

**YUKON CHAPTER
CANADIAN PARKS AND WILDERNESS SOCIETY
FINANCIAL STATEMENTS**

March 31, 2021

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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 (ASNPO). 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 7, 2021

INDEPENDENT AUDITOR'S REPORT

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

Qualified opinion

We have audited the financial statements of Yukon Chapter - Canadian Parks and Wilderness Society, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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 Yukon Chapter - Canadian Parks and Wilderness Society as at March 31, 2021 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the society derives revenue from fundraising activities 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

Without modifying our opinion, we draw attention to note 14 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 and its effect on the global economy. Our opinion is not modified in respect of this matter.

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 ASNPO, 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.

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

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

INDEPENDENT AUDITOR'S REPORT, continued

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 the 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 society'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 society'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 society 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.

M. McKay & Associates

M. McKay & Associates Ltd.
Chartered Professional Accountants

Whitehorse, Yukon
June 7, 2021

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF OPERATIONS
For the year ended March 31, 2021

	2021	2020
REVENUES		
CPAWS National administered grants (note 9)	\$ 512,375	\$ 571,195
Other revenue (note 12)	48,719	53,282
Restricted additional contribution (note 10)	112,090	54,239
Other grants and contribution agreements (note 11)	204,905	15,316
Merchandise sales	292	2,326
Prior year deferred revenue	191,680	179,056
Deferred revenue (note 8)	(197,189)	(191,680)
Deferred capital contribution	(108,195)	(37,134)
	764,677	646,600
 EXPENSES		
Salaries and related benefits	530,745	443,322
Professional fees and honoraria	37,860	40,830
Amortization (note 4)	6,755	17,016
Travel and accommodation	14,208	48,366
Office and computer maintenance	12,918	12,912
Utilities	6,697	6,030
Telephone and Internet	6,108	5,390
Special events	4,600	14,480
Insurance	4,313	3,868
Professional development	4,207	4,116
Property taxes	3,601	3,551
Campaign promotion	2,798	2,789
Administration	1,716	1,463
Printing	1,642	11
Meetings	948	4,544
Interest on long-term debt	711	3,228
Building maintenance	637	2,494
Interest and bank charges	547	544
	641,011	614,954
EXCESS OF REVENUES OVER EXPENSES	\$ 123,666	\$ 31,646

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2021

	Investment in capital assets, net of deferred capital contributions	Unrestricted net assets	Total 2021	Total 2020
Balance, beginning of year	\$ 126,976	\$ 380,470	\$ 507,446	\$ 475,800
Excess of revenues over expenses	-	123,666	123,666	31,646
Amortization	(6,755)	6,755	-	-
Additions	5,699	(5,699)	-	-
Capital contribution - Land portion	200,000	-	200,000	-
Deferred capital contribution	(108,297)	108,297	-	-
Balance, end of year	<u>\$ 217,623</u>	<u>\$ 613,489</u>	<u>\$ 831,112</u>	<u>\$ 507,446</u>

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF FINANCIAL POSITION
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 439,205	\$ 262,424
Term deposits (note 13)	246,531	221,048
Accounts receivable	181,935	175,091
Prepaid expenses	2,153	2,058
	869,824	660,621
CAPITAL ASSETS (note 4)	272,021	273,077
	\$ 1,141,845	\$ 933,698
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 5)	\$ 59,248	\$ 49,564
Deferred revenue (note 8)	197,189	191,680
	256,437	241,244
MORTGAGE LOAN (note 6)	-	38,907
DEFERRED CAPITAL CONTRIBUTION (note 7)	54,296	146,101
	310,733	426,252
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS, NET OF DEFERRED CAPITAL CONTRIBUTION	217,623	126,976
UNRESTRICTED NET ASSETS	613,489	380,470
	831,112	507,446
	\$ 1,141,845	\$ 933,698

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, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from sponsors & customers	\$ 756,519	\$ 667,714
Cash paid to suppliers and employees	(624,668)	(627,928)
Interest received	2,929	397
Cash flow from operating activities	134,780	40,183
INVESTING ACTIVITY		
Purchase of capital assets	(5,699)	(3,372)
FINANCING ACTIVITIES		
Decrease in mortgage loan	(38,907)	(43,598)
Capital contribution received for mortgage repayment	112,090	54,239
Cash flow from financing activities	73,183	10,641
NET INCREASE IN CASH	202,264	47,452
CASH, beginning of year	483,472	436,020
CASH, end of year	\$ 685,736	\$ 483,472
 CASH CONSISTS OF:		
Cash and cash equivalents	\$ 439,205	\$ 262,424
Term deposits	246,531	221,048
	\$ 685,736	\$ 483,472

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

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.

Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net 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.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

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.

