

WESTERN CANADA WILDERNESS COMMITTEE

Financial Statements

April 30, 2017

WESTERN CANADA WILDERNESS COMMITTEE
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Year Ended April 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2017 and the statements of operations, changes in fund balances 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 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.

Basis for Qualified Opinion

In common with many charitable organizations, Committee derives most of its revenue from donations and various fundraising programs, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our work in respect of this revenue was limited to accounting for the amounts recorded in the accounts of the organization, and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses for the year, assets and fund balances.

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

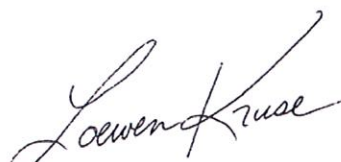
Qualified Opinion

In our opinion, except for the possible 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 Western Canada Wilderness Committee as at April 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia
October 4, 2017


Chartered Professional Accountants

WESTERN CANADA WILDERNESS COMMITTEE


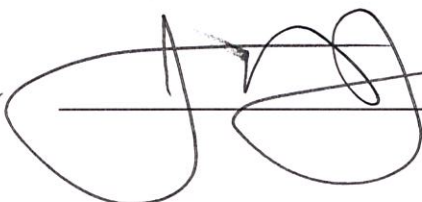
Statement of Financial Position

April 30, 2017

	General Fund	Capital Fund	Internally Restricted Fund	Restricted Environmental Fund	2017	2016
ASSETS						
CURRENT						
Cash	\$ 46,015	\$ -	\$ -	\$ 16,068	\$ 62,083	\$ 80,312
Accounts receivable	1,173	-	-	10,010	11,183	57
Interest receivable	2,039	-	-	-	2,039	2,960
Recoverable from government authorities - GST	23,565	-	-	-	23,565	34,993
Inventory	17,603	-	-	-	17,603	11,878
Prepaid expenses	21,231	-	-	-	21,231	39,954
	111,626	-	-	26,078	137,704	170,154
RESTRICTED INVESTMENT (Note 3)	-	-	318,075	-	318,075	315,073
CAPITAL ASSETS (Note 4)	-	17,397	-	-	17,397	33,602
	\$ 111,626	\$ 17,397	\$ 318,075	\$ 26,078	\$ 473,176	\$ 518,829
LIABILITIES AND FUND BALANCES						
CURRENT						
Accounts payable	\$ 73,604	\$ -	\$ -	\$ -	\$ 73,604	\$ 60,549
Payable to government authorities - source deductions	-	-	-	-	-	23,054
	73,604	-	-	-	73,604	83,603
FUND BALANCES - PAGE 4						
Unrestricted	38,022	-	-	-	38,022	72,787
Internally restricted - capital	-	17,397	-	-	17,397	33,602
Internally restricted	-	-	318,075	-	318,075	315,073
Externally restricted	-	-	-	26,078	26,078	13,764
	38,022	17,397	318,075	26,078	399,572	435,226
	\$ 111,626	\$ 17,397	\$ 318,075	\$ 26,078	\$ 473,176	\$ 518,829

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD


Director

Director

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Changes in Fund Balances

Year Ended April 30, 2017

	General Fund	Capital Fund	Internally Restricted Fund	Restricted Environmental Fund	2017	2016
FUND BALANCES - BEGINNING OF YEAR	\$ 72,787	\$ 33,602	\$ 315,073	\$ 13,764	\$ 435,226	\$ 755,150
Excess (deficiency) of revenue over expenses - page 5	(29,711)	(18,257)	-	12,314	(35,654)	(319,924)
Interfund transfers (Note 7)	(5,054)	2,052	3,002	-	-	-
FUND BALANCES - END OF YEAR - page 3	\$ 38,022	\$ 17,397	\$ 318,075	\$ 26,078	\$ 399,572	\$ 435,226

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Statement of Operations

Year Ended April 30, 2017

	General Fund	Capital Fund	Restricted Environmenta I Fund	2017	2016
REVENUE					
Contributions and donations	\$ 2,000,861	\$ -	\$ -	\$ 2,000,861	\$ 1,500,643
Membership dues	143,519	-	-	143,519	277,529
Grant revenue	46,922	-	80,396	127,318	73,595
Sales of educational materials	51,189	-	-	51,189	42,812
Miscellaneous	11,862	-	-	11,862	14,754
	<u>2,254,353</u>	<u>-</u>	<u>80,396</u>	<u>2,334,749</u>	<u>1,909,333</u>
EXPENSES					
Projects and education	1,236,817	-	68,082	1,304,899	1,204,576
Canvassing and fundraising costs	545,689	-	-	545,689	471,373
Administration costs	331,611	-	-	331,611	232,171
Membership costs	132,725	-	-	132,725	221,378
Sales costs	37,222	-	-	37,222	76,769
Amortization	-	18,257	-	18,257	22,990
	<u>2,284,064</u>	<u>18,257</u>	<u>68,082</u>	<u>2,370,403</u>	<u>2,229,257</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - page 4	<u>\$ (29,711)</u>	<u>\$ (18,257)</u>	<u>\$ 12,314</u>	<u>\$ (35,654)</u>	<u>\$ (319,924)</u>

