

WESTERN CANADA WILDERNESS COMMITTEE

Financial Statements

Year Ended April 30, 2013



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Western Canada Wilderness Committee

We have audited the accompanying financial statements of Western Canada Wilderness Committee, which comprise the statements of financial position as at April 30, 2013, April 30, 2012 and May 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, 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 audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. James F. Carr-Hilton Ltd. Kenneth P. Chong Inc. Alvin F. Dale Ltd. David J. Goertz, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Brad A. Robin Inc. F.M. Yada FCA Inc. **WHITE ROCK** Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** G.D. Lee Inc. Fraser G. Ross, Ltd. Brian A. Shaw Inc.

Independent Auditor's Report to the Directors of Western Canada Wilderness Committee *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Western Canada Wilderness Committee as at April 30, 2013, April 30, 2012 and May 1, 2011, and the results of its operations and its cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



Vancouver, BC
September 17, 2013

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

WESTERN CANADA WILDERNESS COMMITTEE
Statement of Financial Position
April 30, 2013

	<i>April 30</i> 2013	<i>April 30</i> 2012	<i>May 1</i> 2011
ASSETS			
CURRENT			
Cash and cash equivalents	\$ 198,353	\$ 123,326	\$ 27,893
Restricted environmental fund (Note 3)	34,560	37,339	80,796
Short term investments (Note 4)	457,511	550,919	649,863
Accounts receivable	36,679	40,654	30,478
Inventory (Note 5)	20,645	34,920	48,763
Prepaid expenses	17,290	17,983	21,927
	765,038	805,141	859,720
CAPITAL ASSETS (Note 6)	23,146	27,108	10,438
	\$ 788,184	\$ 832,249	\$ 870,158
LIABILITIES AND NET ASSETS			
CURRENT			
Bank indebtedness (Note 7)	\$ -	\$ 649	\$ 35,430
Accounts payable and accrued liabilities	63,233	86,214	88,177
	63,233	86,863	123,607
NET ASSETS			
General fund	667,245	680,938	655,317
Restricted environmental fund	34,560	37,339	80,796
Capital fund	23,146	27,109	10,438
	724,951	745,386	746,551
	\$ 788,184	\$ 832,249	\$ 870,158
COMMITMENTS (Note 9)			
CONTINGENT LIABILITY (Note 10)			

ON BEHALF OF THE BOARD

_____ Director
 _____ Director

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE
Statement of Operations
Year Ended April 30, 2013

	2013	2012
REVENUE		
Membership dues	\$ 312,243	\$ 324,317
Contributions and donations	1,302,798	1,491,796
Grant revenue (Note 10)	120,586	42,000
Sales of educational materials	72,882	71,289
Unreceipted donations	39,985	40,232
	<u>1,848,494</u>	<u>1,969,634</u>
EXPENSES		
Administration costs	204,052	182,613
Amortization	13,373	13,206
Campaign and grant project costs	1,118,952	1,226,821
Canvass costs	221,927	228,395
Membership costs	211,127	211,975
Sales costs	99,498	107,789
	<u>1,868,929</u>	<u>1,970,799</u>
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (20,435)	\$ (1,165)

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE
Statement of Changes in Net Assets
Year Ended April 30, 2013

	General Fund	Restricted Environmental Fund	Capital Fund	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 680,938	\$ 37,339	\$ 27,109	\$ 745,386	\$ 746,551
Deficiency of revenue over expenses	(4,283)	(2,779)	(13,373)	(20,435)	(1,165)
Interfund transfers					
Purchase of capital assets	(9,410)	-	9,410	-	-
NET ASSETS - END OF YEAR	\$ 667,245	\$ 34,560	\$ 23,146	\$ 724,951	\$ 745,386

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE**Statement of Cash Flows****Year Ended April 30, 2013**

	2013	2012
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (20,435)	\$ (1,165)
Item not affecting cash:		
Amortization of property, plant and equipment	<u>13,373</u>	13,206
	<u>(7,062)</u>	12,041
Changes in non-cash working capital:		
Accounts receivable	3,975	(10,176)
Inventory	14,275	13,843
Accounts payable and accrued liabilities	(22,982)	(1,963)
Prepaid expenses	<u>693</u>	<u>3,944</u>
	<u>(4,039)</u>	5,648
Cash flow from (used by) operating activities	<u>(11,101)</u>	17,689
INVESTING ACTIVITIES		
Purchase of capital assets	(9,410)	(29,876)
Short term investments	<u>93,408</u>	<u>98,944</u>
Cash flow from investing activities	<u>83,998</u>	69,068
INCREASE IN CASH FLOW	72,897	86,757
CASH AND SHORT TERM GUARANTEE INVESTMENT CERTIFICATES - BEGINNING OF YEAR	<u>160,016</u>	73,259
CASH AND SHORT TERM GUARANTEE INVESTMENT CERTIFICATES - END OF YEAR	<u>\$ 232,913</u>	\$ 160,016
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 198,353	\$ 123,326
Restricted environmental fund	34,560	37,339
Bank indebtedness	<u>-</u>	<u>(649)</u>
	<u>\$ 232,913</u>	\$ 160,016

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2013

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Committee adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO had no impact on net assets as at May 1, 2011 or operations or cash flows for the year ended April 30, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

2. NATURE AND PURPOSE OF ORGANIZATION

The Western Canada Wilderness Committee (the "Committee"), founded in 1980, is a non-profit organization working for the preservation and protection of Canadian and International Wilderness areas through research and education. The Committee operates its head office in Vancouver, with chapters in Qualicum Beach and White Rock, British Columbia and branches in Victoria, Winnipeg and Toronto. Funding for campaigns and operations is raised through donations, grants, memberships and retail mail order and wholesale sales of educational publications and products

The Committee is a charitable organization registered under the Society Act of British Columbia and the Income Tax Act.