(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 variable rate GIC 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) Concentration risk

Concentration risk is the risk that a funder has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the society in the event of a default by one of these funders. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2021, receivables through CPAWS National, grant administrator, comprised approximately 90% of the total outstanding receivables. The society reduces this risk by closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the society that is associated with their customers is low and is not material.

(e) 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.

(f) 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.. 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. At year-end, the society has no bank indebtedness subject to interest rate risk.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

4. Capital assets

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 200,000	\$ -	\$ 200,000	\$ -
Building	132,031	71,535	132,031	68,351
Office equipment	40,834	40,014	40,834	39,810
Computer hardware and software	65,741	55,036	60,042	51,669
	<u>438,606</u>	<u>166,585</u>	<u>432,907</u>	<u>159,830</u>
Net book value	<u>\$ 272,021</u>		<u>\$ 273,077</u>	

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 (CPAWS National). The mortgage loan secured on this property was fully paid off in current year.

Amortization for the year amounted to \$6,755 (2020: \$17,016).

5. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Trade payable	\$ 11,699	\$ 12,360
Accrued liabilities	10,249	10,347
Payroll liabilities	37,300	26,857
	<u>\$ 59,248</u>	<u>\$ 49,564</u>

6. Mortgage loan

	<u>2021</u>	<u>2020</u>
Mortgage loan payable to CIBC, fully paid in November 2020	<u>\$ -</u>	<u>\$ 38,907</u>

Mortgage loan re-payments were financed by a restricted contribution received from the National office of Canadian Parks and Wilderness Society (note 10).

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

7. Deferred capital contribution

Restricted contribution received from CPAWS National for the purchase of the society's building is recognized as revenue in the same periods as the amortization expense associated with the building. The deferred contribution represents the portion of contribution received in excess of the accumulated amortization.

The restricted contribution has been received over time from 2016 to 2021. In current year, the society received the final payment for the restricted contribution. A portion of the total contribution received was allocated to the land and transferred to net assets for \$200,000.

	<u>2021</u>	<u>2020</u>
Deferred contribution, beginning	\$ 146,101	\$ 108,967
Contribution received	111,379	51,012
Amortization	(3,184)	(13,878)
Transfer to net assets (land portion)	<u>(200,000)</u>	<u>-</u>
Deferred contribution, ending	<u>\$ 54,296</u>	<u>\$ 146,101</u>

8. Deferred Revenue

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

	<u>2021</u>	<u>2020</u>
444 S Foundation	\$ 72,622	\$ 39,837
Wilburforce Foundation	43,307	46,674
Friends of Canadian Wilderness	31,680	-
Wyss Foundation	22,421	69,936
Conservation Alliance	11,995	-
Yukon Government	11,664	-
Tr'ondëk Hwëch'in	2,500	-
City of Whitehorse	1,000	-
Tides Canada - 2	-	20,952
Tides Canada - 1	-	14,281
	<u>\$ 197,189</u>	<u>\$ 191,680</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

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>2021</u>	<u>2020</u>
Wilburforce Foundation	\$ 242,870	\$ 227,543
444 S Foundation	120,509	125,065
Wyss Foundation	68,841	64,691
Friends of Canadian Wilderness	48,225	25,429
Conservation Alliance	29,989	36,308
Other	1,941	2,313
Uplands Foundation	-	50,000
Tides Canada - 2	-	27,750
Tides Canada - 1	-	12,096
	<u>\$ 512,375</u>	<u>\$ 571,195</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 administered.

The restricted contribution has been received over time from 2016 to 2021. In current year, the society received the final payment for the restricted contribution.

11. Other grants and contribution agreements

	<u>2021</u>	<u>2020</u>
Government of Canada - Wage subsidies	\$ 135,989	\$ 8,537
Government of Yukon	55,416	5,000
Yukon Fish & Wildlife Enhancement Trust	5,000	-
Y2Y Conservation Initiative	5,000	-
Tr'ondëk Hwëch'in	2,500	-
City of Whitehorse.	1,000	-
Canadian Mountain Network	-	1,779
	<u>\$ 204,905</u>	<u>\$ 15,316</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
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12. Other Revenue

	2021	2020
Special events revenue	\$ 361	\$ 2,663
Other donations	33,807	21,488
Interest revenue	4,477	397
Cost recoveries and others	10,074	28,734
	\$ 48,719	\$ 53,282

13. Term deposits

The term deposit is held with a Canadian chartered bank and bears interest prime less 1.7% per annum and matures in May 2021.

14. Contingencies

COVID-19

During the year, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the society will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The society's activities have not been significantly impacted thus far; however, the society continues to assess the impact COVID-19 will have on its operations. As the society relies on foundation grants for most of its revenues, a financial crisis (market downturn) would most likely have a negative impact on its fundraising efforts, and could create a financial risk for the medium or long term.

OTHER

The society is contingently liable for the repayment of the GST Public Services Bodies's 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.

15. Economic dependence

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

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2021

16. Comparative amounts

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.