

**YUKON CHAPTER
CANADIAN PARKS AND WILDERNESS SOCIETY**

FINANCIAL STATEMENTS

March 31, 2017

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Certified General Accountants

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June 17, 2017

Mr. Chris Rider, Executive Director
Yukon Chapter - Canadian Parks and Wilderness Society
P.O. Box 31095 RPO Main Street
506 Steele Street
Whitehorse, Yukon
Y1A 5P7

Dear Mr. Rider:

I am pleased to enclose one bound and one unbound copies of the financial statements of Yukon Chapter for the year ended March 31, 2017.


Please arrange for the Board of Directors to sign the management's statement of responsibility on all two copies. Also, please have the Board of Directors sign the statement of financial position thereby indicating its approval.

I would also like to keep a signed copy of the financial statements for my files. Can you have the same individual(s) sign the plain paper copy of the financial statements and return this copy to us.

We have also enclosed the year end adjusting entries and trial balance. The year end adjusting entries should be entered into your accounting software using the March 31, 2017 date.

Thank you for this opportunity to be of service. If you have any questions, please do not hesitate to contact me.

Yours truly,


Michael McKay C.P.A., C.G.A.


MANAGEMENT RESPONSIBILITY STATEMENT

The management of Yukon Chapter - Canadian Parks and Wilderness Society is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are considered by management to present fairly the society's financial position and results of operations.

The society, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by M. McKay & Associates Ltd., Chartered Professional Accountants, the society's auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



Executive Director

June 19, 2017

INDEPENDENT AUDITOR'S REPORT

To the Directors of Yukon Chapter - Canadian Parks and Wilderness Society

We have audited the accompanying financial statements of Yukon Chapter - Canadian Parks and Wilderness Society, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and changes in net assets and cash flows for the year then ended, and 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 society'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 society'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.

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, Yukon Chapter - Canadian Parks and Wilderness Society derives a material amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the books of Yukon Chapter - Canadian Parks and Wilderness Society. Therefore, we were not able to determine whether, as at and for the year ended March 31, 2017, any adjustments might have been necessary to donations account.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Yukon Chapter - Canadian Parks and Wilderness Society as at March 31, 2017 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.

M. McKay & Associates

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF OPERATIONS
AND CHANGES IN NET ASSETS
For the year ended March 31, 2017

	2017	2016
REVENUES		
Grants (note 10)	\$ 378,627	\$ 381,794
Other revenue (note 12)	73,480	94,301
Restricted additional contribution (note 11)	48,863	48,475
Merchandise Sales	2,540	2,280
Deferred contribution for repayment of debt (note 9)	(21,528)	(40,174)
Prior year deferred revenue	350,827	400,518
Deferred revenue (note 9)	(307,774)	(350,827)
	525,035	536,367
EXPENSES		
Salaries and related benefits	278,636	303,047
Professional fees	89,796	86,786
Special events	38,021	8,112
Office and computer maintenance	19,407	14,132
Travel	18,569	46,195
Amortization (note 5)	17,869	9,597
Campaign promotion	16,936	8,782
Interest on long-term debt	7,888	3,637
Meetings	6,556	20,429
Telephone and Internet	6,189	10,781
Utilities	4,807	4,798
Property taxes	3,545	3,517
Building maintenance	3,364	-
Insurance	3,326	2,528
Printing	2,865	1,842
Administration	1,306	2,435
Professional development	812	850
Interest and bank charges	166	462
	520,058	527,930
EXCESS OF REVENUES OVER EXPENSES	4,977	8,437
Balance, beginning of year	267,296	258,859
Balance, end of year	\$ 272,273	\$ 267,296

See accompanying notes to the financial statements

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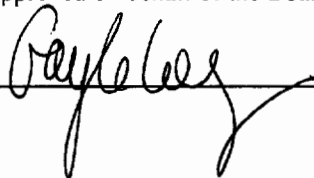
M. McKay & Associates Ltd.
Chartered Professional Accountants


YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF FINANCIAL POSITION
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 394,041	\$ 332,553
Restricted cash (note 4)	15,000	10,000
Term deposits (note 7)	-	42,347
Accounts receivable	133,205	164,349
Prepaid expenses	1,865	976
	544,111	550,225
CAPITAL ASSETS (note 5)	311,934	329,802
	\$ 856,045	\$ 880,027
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 6)	\$ 56,553	\$ 19,915
MORTGAGE LOANS (note 8)	157,743	201,816
DEFERRED REVENUE (note 9)	369,476	391,001
	583,772	612,732
NET ASSETS		
UNRESTRICTED NET ASSETS	267,296	258,858
NET INCOME (LOSS)	4,977	8,437
	272,273	267,295
	\$ 856,045	\$ 880,027

