

WESTERN CANADA WILDERNESS COMMITTEE

Financial Statements

Year Ended April 30, 2015



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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 statement of financial position as at April 30, 2015 and 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.

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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

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PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
WHITE ROCK Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Fraser G. Ross, Ltd. Brian A. Shaw Inc.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Western Canada Wilderness Committee derives portion of its revenue from unreceipted 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 Western Canada Wilderness Committee. 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 year ended April 30, 2015, current assets and net assets as at April 30, 2015.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Western Canada Wilderness Committee as at April 30, 2015 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

dmcl

Vancouver, BC
August 26, 2015

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL
ACCOUNTANT

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Financial Position

April 30, 2015

	2015	2014
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 51,567	\$ 130,711
Restricted environmental fund (Notes 2, 11)	32,457	44,033
Short term investments (Note 3)	339,683	165,631
Accounts receivable	19,904	19,115
Inventory (Note 4)	12,585	15,645
Prepaid expenses	28,333	31,532
	484,529	406,667
CAPITAL ASSETS (Note 5)	48,496	63,147
RESTRICTED CASH RESERVE (Note 6)	310,570	307,952
	\$ 843,595	\$ 777,766
 LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 7)	\$ 2,575	\$ -
Accounts payable	93,618	91,038
	96,193	91,038
 NET ASSETS		
General fund (Note 6)	666,449	579,548
Restricted environmental fund	32,457	44,033
Capital fund	48,496	63,147
	747,402	686,728
	\$ 843,595	\$ 777,766

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Operations

Year Ended April 30, 2015

	2015	2014
REVENUE		
Membership dues	\$ 270,413	\$ 302,116
Contributions and donations	1,628,928	1,297,072
Grant revenue (<i>Note 11</i>)	60,616	87,715
Sales of educational materials	49,273	60,308
Unreceipted donations	25,368	29,713
	<u>2,034,598</u>	<u>1,776,924</u>
EXPENSES		
Administration costs	203,957	217,563
Amortization	27,053	24,679
Campaign and grant project costs	1,202,135	1,048,449
Canvass costs	228,239	226,471
Membership costs	224,160	205,489
Sales costs	88,380	92,498
	<u>1,973,924</u>	<u>1,815,149</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 60,674</u>	<u>\$ (38,225)</u>

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Changes in Net Assets

Year Ended April 30, 2015

	General Fund	Restricted Environmental Fund	Capital Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 579,548	\$ 44,033	\$ 63,147	\$ 686,728	\$ 724,953
Excess of revenue over expenses	99,302	(11,576)	(27,052)	60,674	(38,225)
Interfund transfers					
Purchase of capital assets	(12,401)	-	12,401	-	-
NET ASSETS - END OF YEAR	\$ 666,449	\$ 32,457	\$ 48,496	\$ 747,402	\$ 686,728

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Cash Flows

Year Ended April 30, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 60,674	\$ (38,225)
Items not affecting cash:		
Amortization of capital assets	27,053	24,679
ICBC vehicle settlement	-	1,885
	<u>87,727</u>	<u>(11,661)</u>
Changes in non-cash working capital:		
Accounts receivable	(789)	17,564
Inventory	3,060	5,000
Accounts payable	2,579	27,807
Prepaid expenses	3,199	(14,242)
	<u>8,049</u>	<u>36,129</u>
Cash flow from operating activities	<u>95,776</u>	<u>24,468</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(12,401)	(14,067)
Short term investments	(174,052)	291,880
Restricted cash reserve	(2,618)	(307,952)
Leasehold improvements	-	(52,498)
	<u>(189,071)</u>	<u>(82,637)</u>
Cash flow used by investing activities	<u>(189,071)</u>	<u>(82,637)</u>
DECREASE IN CASH FLOW	(93,295)	(58,169)
CASH AND SHORT TERM GUARANTEE INVESTMENT CERTIFICATES - BEGINNING OF YEAR	<u>174,744</u>	<u>232,913</u>
CASH AND SHORT TERM GUARANTEE INVESTMENT CERTIFICATES - END OF YEAR	<u>\$ 81,449</u>	<u>\$ 174,744</u>
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 51,567	\$ 130,711
Restricted environmental fund	32,457	44,033
Bank indebtedness	(2,575)	-
	<u>\$ 81,449</u>	<u>\$ 174,744</u>

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2015

1. 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.

2. 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 certain grants received by the committee 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.

Donated Goods and Services

The committee records donated goods at their fair market value where that value can be reasonably estimated and the goods 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.

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WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2015

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

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
Leasehold improvements	5 years	straight-line method, based on length of lease

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. 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.

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.

3. SHORT TERM INVESTMENTS

The 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.

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2015

4. INVENTORY

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

	2015	2014
Opening inventory, net realizable value	\$ 15,645	\$ 20,645
Purchases	9,794	18,814
Inventory available for sale	25,439	39,459
Recognized as expense when sold	(12,854)	(23,814)
	\$ 12,585	\$ 15,645

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	\$ 65,872	\$ 61,109	\$ 4,763	\$ 10,731
Equipment	65,758	65,594	164	327
Motor vehicles	30,911	18,840	12,071	10,091
Leasehold improvements	52,498	21,000	31,498	41,998
	\$ 215,039	\$ 166,543	\$ 48,496	\$ 63,147

(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.

6. RESTRICTED CASH RESERVE

The restricted cash reserve is an internally restricted investment composed of term deposits mature within a year. The cost base of the investments approximates the fair value at the year end.

The committee has set aside this portion of the general fund to secure future unexpected financial needs and program expansions.

7. BANK CREDIT FACILITY

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. As at the year end the line was fully used.

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2015

8. FINANCIAL INSTRUMENTS

The committee is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the committee's risk exposure and concentration as of April 30, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The committee is exposed to this risk mainly in respect of its bank indebtedness and accounts payable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The committee is exposed to interest rate risk on its fixed rate financial instruments. The fixed rate instruments subject the committee to a fair value risk.

9. RELATED PARTY TRANSACTIONS

Daily operations of the committee are managed by an executive team composed of four non-voting directors.

During the year the committee paid the executive team salaries of \$185,034 (2014 - \$161,562) to three of the team members and management fees of \$31,240 (2014 - \$24,264) to a company controlled by the remainder member of the team.

10. COMMITMENTS

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

2016	\$	81,453
2017		71,785
2018		74,335
2019		59,468
2020		<u>21,165</u>
	\$	<u>308,206</u>

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2015

11. CONTINGENT LIABILITY

- a) 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. A trial was completed in April 2015 with no judgment rendered as of the year end. The committee therefore 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.
 - b) Certain of the grants as recorded in the restricted environmental fund received by the committee are subject to terms directing how these 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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