

**YUKON CHAPTER
CANADIAN PARKS AND WILDERNESS SOCIETY**

FINANCIAL STATEMENTS

March 31, 2022

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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 17, 2022

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, 2022, 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, 2022 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 17, 2022

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF OPERATIONS
For the year ended March 31, 2022

	2022	2021
REVENUES		
CPAWS National administered grants (note 9)	\$ 612,651	\$ 512,375
Other revenue (note 12)	28,331	48,719
Restricted additional contribution (note 10)	54,296	112,090
Other grants and contribution agreements (note 11)	31,353	204,905
Merchandise sales	656	292
Interest income	1,410	-
Prior year deferred revenue	197,189	191,680
Deferred revenue (note 8)	(182,242)	(197,189)
Deferred capital contribution	-	(108,195)
	743,644	764,677
EXPENSES		
Salaries and related benefits	526,652	530,745
Professional fees and honoraria	65,984	37,860
Amortization (note 4)	31,224	6,755
Office and computer maintenance	12,966	12,918
Professional development	10,960	4,207
Utilities	7,192	6,697
Interest on long-term debt	6,993	711
Telephone and Internet	6,585	6,108
Property taxes	4,611	3,601
Insurance	4,424	4,313
Travel and accommodation	3,832	14,208
Administration	2,603	1,716
Building maintenance	1,344	637
Campaign promotion	1,158	2,798
Meetings	1,123	948
Printing	1,094	1,642
Special events	616	4,600
Interest and bank charges	567	547
	689,928	641,011
Excess of revenues over expenses before Other item	53,716	123,666
Other income		
Gain on sale of capital assets	324,504	-
	324,504	-
NET EARNINGS	\$ 378,220	\$ 123,666

See accompanying notes to the financial statements

4.
M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2022


	Investment in capital assets, net of deferred capital contributions	Unrestricted net assets	Total 2022	Total 2021
Balance, beginning of year	\$ 217,623	\$ 613,489	\$ 831,112	\$ 507,446
Net Earnings	-	378,220	378,220	123,666
Amortization	(31,224)	31,224	-	-
Additions	763,361	(763,361)	-	-
Disposals	(261,065)	261,065	-	-
Capital contribution - Land portion	17,250	-	17,250	200,000
Deferred capital contribution	54,296	(54,296)	-	-
Balance, end of year	<u>\$ 760,241</u>	<u>\$ 466,341</u>	<u>\$ 1,226,582</u>	<u>\$ 831,112</u>

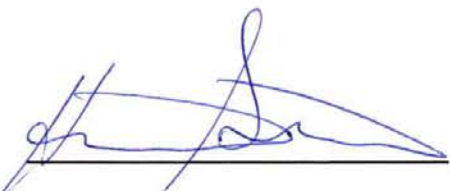
See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF FINANCIAL POSITION
March 31, 2022

	ASSETS	
	<u>2022</u>	<u>2021</u>
CURRENT		
Cash and cash equivalents	\$ 417,879	\$ 439,205
Term deposits (note 13)	247,475	246,531
Accounts receivable	200,969	181,935
Prepaid expenses	<u>633</u>	<u>2,153</u>
	866,956	869,824
CAPITAL ASSETS (note 4)	<u>760,241</u>	<u>272,021</u>
	<u><u>\$ 1,627,197</u></u>	<u><u>\$ 1,141,845</u></u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 5)	\$ 73,732	\$ 59,248
Deferred revenue (note 8)	182,242	197,189
GST payable	29,250	-
Current portion of mortgage loan	<u>22,522</u>	<u>-</u>
	307,746	256,437
MORTGAGE LOAN (note 6)	92,869	-
DEFERRED CAPITAL CONTRIBUTION (note 7)	<u>-</u>	<u>54,296</u>
	<u>400,615</u>	<u>310,733</u>
 NET ASSETS		
INVESTMENT IN CAPITAL ASSETS, NET OF DEFERRED CAPITAL CONTRIBUTION	760,241	217,623
UNRESTRICTED NET ASSETS	<u>466,341</u>	<u>613,489</u>
	<u>1,226,582</u>	<u>831,112</u>
	<u><u>\$ 1,627,197</u></u>	<u><u>\$ 1,141,845</u></u>

Approved on behalf of the Board:


 _____ Director


 _____ Director

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF CASH FLOWS
For the year ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from sponsors & customers	\$ 654,497	\$ 756,519
Cash paid to suppliers and employees	(613,672)	(624,668)
Interest received	<u>1,410</u>	<u>2,929</u>
Cash flow from operating activities	<u>42,235</u>	<u>134,780</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(780,509)	(5,699)
Proceeds on disposal of capital assets	<u>585,000</u>	<u>-</u>
Cash flow to investing activities	<u>(195,509)</u>	<u>(5,699)</u>
FINANCING ACTIVITIES		
Repayment of mortgage loan	(564,608)	(38,907)
Proceeds of mortgage loan	680,000	-
Capital contribution received for purchase of office	<u>17,500</u>	<u>112,090</u>
Cash flow from financing activities	<u>132,892</u>	<u>73,183</u>
NET (DECREASE) INCREASE IN CASH	(20,382)	202,264
CASH, beginning of year	<u>685,736</u>	<u>483,472</u>
CASH, end of year	<u><u>\$ 665,354</u></u>	<u><u>\$ 685,736</u></u>
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 417,879	\$ 439,205
Term deposits	<u>247,475</u>	<u>246,531</u>
	<u><u>\$ 665,354</u></u>	<u><u>\$ 685,736</u></u>