In the event of dissolution or wind-up, the net assets of the Committee will be dispersed to other organizations with similar goals.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Committee follows the restricted fund method of accounting for contributions. The accounts of the Committee are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. The accounts have been classified into the following funds:

The General Fund accounts for general operations of the Committee.

The Capital Fund is comprised of property and equipment of the Committee. Donations assist with capital acquisitions, with shortfalls being funded by the general fund to enable interest and principal repayments.

The Restricted Environmental Fund consists of restricted financial resources to be used for designated purposes, primarily related to specific environmental or education issues.

Revenue recognition

Restricted contributions and grants are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions, grants, sales and membership dues are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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WESTERN CANADA WILDERNESS COMMITTEE
Notes to Financial Statements
Year Ended April 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated Goods and Services

The Committee records donated goods and services at their fair market value where that value can be reasonably estimated and the goods and services would normally be purchased by the Committee.

The Committee also relies upon time donated by volunteers. The value of services donated by volunteers cannot be reasonably estimated and, therefore, is not reflected in these financial statements.

Cash and Equivalents

Cash and equivalents include funds held pursuant to grants received for specific projects. The Committee considers all investments with a maturity of three months or less to be cash equivalents

Inventory

Inventory is valued at the lower of cost and net realizable value. Inventory is recognized as an expense when sold or written down to net realizable value. Any reversal of such a write-down arising from an increase in net realizable value is recognized as a reduction in expense in the period in which the reversal occurs.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Computer equipment	4 years	straight-line method
Equipment	5 years	straight-line method
Motor vehicles	3 years	straight-line method

The Committee regularly reviews its capital assets to eliminate obsolete items.

Financial Instruments

In accordance with the Canadian Accounting Standards for Not-for-Profit Organizations, cash and cash equivalents, restricted environmental fund and short term investments are initially measured at fair value. Subsequent changes in fair value are recorded in the Statement of operation and changes in net assets. Accounts receivable is classified as receivable and accounts payable and accrued liabilities is classified as other financial liabilities, both of which are measured at amortized cost.

Transaction costs are expensed when incurred. Net gains and losses arising from changes in fair value are recognized in operations.

Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

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WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

4. SHORT TERM INVESTMENTS

Short term investments include term deposits that are maturing within one year. These investments are stated at cost which approximates fair value given the short-term nature of these investments.

5. INVENTORY

Inventory is valued at the lower of cost and net realizable value. Changes to inventory during the year included:

	2013	2012
Opening inventory, net realizable value	\$ 34,920	\$ 48,763
Purchase	15,068	15,215
Inventory available for sale	49,988	63,978
Recognized as expense when sold	(29,343)	(29,058)
	\$ 20,645	\$ 34,920

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Computer equipment	\$ 118,427	\$ 98,206	\$ 20,221	\$ 24,498
Equipment	92,159	91,568	591	2,610
Motor vehicles	22,556	20,222	2,334	-
	\$ 233,142	\$ 209,996	\$ 23,146	\$ 27,108

(a) The Committee has several cross sections of old-growth trees that it has preserved and marked with time-lines for educational purposes. In common with other non-profit organizations, the Committee's management does not capitalize these assets, or any costs related to them.

WESTERN CANADA WILDERNESS COMMITTEE
Notes to Financial Statements
Year Ended April 30, 2013

7. BANK LOAN

	2013	2012
CCEC Credit Union line of credit for up to \$30,000, secured by a \$30,000 term deposit, bearing interest at prime plus 1% per annum.	<u>\$ -</u>	<u>\$ 649</u>

8. RELATED PARTY TRANSACTIONS

The Committee paid a management fee of \$24,000 (2012 - \$24,000) to a company controlled by an executive director and salary of \$50,124 (2012 - \$50,366) to a director who is also the executive officer.

9. COMMITMENTS

The Committee has entered into operating lease agreements for premises and equipment. The annual lease commitments under these leases are as follows:

2014	\$ 97,123
2015	39,502
2016	31,896
2017	19,176
2018	19,176
	<u>\$ 206,873</u>

WESTERN CANADA WILDERNESS COMMITTEE
Notes to Financial Statements
Year Ended April 30, 2013

10. CONTINGENT LIABILITY

- a) The Committee and three other parties have filed a claim against the Federal Government of Canada to demand that the Federal Government intervene under The Species At Risk Act to protect the spotted owls in BC. The Committee estimates that the cost of this legal action will total \$24,000 of which \$6,000 has been accrued as at the year end.
 - b) A lawsuit was commenced by Taseko Mines Ltd against the Committee on March 1, 2012 claiming both general and punitive damages for libel and injunctive relief in respect of allegedly defamatory statements on the Committee's website regarding a mine proposal with and a related upcoming environmental review process hearing. The Committee, in its filed response to the claims with the court, pleaded that the words complained of were not defamatory and requested that the courts uphold its right to free speech on this important environmental issue, dismiss the action and impose extra court costs upon Taseko for attempting to use the litigation process to silence critics. The Committee is unable to estimate the legal cost nor the outcome of the claim as at the year end. Accordingly, no amounts have been reflected in these financial statements in respect of this matter.
 - c) Certain of the grants received by the Committee are subject to terms directing how the granted funds are to be spent. The Committee is required to prepare a report for the grantor showing how the funds were actually spent, and if the terms are not met the grantor can request the Committee to either rectify the deficiency, or request that the grant be returned to the grantor.
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