

**YUKON CHAPTER
CANADIAN PARKS AND WILDERNESS SOCIETY**

FINANCIAL STATEMENTS

March 31, 2023

INDEX

	Page
Management Responsibility Statement	1
Independent Auditor's Report	2 - 3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14

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 23, 2023

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, 2023, 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, 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.

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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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.

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 23, 2023

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF OPERATIONS
For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
CPAWS National administered grants (note 9)	\$ 664,489	\$ 612,651
Other grants and contribution agreements (note 11)	71,392	31,353
Other revenue (note 12)	56,909	28,331
Interest income	9,333	1,410
Merchandise sales	1,740	656
Restricted additional contribution (note 10)	-	54,296
Prior year deferred revenue	182,242	197,189
Deferred revenue (note 8)	<u>(291,864)</u>	<u>(182,242)</u>
	<u>694,241</u>	<u>743,644</u>
EXPENSES		
Salaries and related benefits	504,300	526,652
Amortization (note 5)	51,180	31,224
Professional fees and honoraria	38,939	65,984
Travel and accommodation	28,267	3,832
Office and computer maintenance	16,331	12,966
PDPP Expense	13,988	-
Professional development	11,551	10,960
Interest on long-term debt	6,853	6,993
Telephone and Internet	4,988	6,585
Property taxes	4,310	4,611
Utilities	4,090	7,192
Administration	2,526	2,603
Campaign promotion	2,315	1,158
Insurance	2,128	4,424
Special events	1,240	616
Meetings	947	1,123
Fundraising	696	-
Interest and bank charges	582	567
Printing	349	1,094
Building maintenance	<u>-</u>	<u>1,344</u>
	<u>695,580</u>	<u>689,928</u>
(Deficiency) excess of revenues over expenses before another item	(1,339)	53,716
Other income		
Gain on sale of capital assets	<u>-</u>	<u>324,504</u>
(LOSS) NET EARNINGS	<u>\$ (1,339)</u>	<u>\$ 378,220</u>

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, 2023

	2023			
	<u>Total</u>	<u>Investment in capital assets, net of deferred capital contributions</u>	<u>Unrestricted net assets</u>	<u>Internally Restricted Net Assets - Operational Reserve Fund (note 4)</u>
Balance, beginning of year	\$ 1,226,582	\$ 760,241	\$ 466,341	\$ -
Loss	(1,339)	-	(1,339)	-
Amortization	-	(51,180)	51,180	-
Additions	-	17,050	(17,050)	-
Disposals	-	(100)	100	-
Transfer to Reserved Fund	-	-	(375,000)	375,000
Balance, end of year	<u>\$ 1,225,243</u>	<u>\$ 726,011</u>	<u>\$ 124,232</u>	<u>\$ 375,000</u>

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

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
STATEMENT OF FINANCIAL POSITION
March 31, 2023

ASSETS		<u>2023</u>	<u>2022</u>
CURRENT			
Cash and cash equivalents (note 4)	\$	501,349	\$ 417,879
Term deposits (note 13)		254,349	247,475
Accounts receivable		178,135	200,969
Prepaid expenses		<u>3,455</u>	<u>633</u>
		937,288	866,956
CAPITAL ASSETS (note 5)		<u>726,011</u>	<u>760,241</u>
	<u>\$</u>	<u>1,663,299</u>	<u>\$ 1,627,197</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities (note 6)	\$	50,798	\$ 73,732
Deferred revenue (note 8)		291,864	182,242
GST payable		-	29,250
Current portion of mortgage loan		<u>19,755</u>	<u>22,522</u>
		362,417	307,746
MORTGAGE LOAN (note 7)		<u>75,639</u>	<u>92,869</u>
		<u>438,056</u>	<u>400,615</u>
NET ASSETS			
INVESTMENT IN CAPITAL ASSETS, NET OF DEFERRED CAPITAL CONTRIBUTION		726,011	760,241
UNRESTRICTED NET ASSETS		124,232	466,341
INTERNALLY RESTRICTED NET ASSETS -OPERATIONAL RESERVE FUND		<u>375,000</u>	<u>-</u>
		<u>1,225,243</u>	<u>1,226,582</u>
	<u>\$</u>	<u>1,663,299</u>	<u>\$ 1,627,197</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, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Cash receipts from sponsors & customers	\$ 673,345	\$ 654,497
Cash paid to suppliers and employees	(572,648)	(613,672)
Interest received	<u>9,345</u>	<u>1,410</u>
Cash flow from operating activities	<u>110,042</u>	<u>42,235</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(17,051)	(780,509)
Proceeds on disposal of capital assets	<u>100</u>	<u>585,000</u>
Cash flow to investing activities	<u>(16,951)</u>	<u>(195,509)</u>
FINANCING ACTIVITIES		
Repayment of mortgage loan	(19,997)	(564,608)
Proceeds of mortgage loan	-	680,000
Capital contribution received for purchase of office	<u>17,250</u>	<u>17,500</u>
Cash flow (to) from financing activities	<u>(2,747)</u>	<u>132,892</u>
NET INCREASE (DECREASE) IN CASH	90,344	(20,382)
CASH, beginning of year	<u>665,354</u>	<u>685,736</u>
CASH, end of year	<u>\$ 755,698</u>	<u>\$ 665,354</u>
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 501,349	\$ 417,879
Term deposits	<u>254,349</u>	<u>247,475</u>
	<u>\$ 755,698</u>	<u>\$ 665,354</u>