Contingent liabilities (note 13)

Approved on behalf of the Board:


 _____ Director


 _____ Director

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF CASH FLOWS
For the year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Cash receipts from sponsors & customers	\$ 485,791	\$ 472,854
Cash paid to suppliers and employees	(466,440)	(528,505)
Interest received	-	220
	<u>19,351</u>	<u>(55,431)</u>
INVESTING ACTIVITY		
Purchase of capital assets	-	(336,965)
FINANCING ACTIVITIES		
Repayment of mortgage loans	(44,073)	(35,184)
Proceeds of mortgage loans	-	237,000
Contribution received for repayment of debt	48,863	48,475
	<u>4,790</u>	<u>250,291</u>
NET INCREASE (DECREASE) IN CASH	24,141	(142,105)
CASH, beginning of year	<u>384,900</u>	<u>527,005</u>
CASH, end of year	<u><u>\$ 409,041</u></u>	<u><u>\$ 384,900</u></u>
CASH CONSISTS OF:		
Cash	\$ 394,041	\$ 332,553
Term deposits (note 7)	-	42,347
Restricted cash (note 4)	<u>15,000</u>	<u>10,000</u>
	<u><u>\$ 409,041</u></u>	<u><u>\$ 384,900</u></u>

See accompanying notes to the financial statements

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M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

1. Nature of the organization

Yukon Chapter - Canadian Parks and Wilderness Society (the "society") was incorporated under the Yukon Societies Act. Its mission is to establish a network of protected areas and conservation lands, and to safeguard wilderness and wildlife throughout the north. It is exempt from income taxation under Sec. 149(1)(1) of the Income Tax Act.

2. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

a) 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 can be reasonably estimated and collection is reasonably assured.

b) Restricted contributions for the purchase of capital assets that are amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Contributions restricted for the repayment of a debt obtained for financing the purchase of capital assets is recognized as if the contributions themselves were restricted for the same purpose as the debt financing was used.

c) Due to the difficulty of measuring and valuing contributed materials and service, they are not reported in the financial statements.

d) Investments are reported at the lower of cost or market value.

e) Capital assets are recorded at cost in the year of purchase. Amortization of capital assets is recorded by the declining balance method at the following rates:

- Building - 5%
- Office equipment - 20%
- Computer hardware and software - 30%

f) In preparing these financial statements, management made estimates and assumptions that affect the amounts reported. Areas requiring the use of estimates include deferred revenue, accrued liabilities, and amortization of capital assets. Actual results could differ from these estimates.

g) Financial assets and liabilities are initially measured at fair value. Subsequently, financial assets and liabilities are reported at 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 net income.

3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

Financial instruments, continued

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The society holds a Treasury bill mutual fund subject to market risk.

(c) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The society is exposed to credit risk in its bank deposits and accounts receivable.

(d) Liquidity risk

Liquidity risk is the risk that the society cannot repay its obligations when they become due to its creditors. The society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and repays long term debt interest and principal as they become due. The society is exposed to liquidity risk in the accounts payable and accrued liabilities and mortgage loans due on demand.

(e) Interest rate risk

Interest rate risk is the risk that the society has interest rate exposure on its bank indebtedness, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The society reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. In the opinion of management the interest rate risk exposure to the society low and is not material.

4. Restricted cash

	2017	2016
Redeemable guaranteed investment certificate bearing interest at 1.5%; security for corporate credit card	\$ -	\$ 10,000
Redeemable guaranteed investment certificate bearing interest at 0.5%; security for corporate credit card	15,000	-
	\$ 15,000	\$ 10,000

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

5. Capital assets

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Building	\$ 332,031	\$ 24,487	\$ 332,031	\$ 8,301
Office equipment	40,147	39,032	40,147	38,753
Computer hardware and software	48,491	45,216	48,491	43,813
	420,669	108,735	420,669	90,867
Net book value	\$ 311,934		\$ 329,802	

During the year ended March 31, 2016, the society acquired the property situated at 506 Steele Street, Whitehorse, YT from the National office of Canadian Parks and Wilderness Society. Mortgage loan is secured on this property with carrying amount of \$157,743 (note 8).

