

**YUKON CHAPTER  
CANADIAN PARKS AND WILDERNESS SOCIETY**

**FINANCIAL STATEMENTS**

**March 31, 2018**

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## 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, 2018

**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, 2018, 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.

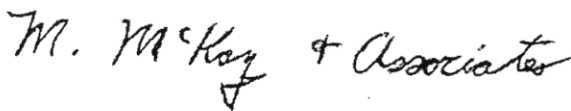
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**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, 2018, any adjustments might have been necessary to donation revenue.

**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, 2018 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.




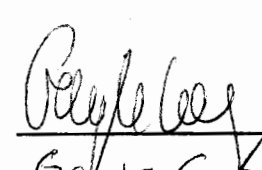
**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**STATEMENT OF OPERATIONS**  
**AND CHANGES IN NET ASSETS**  
**For the year ended March 31, 2018**

	2018	2017
<b>REVENUES</b>		
Grants (note 9)		
Other revenue (note 11)	\$ 335,603	\$ 378,627
Restricted additional contribution (note 10)	110,964	73,480
Merchandise Sales	43,656	48,863
	3,579	2,540
Deferred contribution for repayment of debt (note 8)	(22,640)	(21,528)
Prior year deferred revenue	307,774	350,827
Deferred revenue (note 8)	(188,034)	(307,774)
	590,902	525,035
<b>EXPENSES</b>		
Salaries and related benefits	293,163	278,635
Professional fees	21,497	89,796
Special events	15,446	38,021
Office and computer maintenance	13,713	19,408
Travel	29,408	18,569
Amortization (note 5)	17,002	17,869
Campaign promotion	9,899	16,936
Interest on long-term debt	5,884	7,888
Meetings	2,502	6,556
Telephone and Internet	4,915	6,189
Utilities	6,410	4,807
Property taxes	3,569	3,545
Building maintenance	3,629	3,364
Insurance	3,079	3,326
Printing	184	2,865
Administration	2,446	1,306
Professional development	415	812
Interest and bank charges	653	166
Miscellaneous	173	-
	433,987	520,058
<b>EXCESS OF REVENUES OVER EXPENSES</b>		
Balance, beginning of year	156,915	4,977
	272,273	267,296
Balance, end of year	\$ 429,188	\$ 272,273

**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2018**

	2018	2017
<b>ASSETS</b>		
CURRENT		
Cash	\$ 402,377	\$ 394,041
Restricted cash (note 4)	-	15,000
Accounts receivable	155,692	133,205
Prepaid expenses	1,961	1,865
	560,030	544,111
CAPITAL ASSETS (note 5)	297,896	311,934
	\$ 857,926	\$ 856,045
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities (note 6)	\$ 32,436	\$ 56,553
MORTGAGE LOANS (note 7)	123,926	157,743
DEFERRED REVENUE (note 8)	272,376	369,476
	428,738	583,772
<b>NET ASSETS</b>		
UNRESTRICTED NET ASSETS	272,273	267,296
NET INCOME (LOSS)	156,915	4,977
	429,188	272,273
	\$ 857,926	\$ 856,045

Approved on behalf of the Board:  
  
 \_\_\_\_\_ Director  
 Erik Val, President

  
 \_\_\_\_\_ Director  
 Gafie Coffey, Treasurer

**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Cash receipts from sponsors & customers	\$ 426,700	\$ 485,791
Cash paid to suppliers and employees	(441,198)	(466,440)
Interest received	959	-
	<u>(13,539)</u>	<u>19,351</u>
Cash flow (to) from operating activities		
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(2,964)	-
	<u>(2,964)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Decrease in mortgage loans	(33,817)	(44,073)
Contribution received for repayment of debt	43,656	48,863
	<u>9,839</u>	<u>4,790</u>
Cash flow from financing activities		
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(6,664)</b>	<b>24,141</b>
CASH, beginning of year	<u>409,041</u>	<u>384,900</u>
CASH, end of year	<u>\$ 402,377</u>	<u>\$ 409,041</u>
 <b>CASH CONSISTS OF:</b>		
Cash	\$ 402,377	\$ 394,041
Restricted cash (note 4)	-	15,000
	<u>\$ 402,377</u>	<u>\$ 409,041</u>