See accompanying notes to the financial statements

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

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, 2023

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, 2023, 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, 2023

4. Internally restricted net assets

The board of CPAWS agrees to internally restrict 6 months of operating cash in the amount of \$375,000 on March 31, 2023. Any interest earned from April 1, 2023 and onward through a GIC or savings vehicle will be maintained in the operational reserve fund. Any funds to be used from the reserve fund will follow the guidelines of the investment and operational reserve policy passed on January 12, 2021.

5. Capital assets

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 46,088	\$ -	\$ 46,088	\$ -
Building	649,236	50,755	649,236	19,256
Office equipment	36,770	10,399	36,670	3,805
Office fit-out	58,828	14,391	47,269	4,727
Computer hardware and software	72,530	61,896	67,238	58,472
	<u>863,452</u>	<u>137,441</u>	<u>846,501</u>	<u>86,260</u>
Net book value	<u>\$ 726,011</u>		<u>\$ 760,241</u>	

During the year ended March 31, 2023, the society purchased asset at a cost of \$17,051. Amortization for the year amounted to \$51,180 (2022: \$31,224).

6. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade payable	\$ 13,544	\$ 22,469
Accrued liabilities	9,157	11,554
Payroll liabilities	<u>28,097</u>	<u>39,709</u>
	<u>\$ 50,798</u>	<u>\$ 73,732</u>

7. Mortgage loan

	<u>2023</u>	<u>2022</u>
Mortgage loan payable to CIBC	\$ 95,394	\$ 115,391
Less current portion	<u>19,755</u>	<u>22,522</u>
Due beyond one year	<u>\$ 75,639</u>	<u>\$ 92,869</u>

10.

M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

7. Mortgage loan, continued

Regular principal re-payments required are as follows:

2024	\$ 19,755
2025	24,250
2026	25,162
2027	22,611
Subsequent years	<u>3,616</u>

\$ 95,394

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

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

8. Deferred Revenue

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

	<u>2023</u>	<u>2022</u>
444 S Foundation	\$ 108,477	\$ 76,961
Wilburforce Foundation	147,695	47,545
Wyss Foundation	35,693	25,844
Yukon Government	-	2,105
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>\$ 291,865</u>	<u>\$ 182,242</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>2023</u>	<u>2022</u>
MakeWay	\$ -	\$ 9,250
Patagonia 2021-2022	-	16,951
Patagonia 2022-2023	-	22,830
AGGP Fund	3,000	-
Resource Legacy Fund	7,283	-
Friends of Canadian Wilderness	23,301	-
Conservation Alliance	23,309	-
Wyss Foundation	89,193	83,798
Anonymous Trust	92,500	69,376
444 S Foundation	175,554	152,934
Wilburforce Foundation	250,349	257,512
	<u>\$ 664,489</u>	<u>\$ 612,651</u>

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

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 2022 and recognized in revenue over time from 2016 to 2023.

11. Other grants and contribution agreements

	<u>2023</u>	<u>2022</u>
	<u>\$ -</u>	<u>\$ -</u>
Audubon	19,545	-
Correction on PY Tr'ondek Hwech In	(2,500)	-
Government of Canada - Wages subsidies	5,352	6,474
Government of Canada-ECCC	8,000	-
Government of Yukon -EAF	-	4,500
Government of Yukon -EMR	13,450	6,100
Government of Yukon -PDPP	13,988	-
Government of Yukon -SCP	3,077	-
Government of Yukon -Staffing Up	4,375	2,750
Government of Yukon-Energy Solutions Centre	631	-
Victoria Foundation	5,474	-
Y2Y Conservation Initiative	-	4,000
Yukon Fish & Wildlife Enhancement Trust	-	7,529
	<u>\$ 71,392</u>	<u>\$ 31,353</u>

12. Other Revenue

	<u>2023</u>	<u>2022</u>
Special events revenue	\$ 893	\$ (2,060)
Other donations	36,228	29,320
Cost recoveries and others	<u>19,788</u>	<u>1,071</u>
	<u>\$ 56,909</u>	<u>\$ 28,331</u>

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 2023.

YUKON CHAPTER - CANADIAN PARKS AND WILDERNESS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

13. Term deposits, continued

14. Economic dependence

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

15. 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.