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE**Statement of Cash Flows****Year Ended April 30, 2017**

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenses - page 5	\$ (35,654)	\$ (319,924)
Item not affecting cash:		
Amortization	18,257	22,990
	<u>(17,397)</u>	<u>(296,934)</u>
Changes in non-cash working capital:		
Accounts receivable	(11,126)	1,339
Interest receivable	921	4,789
Recoverable from government authorities - GST	11,428	(16,485)
Inventory	(5,725)	707
Prepaid expenses	18,723	(11,621)
Accounts payable	13,055	(13,158)
Payable to government authorities - source deductions	(23,054)	3,142
	<u>4,222</u>	<u>(31,287)</u>
Cash flow used by operating activities	<u>(13,175)</u>	<u>(328,221)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(2,052)	(8,096)
Decrease in short term investments	-	369,683
Increase in restricted investment	(3,002)	(4,503)
Cash flow from (used by) investing activities	<u>(5,054)</u>	<u>357,084</u>
INCREASE (DECREASE) IN CASH FLOW	(18,229)	28,863
Cash - beginning of year	<u>80,312</u>	<u>51,449</u>
CASH - END OF YEAR	\$ 62,083	\$ 80,312

See notes to financial statements

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2017

1. NATURE AND PURPOSE OF THE ORGANIZATION

The Western Canada Wilderness Committee (the "Committee"), founded in 1980, is a not-for-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 incorporated under the Societies Act of British Columbia and is a registered charity, and as such is exempt from taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Committee follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Committee's program delivery and administrative activities. This fund reports all unrestricted resources.

The Capital Fund reports the internally restricted assets and expenses related to the Committee's capital assets.

The Internally Restricted Fund reports the assets, liabilities, and expenses relating to the reserve set aside by the Committee for unexpected financial needs and program expansions.

The Restricted Environmental Fund reports certain externally restricted grants received by the Committee to be used for designated purposes, primarily related to specific environmental or education issues, and the related expenses.

Revenue recognition

Restricted contributions and grants related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions and grants are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions 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.

Membership dues are recognized as revenue when received.

Revenue from sales is recognized when invoiced, which typically coincides with shipment of the related goods.

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WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2017

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

Inventory

Inventory consists of finished goods and is valued at the lower of cost and net realizable value on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Restricted investment

The restricted investment consists of a term deposit that is cashable with a maturity term of more than three months (in the prior year there were two term deposits). This investment has been classified as a long term asset as it is being held for long term future needs and it is management's intention to renew and reinvest the investment. Interest on the investment has been presented separately as interest receivable.

Capital assets and amortization

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

Equipment	5 years	
Computer equipment	4 years	
Vehicles	3 years	
Leasehold improvements	5 years	based on the length of the lease

The Committee regularly reviews its capital assets to remove those no longer in use.

Contributed services and materials

Volunteers assist the Committee in carrying out its programs and operations. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. During the year the Committee received non-cash gifts-in-kind of \$36,039 for publicly traded shares, life insurance policy, payroll program, and stamps (2016 - \$25,046 consisting of publicly traded shares, vehicle, payroll program, life insurance policy, server and food).

Measurement uncertainty

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. Material uncertainties involving management estimates include the write down of inventory and the allocation of expenses.

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WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2017

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

Allocation of expenses

The Committee classifies its expenses by function, including its projects and education and canvassing and fundraising expenses. For projects and education and canvassing and fundraising expenses the Committee identifies the appropriate basis of allocating each component expense and applies that basis consistently each year. The expenses are allocated proportionately on the following basis:

Projects and education is made up of salaries & benefits, canvass remuneration, postage & courier, printing & newspaper, artworks, photo, & video, rent, contractors, telephone & communication, travel, calendars, supplies and materials, mapping & surveying, audit & legal, meetings, events & volunteers, insurance, advertising & staff recruit, H.L.&P., RM-equipment, rent-equipment, RM-office, taxes, licenses, membership & sub, bank charges & interest. The expenses are allocated proportionately on the following basis:

Salaries & benefits - by allocation of staff time.

All other above-mentioned expenses - by coding as designated by management.

