness

Statement of Cash Flows

For the year ended March 31, 2023

	2023 \$	2022 \$ (revised – note 5)
Cash provided by (used in)		
Operating activities		
Net revenue for the year	17,841	84,087
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	1,550	990
Due to Canadian Parks and Wilderness Society	40,991	(69,099)
	<hr/> 60,382	<hr/> 15,978
Investing activities		
Payment received on loan receivable (note 3)	<hr/> -	<hr/> 212,539
Change in cash and cash equivalents during the year	60,382	228,517
Cash and cash equivalents– Beginning of year	<hr/> 889,574	<hr/> 661,057
Cash and cash equivalents – End of year	<hr/> 949,956	<hr/> 889,574

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

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2023

1 Nature and purpose of the organization

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 Canadian Parks and Wilderness Society (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.

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

A financial asset or a financial liability is initially recognized when the Foundation becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished.

The Foundation initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and notes receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Canadian Parks and Wilderness Society.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Endowment contributions are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted revenue and endowment investment income are available for spending at the discretion of the Foundation and are recognized as revenue when they are earned.

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2023

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 Related party transactions and balances

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

In April 2022, the Society and the Foundation signed a new contribution and granting agreement. By agreement, the Society contributes to the Foundation in the amount of \$50,000 on an annual basis, and the Foundation makes an annual grant to the Society to fulfill its disbursement quota requirement.

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

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

On June 14, 2019, the Foundation entered into a loan agreement with 2646020 Ontario Inc., a wholly owned subsidiary of the Society, for \$228,230 for the purpose of providing short-term financing to 2646020 Ontario Inc. The loan bore interest of 6% per annum and was repayable on demand. The loan was repaid in full on February 10, 2022.

4 Income beneficiary

In March 1993, the Foundation established two endowment funds, one with the Calgary Foundation and the other with the Toronto Foundation. The Society is designated as the beneficiary and receives annual grants from these funds.

The grant income and donations to the Society include \$12,340 (2022 – \$10,666) for the income received from these funds.

The market value of the fund held with the Calgary Foundation as of March 31, 2023 was \$176,908 (2022 – \$182,815) and the market value of the fund held with the Toronto Foundation was \$83,634 (2022 – \$90,021).

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2023

5 Comparative figures

The comparative figures for the year ended March 31, 2022 have been revised to include the grant income and expenses related to the two endowment funds as described in note 4. As a result, for the year ended March 31, 2022, the revenue increased from \$111,870 to \$122,536 and the expense increased from \$27,783 to \$38,449. There was no impact on net revenue for the year ended March 31, 2022, which is unchanged at \$84,087.

In the comparative figures, payment received on notes receivable of \$212,539 was previously classified as financing activities but has been re-presented as investing activities in the current year financial statements. There was no impact to the statement of operations and changes in net assets – unrestricted.

6 Financial instruments

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is subject to credit risk in relation to its cash and cash equivalent balances. The Foundation's cash and cash equivalents are held with a Canadian chartered bank; therefore, management considers the likelihood of non-performance to be remote. The Foundation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

Liquidity risk

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget forecasts to ensure it has sufficient funds to fulfill its obligations. The Foundation relies on cash flows from operations and its reserves to provide cash required to meet liabilities as they fall due.