

Wildlands League

Financial Statements

March 31, 2017



Clarkson Rouble LLP

Chartered Professional Accountants

Independent Auditor's Report

To the Members of
Wildlands League

Report of the financial statements

We have audited the accompanying financial statements of **Wildlands League**, 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 of material misstatement.

An audit involves performing procedures to obtain 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 entity'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 entity'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.

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Independent Auditor's Report

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Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and 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 organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible 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 **March 31, 2017** as at **Wildlands League** and the results of its operations and cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

Mississauga, Ontario
September 16, 2017

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Wildlands League

Statement of Financial Position As at March 31

	2017	2016
Assets		
Current		
Cash	\$ -	\$ 83,106
Short term investments	3,164	3,164
Accounts receivable	159,047	117,381
Sales taxes receivable	8,803	8,583
Due from Canadian Parks and Wilderness Society (Note 6)	20,148	58,802
Prepaid expenses	11,396	9,567
	\$ 202,558	\$ 280,603

Liabilities

Current		
Bank overdraft	\$ 36,032	\$ -
Accounts payable and accrued liabilities	150,666	183,462
Deferred project contributions (Note 4)	30,000	51,798
	216,698	235,260

Net assets

Unrestricted net assets	(14,140)	45,343
	\$ 202,558	\$ 280,603

See accompanying notes to financial statements

On behalf of the Board:

_____ Director _____ Director

Wildlands League

Statement of Operations and Changes in Net Assets Year Ended March 31

	2017	2016
Revenue		
Foundation, corporate and other program grants	\$ 988,765	\$ 1,088,282
Individual donations	68,312	68,137
Canadian Parks and Wilderness Society (Note 6)	61,649	125,368
Interest and other income	7,275	5,825
Recovery of expenses	38,196	41,194
Fees for service	8,840	-
Events	21,960	2,729
	<u>1,194,997</u>	<u>1,331,535</u>
Expenses		
Salaries and benefits	578,062	527,281
Occupancy cost	69,949	64,667
Office and general	35,711	32,846
Telecommunications	19,693	17,965
Travel	85,891	74,874
Professional and contract services	359,567	513,712
Public outreach	42,852	24,268
Board	2,456	2,151
Reimbursable expenditures	22,769	30,658
Fundraising and events	37,530	12,875
Canadian Parks and Wilderness Society (Note 6)	-	3,000
	<u>1,254,480</u>	<u>1,304,297</u>
(Deficit) excess of revenue over expenses for the year	(59,483)	27,238
Unrestricted net assets, beginning of period	45,343	18,105
Unrestricted net assets, end of period	\$ (14,140)	\$ 45,343

See accompanying notes to financial statements

Wildlands League

Statement of Cash Flows Year Ended March 31

	2017	2016
Operating activities		
(Deficit) excess of revenue over expenses for the year	\$ (59,483)	\$ 27,238
Net change in working capital items		
Operating working capital		
Account receivable	(41,666)	50,670
Sales taxes receivable	(220)	9,918
Due from CPAWS	38,654	(44,268)
Prepaid expenses	(1,829)	(570)
Accounts payable	(32,796)	44,635
Deferred project contributions	(21,798)	(16,102)
(Decrease) increase from operating	(119,138)	71,521
(Decrease) increase in cash	(119,138)	71,521
Cash, beginning of year	83,106	11,585
(Bank indebtedness) cash, end of year	\$ (36,032)	\$ 83,106

See accompanying notes to financial statements

Wildlands League

Notes to Financial Statements

March 31, 2017

Wildlands League (the "League") is a registered charity devoted to the protection and preservation of wilderness in Ontario and to the sustainable use of natural resources. The League is a chapter of the Canadian Parks and Wilderness Society (CPAWS). The two organizations co-operate on certain activities while they continue to operate as separate legal entities each with their own Board and separate registrations as federal charitable organizations.

Algonquin Wildlands League was incorporated on April 1, 1968 without share capital under the laws of the Province of Ontario. It is classified as a non-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes. Effective February 29, 2008 its legal name was changed to Wildlands League.

1. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered to be particularly significant:

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn.

b) Revenue recognition

The League follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Capital assets

Capital assets costing greater than \$10,000 are capitalized at cost or at estimated fair market value, if donated, less accumulated amortization. Amortization is provided on a straight line basis over the number of years equal to the approximate economic life of the asset.

d) Donated materials and services

Donated materials and capital assets are recognized in the accounts when the fair market value of the materials is readily determinable and has been receipted by the organization.

Volunteers contribute many hours per year to assist Wildlands League in carrying out its mandate. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Wildlands League

Notes to Financial Statements

March 31, 2017

1. Summary of significant accounting policies (continued)

e) Measurement of financial instruments

Financial instruments

The League initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The League subsequently measures all its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments which consists of cash and money market funds. The League has elected to carry all of its short term investments as fair value.

The League has no financial liabilities measured at fair value and has not elected to carry any financial liability at fair value.

Transaction costs

The League recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

f) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Wildlands League

Notes to Financial Statements

March 31, 2017

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the League be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The League's continuance as a going concern is dependent upon its ability to obtain revenues sufficient to support its operations. It is not possible to predict whether fundraising efforts will be successful or if the League will be able to generate revenues to meet its operating expenditures.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management intends to take measures that will mitigate the effect of the conditions and facts that raise doubts about the appropriateness of this assumption.

Continued financial support of both the public and private sectors, memberships and attendance at future events will be required for the League to continue operations.

3. Economic dependence

During the year the League received approximately 47% of its funding from Ducks Unlimited Canada (53% in 2016). Continued support from Ducks Unlimited Canada is required to support the Leagues operations.

4. Deferred project contributions

Deferred contributions represent unspent externally restricted donations received by the League relating to activities of the subsequent period or to specific projects which extend beyond the current fiscal period.

	2017	2016
Balance, beginning of period	\$ 51,798	\$ 67,900
Donations/Grants received/receivable during the period	1,035,278	1,140,317
Less: amounts recorded as revenue in the period	1,057,076	1,156,419
Balance, end of period	\$ 30,000	\$ 51,798

Wildlands League

Notes to Financial Statements

March 31, 2017

5. Commitments and contingencies

The League has an agreement to lease premises. Future minimum payments, by year, consisted of the following at March 31, 2017.

2018	\$ 76,171
2019	6,371
	<hr/>
	\$ 82,542

6. Related party transactions

Membership renewal and other donations to the Canadian Parks and Wilderness Society are shared between the National Office and the Regional Chapters based on the donor's place of residence. CPAWS also enters into contracts with the Regional Chapters to provide grants for conservation programs. During the year, the League recognized revenue of \$61,649 (2016 - \$125,368) from donations and grants through the Canadian Park and Wilderness Society. The League paid to CPAWS its portion of liability and property insurance premiums as it is covered under the CPAWS policy. It also paid \$2,433 (2016 - \$5,526) for direct mail costs related to CPAWS mailings and \$Nil (2016 - \$3,000) representing CPAWS portion of a donation received in the current year by the League.

7. Financial instruments risk exposure

The League is exposed to various risks through financial instruments. The following analysis provides a measure of the League's risk exposure and concentrations at the balance sheet date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The League's main credit risk relates to its accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The allowance for doubtful accounts is \$Nil (2016 - \$Nil).

Liquidity risk

Liquidity risk is the risk that the League will encounter difficulty in meeting obligations associated with financial liabilities. The League is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The League expects to meet these obligations as they come due through sufficient cash flows from operations. The League has not had issues with meeting obligations in the past.