Canvassing and fundraising costs is made up of canvass remuneration, salaries & benefits, rent, wages & contractors, telephone & communication, travel, postage & courier, supplies & materials, calendars, insurance, advertising & staff recruit, meetings, events & volunteers, taxes, licenses, memberships & subscriptions, H.L.&P., RM-office, RM-equipment, printing & newspaper. The expenses are allocated proportionately on the following basis:

Salaries & benefits - by allocation of staff time.

All other above-mentioned expenses - by coding as designated by management.

See *Note 8* for the projects and education and canvassing and fundraising costs allocation amounts for the year.

3. RESTRICTED INVESTMENT

The restricted reserve consists of a term deposit held at CCEC Credit Union and is internally restricted. The term deposit is redeemable, matures May 5, 2017 and has an interest rate of 0.65% (2016 - 0.95%).

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ 15,230	\$ 14,625	\$ 605	\$ 806
Computer equipment	69,973	66,900	3,073	3,720
Vehicles	23,899	20,680	3,219	8,076
Leasehold improvements	52,498	41,998	10,500	21,000
	<u>\$ 161,600</u>	<u>\$ 144,203</u>	<u>\$ 17,397</u>	<u>\$ 33,602</u>

WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2017

5. CREDIT FACILITY

The Committee has a line of credit facility with CCEC Credit Union, that can be drawn upon to a maximum of \$200,000, which bears interest at prime plus 1% and is secured by the term deposit held by the Committee. At as April 30, 2017, the amount owing, which is due on demand, was \$NIL (2016 - \$NIL).

6. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

7. INTERFUND TRANSFERS

During the year, \$2,052 was transferred from the General Fund to the Capital Fund for the purchase of capital assets.

During the year, \$3,002 was transferred from the General Fund to the Internally Restricted Fund for interest earned on the term deposit.

8. ALLOCATION OF EXPENSES

Projects and education expenses of \$1,304,899 (2016 - \$1,204,576) have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Projects and education		
Salaries & benefits	\$ 746,379	\$ 620,471
Canvass remuneration	162,872	179,054
Postage & courier	62,761	65,247
Artworks, photo, & video	49,356	61,148
Contractors	41,595	37,412
Telephone & communication	41,083	31,139
Rent	37,998	39,776
Travel	33,562	21,513
Printing & newspaper	25,881	61,298
Supplies & materials	24,497	18,304
Meetings, events & volunteers	12,836	7,250
Insurance	11,381	6,327
Bank charges & interest	11,361	802
Audit & legal	10,875	7,693
Mapping & surveying	8,894	11,882
H.L. & P.	7,906	3,161
RM-office	5,679	1,834
Advertising & staff recruit	4,948	4,072
Rent-equipment	2,435	2,352

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WESTERN CANADA WILDERNESS COMMITTEE
Notes to Financial Statements
Year Ended April 30, 2017

8. ALLOCATION OF EXPENSES *(continued)*

	<u>2017</u>	<u>2016</u>
Projects and education		
Taxes, licenses, memberships & subscriptions	1,433	1,745
RM-equipment	1,167	2,604
Calendars	-	19,492
	<u>\$ 1,304,899</u>	<u>\$ 1,204,576</u>

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WESTERN CANADA WILDERNESS COMMITTEE

Notes to Financial Statements

Year Ended April 30, 2017

8. ALLOCATION OF EXPENSES (continued)

Canvassing and fundraising expenses of \$545,689 (2016 - \$471,373) have been allocated as follows:

	2017	2016
Canvassing and fundraising costs:		
Salaries & benefits	\$ 260,326	\$ 173,329
Canvass remuneration	182,614	179,053
Contractors	20,854	20,301
Postage & courier	19,072	13,366
Rent	17,419	25,708
Travel	9,560	13,577
Telephone & communication	8,356	17,036
Supplies & materials	8,120	8,677
Insurance	5,257	4,515
Advertising & staff recruit	4,097	3,129
Meetings, events & volunteers	2,834	2,162
Legal	2,430	-
Printing & newspaper	1,828	-
H.L. & P.	1,347	734
RM-Office	906	466
Taxes, licenses, memberships & subscriptions	669	998
RM-Equipment	-	275
Calendars	-	8,047
	<u>\$ 545,689</u>	<u>\$ 471,373</u>

The projects and education and canvassing and fundraising costs were allocated using a different methodology in the prior year which management was unable to duplicate for the current year. Therefore the prior year figures have not been restated to conform to the current year's allocation process.

9. LEASE COMMITMENTS

The Committee has leases with respect to premises and office equipment. The premises leases expire on various dates up to March 31, 2020. The office equipment leases expire on various dates up to January 31, 2021.

Future minimum lease payments for the next four years are as follows:

2018	\$ 87,863
2019	73,088
2020	21,165
2021	8,403