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

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) 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 fit-out and equipment - 20%
- Computer hardware and software - 30%

e) 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.

f) 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, 2022

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, 2022, 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.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

4. Capital assets

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 46,088	\$ -	\$ 200,000	\$ -
Building	649,236	19,256	132,031	71,535
Office equipment	36,670	3,805	40,834	40,014
Office fit-out	47,269	4,727	-	-
Computer hardware and software	67,238	58,472	65,741	55,036
	<u>846,501</u>	<u>86,260</u>	<u>438,606</u>	<u>166,585</u>
Net book value	<u>\$ 760,241</u>		<u>\$ 272,021</u>	

During the year ended March 31, 2022, the society sold the property situated at 506 Steele Street, Whitehorse, YT and acquired the property situated at 101-301 Hawkins Street, Whitehorse, YT. The mortgage loan secured on this new property is \$115,391 at year-end.

Amortization for the year amounted to \$31,224 (2021: \$6,755).

5. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Trade payable	\$ 22,469	\$ 11,699
Accrued liabilities	11,554	10,249
Payroll liabilities	39,709	37,300
	<u>\$ 73,732</u>	<u>\$ 59,248</u>

6. Mortgage loan

	<u>2022</u>	<u>2021</u>
Mortgage loan payable to CIBC	\$ 115,391	\$ -
Less current portion	<u>22,522</u>	<u>-</u>
Due beyond one year	<u>\$ 92,869</u>	<u>\$ -</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

6. Mortgage loan, continued

Regular principal re-payments required are as follows:

2023	\$	22,522
2024		23,370
2025		24,250
2026		25,162
2027		<u>20,087</u>
	<u>\$</u>	<u>115,391</u>

Mortgage loan is to finance the Hawkins St. office with monthly payments of \$2,201 at a rate of prime plus 1 %.

7. Deferred capital contribution

Restricted contribution received from CPAWS National for the purchase of the society's office at 506 Steele Street has been 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.

During the year, the society sold the building and recognized the balance of the deferred capital contribution in revenue.

	<u>2022</u>		<u>2021</u>
Deferred contribution, beginning	\$ 54,296	\$	146,101
Contribution received	-		111,379
Contribution recognized in revenue	(54,296)		(3,184)
Transfer to net assets (land portion)	<u>-</u>		<u>(200,000)</u>
Deferred contribution, ending	<u>\$ -</u>	<u>\$</u>	<u>54,296</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

8. Deferred Revenue

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

	<u>2022</u>	<u>2021</u>
444 S Foundation	\$ 76,961	\$ 72,622
Wilburforce Foundation	47,545	43,307
Friends of Canadian Wilderness	-	31,680
Wyss Foundation	25,844	22,421
Conservation Alliance	-	11,995
Yukon Government	2,105	11,664
Tr'onǔk Hwǔch'in	-	2,500
City of Whitehorse	-	1,000
Patagonia -1	1,325	-
Patagonia -2	22,830	-
Yellow to Yukon Conservation Initiative (Y2Y)	4,000	-
Yukon Fish Wildlife Enhancement Trust	1,300	-
MakeWay	332	-
	<u>\$ 182,242</u>	<u>\$ 197,189</u>

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>2022</u>	<u>2021</u>
Wilburforce Foundation	\$ 257,512	\$ 242,870
444 S Foundation	152,934	120,509
Wyss Foundation	83,798	68,841
Friends of Canadian Wilderness	-	48,225
Conservation Alliance	-	29,989
Patagonia 2021-2022	16,951	1,941
Patagonia 2022-2023	22,830	-
Anonymous Trust	69,376	-
MakeWay	9,250	-
	<u>\$ 612,651</u>	<u>\$ 512,375</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

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.

The restricted contribution has been received over time from 2016 to 2021 and recognized in revenue over time from 2016 to 2022.

11. Other grants and contribution agreements

	2022	2021
Government of Canada - Wages subsidies	\$ 6,474	\$ 135,989
Government of Yukon -EAF	4,500	55,416
Government of Yukon -EMR	6,100	-
Government of Yukon -Staffing Up	2,750	-
Yukon Fish & Wildlife Enhancement Trust	7,529	5,000
Y2Y Conservation Initiative	4,000	5,000
Tr'ondëk Hwëch'in	-	2,500
City of Whitehorse.	-	1,000
	\$ 31,353	\$ 204,905

12. Other Revenue

	2022	2021
Special events revenue	\$ (2,060)	\$ 361
Other donations	29,320	33,807
Interest revenue	-	4,477
Cost recoveries and others	1,071	10,074
	\$ 28,331	\$ 48,719

13. Term deposits

The term deposit is held with a Canadian chartered bank and bears interest prime less 2.15% per annum and matures in May 2022.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2022

14. Contingencies

COVID-19

In 2020, 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 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.

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.