**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2018**

**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, 2018**

**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**

	2018	2017
Redeemable guaranteed investment certificate (GIC) bearing interest at 0.5% security for corporate credit card.		
Restriction was removed and GIC was cashed during the year.	\$ -	\$ 15,000



**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2018**

5. **Capital assets**

	2018		2017	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Building	\$ 332,031	\$ 39,864	\$ 332,031	\$ 24,487
Office equipment	40,657	39,306	40,147	39,032
Computer hardware and software	50,945	46,567	48,491	45,216
	423,633	125,737	420,669	108,735
Net book value	\$ 297,896		\$ 311,934	

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 \$123,926 (note 7).

Amortization for the year amounted to \$17,002 (2017: \$17,869).

6. **Accounts payable and accrued liabilities**

	2018	2017
Trade payable	\$ 12,495	\$ 12,535
Accrued liabilities	19,941	44,018
	\$ 32,436	\$ 56,553

7. **Mortgage loans**

	2018	2017
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	\$ 123,926	\$ 157,743

Regular principal re-payments required are as follows:

2019	\$ 16,270
2020	16,970
2021	17,600
2022	18,253
2023	18,930
Subsequent years	35,903
	\$ 123,926

**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2018**

7. **Mortgage loans, continued**

Mortgage loan re-payments are financed by a restricted contribution received from the National office of Canadian Parks and Wilderness Society (note 10).  
 The society anticipates principal re-payments to be at a minimum of \$30,000 per year.

8. **Deferred Revenue**

Externally restricted contributions are recognized as deferred revenue when related expenses are expected to be incurred in a future period.

	2018	2017
<b><u>Deferred revenue</u></b>		
444 S Foundation	\$ 46,931	\$ 64,727
Wilburforce Foundation	49,691	60,092
Mike Dehn Memorial Fund	8,983	8,983
Campion Foundation	-	9,256
CJ Foundation	-	3,700
Friends of Canadian Wilderness	35,196	-
Anonymous donor	-	43,610
Tides Canada - 2	17,820	21,820
Major donor - Blachford	24,726	32,000
Public Legal Fees and Campaign Donations	-	36,933
Yellowstone to Yukon	-	14,813
FofM Foundation	-	6,938
Other	4,687	4,902
	188,034	307,774
<b><u>Deferred contribution for repayment of debt</u></b>		
CPAWS National office	84,342	61,702
	\$ 272,376	\$ 369,476

As at March 31, 2018, \$75,000 previously restricted by various funders for contingent legal liability is no longer externally restricted and has been recognized as revenue.

The court case cost recovery for \$38,399 is recognized as revenue in the year ended March 31, 2018 as it pertains to past costs incurred by the Society. No amount has been deferred.

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**  
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**9. 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>2018</u>	<u>2017</u>
444 S Foundation	\$ 104,188	\$ 114,044
Wilburforce Foundation	137,892	132,529
Campion Foundation	29,125	29,857
Yellowstone to Yukon	-	37,000
FofM Foundation	-	6,938
Friends of Canadian Wilderness	23,745	-
Tides Canada - 2	27,750	48,084
Tides Canada - 1	12,903	-
Other	-	10,175
	<u>\$ 335,603</u>	<u>\$ 378,627</u>

**10. 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 administrated.

**11. Other Revenue**

	<u>2018</u>	<u>2017</u>
Blachford Donation	\$ 24,726	\$ 32,000
Court case cost recovery	38,399	-
Other Donations	17,275	15,677
Wage subsidies	13,322	-
Special events	-	4,667
CJ Foundation	-	3,700
Interest revenue	959	-
Cost recoveries and others	16,283	17,436
	<u>\$ 110,964</u>	<u>\$ 73,480</u>

**YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY**  
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**March 31, 2018**

**12. 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.

**13. Economic dependence**

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