

Wildlands League

Financial Statements

March 31, 2023



Independent Auditor's Report

To the Members of

Wildlands League

Qualified Opinion

We have audited the financial statements of **Wildlands League** (the Organization), which comprise the statement of financial position as at **March 31, 2023**, the statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and its financial performance 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 Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances 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 Organization 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 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.

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

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

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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 for 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 Organization'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 Organization'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 Organization 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.

Clarkson Rouble LLP

Mississauga, Ontario
September 18, 2023

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Wildlands League

Statement of Financial Position

As at March 31

	2023	2022
Assets		
Current		
Cash	\$ 218,230	\$ 489,606
Short term investments	3,161	3,161
Accounts receivable	165,130	170,789
Sales taxes receivable	26,993	11,641
Due from Canadian Parks and Wilderness Society (Note 5)	12,786	13,512
Prepaid expenses	11,126	11,475
	\$ 437,426	\$ 700,184
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 66,574	\$ 170,647
CEBA Loan (Note 7)	60,000	60,000
Deferred project contributions (Note 3)	101,726	163,000
	228,300	393,647
Net assets		
Unrestricted net assets	209,126	306,537
	\$ 437,426	\$ 700,184

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

	2023	2022
Revenue		
Foundation, corporate and other program grants	\$ 835,479	\$ 782,742
Individual donations	87,032	79,169
Canadian Parks and Wilderness Society (Note 5)	116,380	138,573
Interest and other income	4,934	3,565
Recovery of expenses	34,397	21,997
Fees for service	1,500	86,170
Events	5,064	5,000
Government subsidies (Note 7)	-	145,711
	<u>1,084,786</u>	<u>1,262,927</u>
Expenses		
Salaries and benefits	769,535	768,940
Professional and contract services	83,124	371,446
Occupancy cost	45,948	42,122
Office and general	33,936	37,729
Telecommunications	25,980	15,820
Travel	100,136	32,486
Public outreach	43,815	38,349
Board	4,159	4,347
Reimbursable expenditures	28,157	16,847
Fundraising and events	47,407	-
	<u>1,182,197</u>	<u>1,328,086</u>
Deficiency of revenue over expenses for the year	(97,411)	(65,159)
Unrestricted net assets, beginning of period	306,537	371,696
Unrestricted net assets, end of period	\$ 209,126	\$ 306,537

See accompanying notes to financial statements

Wildlands League

Statement of Cash Flows Year Ended March 31

	2023	2022
Operating activities		
Deficiency of revenue over expenses for the year	\$ (97,411)	\$ (65,159)
Net change in working capital items		
Operating working capital		
Account receivable	5,659	(75,623)
Sales taxes receivable	(15,352)	2,980
Due from CPAWS	726	(6,827)
Prepaid expenses	349	(2,153)
Accounts payable	(104,073)	122,121
CEBA loan	-	20,000
Deferred project contributions	(61,274)	(38,000)
Decrease from operating activities	(271,376)	(42,661)
Decrease in cash	(271,376)	(42,661)
Cash, beginning of year	489,606	532,267
Cash, end of year	\$ 218,230	\$ 489,606

See accompanying notes to financial statements

Wildlands League

Notes to Financial Statements

March 31, 2023

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, 2023

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, 2023

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. 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.

	2023	2022
Balance, beginning of period	\$ 163,000	\$ 201,000
Donations/Grants received/receivable during the period	949,262	823,911
Less: amounts recorded as revenue in the period	(1,010,536)	(861,911)
Balance, end of period	\$ 101,726	\$ 163,000

Wildlands League

Notes to Financial Statements March 31, 2023

4. Commitments and contingencies

The League has an agreement to lease premises. Future minimum payments, by year, consisted of the following at March 31, 2023.

<u>2024</u>	<u>\$ 24,654</u>
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5. 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 \$116,380 (2022 - \$138,573) from donations and grants through the Canadian Park and Wilderness Society. The League also paid to CPAWS its portion of liability and property insurance premiums as it is covered under the CPAWS policy.

6. 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 (2022 - \$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.

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7. Government assistance related to Covid-19

The organization has applied for and received Government assistance related to the Covid-19 pandemic under the Canada Emergency Wage Subsidy (CEWS) program, as well as the Canada Emergency Rent Subsidy (CERS) program. The CEWS program provides varying wage subsidy rates based on government outlined subsidy periods commencing March 15, 2020. Similarly the CERS program provides a subsidy to cover part of the organizations property insurance and rent, commencing September 27, 2020. The company has applied for all subsidies eligible during the fiscal year. For the fiscal year ended March 31, 2023, the company received \$Nil (2022 - \$135,440 in subsidies from the CEWS program and \$Nil (2022 - \$10,271) in subsidies from the CERS program, both of which are recognized in the statement of operations under government subsidies.

The organization has also received a loan of \$60,000 under the Canada Emergency Business Account (CEBA) program. The loan is non interest bearing with no principal payments required, and if repaid before December 31, 2023 will result in a loan forgiveness of up to \$20,000. If the loan is not repaid in full by December 31, 2023 it will automatically be extended by 2 years until December 31, 2025. During the extension period, interest will be charged and will accrue on the outstanding amount at a fixed rate of 5% calculated daily and compounded monthly.