Amortization for the year amounted to \$17,869 (2016: \$9,597).

6. Accounts payable and accrued liabilities

	2017	2016
Trade payable	\$ 12,535	\$ 4,550
Accrued liabilities	44,018	15,365
	\$ 56,553	\$ 19,915

7. Term deposits

	2017	2016
Treasury bill mutual fund	\$ -	\$ 42,347

8. Mortgage loans

	2017	2016
Mortgage loan payable to CIBC, bearing interest at prime rate +1%, due on demand, secured by a mortgage on the property at 506 Steele St, Whitehorse, YT	\$ 157,743	\$ 201,816

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

8. Mortgage loans, continued

Regular principal re-payments required are as follows:

2018	\$	13,874
2019		15,673
2020		16,255
2021		16,858
2022		17,483
Subsequent years		<u>77,600</u>
	<u>\$</u>	<u>157,743</u>

Mortgage loan re-payments are financed by a restricted contribution received from the National office of Canadian Parks and Wilderness Society (note 11).

The society anticipates principal re-payments to be at a minimum of \$30,000 per year.

9. Deferred Revenue

	<u>2017</u>		<u>2016</u>
Deferred revenue			
444 S Foundation	\$ 64,727	\$	78,968
Wilburforce Foundation	60,092		79,025
Mike Dehn Memorial Fund	8,983		8,983
Campion Foundation	9,256		13,200
CJ Foundation	3,700		1,700
Tides Canada - 1	-		14,160
Anonymous donor	43,610		62,933
Tides Canada - 2	21,820		26,665
Major donor - Blachford	32,000		36,710
Public Legal Fees and Campaign Donations	36,933		28,483
Yellowstone to Yukon	14,813		-
FofM Foundation	6,938		-
Other	<u>4,902</u>		<u>-</u>
	307,774		350,827
Deferred contribution for repayment of debt			
CPAWS National office	<u>61,702</u>	<u>\$</u>	<u>40,174</u>
	<u>\$</u>	<u>\$</u>	<u>391,001</u>

Restricted contribution for the repayment of the mortgage loan on the society's building is recognized as revenue in the same periods as the amortization expense associated with the building. The deferred contribution for repayment of debt represents the portion of contribution received in excess of the amortization and long term debt expense.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

10. Grants

Grants from the following sources were mainly received from the National office of Canadian Parks and Wilderness Society. The amounts reported are net of a 7.5% administration fee.

	<u>2017</u>	<u>2016</u>
444 S Foundation	\$ 114,044	\$ 106,718
Wilburforce Foundation	132,529	134,095
Campion Foundation	29,857	73,190
Yellowstone to Yukon	37,000	-
FofM Foundation	6,938	-
Tides Canada - 1	-	14,157
Tides Canada - 2	48,084	53,634
Other	10,175	-
	<u>\$ 378,627</u>	<u>\$ 381,794</u>

11. Restricted additional contribution

The society entered an agreement with the National office of Canadian Parks and Wilderness Society to obtain a restricted contribution to finance the repayment of the mortgage loan. The restricted contribution is equal to the administration fees retained by the National office of Canadian Parks and Wilderness Society on the grants and donations administered.

12. Other Revenue

	<u>2017</u>	<u>2016</u>
Blachford Donation	\$ 32,000	\$ 25,306
Anonymous Donation	-	39,848
Other Donations	15,677	14,092
Special events	4,667	1,709
CJ Foundation	3,700	4,625
Other	17,436	8,731
	<u>\$ 73,480</u>	<u>\$ 94,311</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

13. Contingencies

The society is contingently liable for the repayment of the GST Public Services Bodies' Rebate claimed and received for over 10 years. The likelihood or amount of any potential liability cannot be reasonably determined and as such no liability has been accrued in these financial statements.

The society is involved in a legal action in regards to the Peel Commissions Final Recommended Land Use Plan. At year-end, the society is entitled to claim court costs regarding the Yukon Supreme Court phase but has decided to hold off the claim. In March 2017, the Supreme Court of Canada heard the appeal formed by the parties to the legal action. A ruling has not been issued yet and the assets and liabilities, if any, associated with the legal action cannot be reasonably determined. As such, no asset or liability has been recorded in these financial statements.

14. Economic dependence

The society is economically dependent upon the National office of Canadian Parks and Wilderness Society to administer grant funding.

15. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.