

**Wildsight**  
**Financial Statements**  
For the year ended September 30, 2016

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## Independent Auditors' Report

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### To the Members Wildsight

We have audited the accompanying financial statements of Wildsight, which comprise the statement of financial position as at September 30, 2016, and the statements of revenue and expenditures, 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.

### Auditors' 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 an audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 evaluation of 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 audit opinion.

### Basis of Qualified Opinion

In common with many non-profit organizations, the Society derives revenue from private donations and fundraising, 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 Society and we are not able to determine whether any adjustments might be necessary to donation revenues, surplus, and assets.

**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 donations and fundraising referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Wildsight as at September 30, 2016, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**Report on Other Legal Reporting Requirements**

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

**Chartered Professional Accountants**

Cranbrook, BC  
March 20, 2017



## Wildsight Statement of Revenue and Expenditure

For the year ended September 30	2016	2015
<b>Revenue</b>		
Grants (Note 2)	\$ 1,021,904	\$ 830,161
Donations	151,137	73,782
Miscellaneous and special events	55,776	34,974
Membership dues	4,650	5,680
	<u>1,233,467</u>	<u>944,597</u>
<b>Expenditure</b>		
Accounting and legal	13,866	12,300
Advertising	3,561	2,575
Amortization	288	290
Bank charges	3,963	2,910
Branch expenses	70,982	19,576
Communications and fundraising	14,846	15,949
Contract services, wages and benefits	860,462	702,106
Event expenses	17,274	26,949
Insurance	4,783	6,955
Meeting expenses	8,902	8,886
Memberships and subscriptions	13,733	7,555
Newsletter and information packages	14,031	5,987
Office and miscellaneous	7,901	4,935
Office rental	7,907	7,727
Political activity	4,141	8,360
Program expenses	38,418	32,562
School bus rental	17,937	17,704
Telephone and internet	11,084	11,269
Training and conferences	949	1,398
Travel and meals	86,716	66,880
	<u>1,201,744</u>	<u>962,873</u>
<b>Excess (deficiency) of revenue over expenditure from operations</b>	<b>31,723</b>	<b>(18,276)</b>
<b>Other income</b>		
Net investment income (Note 4)	17,063	9,188
<b>Excess (deficiency) of revenue over expenditure for the year</b>	<b>\$ 48,786</b>	<b>\$ (9,088)</b>

The accompanying notes are an integral part of these financial statements.

**Wildsight  
Statement of Changes in Net Assets**

<b>For the year ended September 30</b>				<b>2016</b>			<b>2015</b>
	<b>Invested in Tangible Capital Assets</b>	<b>Unrestricted</b>	<b>Board Designated Operating Reserve</b>	<b>Total</b>		<b>Total</b>	
<b>Net assets, beginning of year</b>	\$ 833	\$ -	\$ 195,212	\$ 196,045			\$ 205,133
Excess (deficiency) of revenue over expenditure for the year	(288)	49,074	-	48,786			(9,088)
Transfer to board designated operating reserve	-	(49,074)	49,074	-			-
<b>Net assets, end of year</b>	<b>\$ 545</b>	<b>\$ -</b>	<b>\$ 244,286</b>	<b>\$ 244,831</b>			<b>\$ 196,045</b>

The accompanying notes are an integral part of these financial statements.

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**Wildsight  
Statement of Cash Flows**

<b>For the year ended September 30</b>	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Cash received from funders and donors	\$ 1,330,154	\$ 932,164
Cash paid to suppliers and employees	(1,185,762)	(974,725)
Interest received	5,543	5,414
	<hr/>	<hr/>
<b>Increase (decrease) in cash for the year</b>	<b>149,935</b>	<b>(37,147)</b>
<b>Cash, beginning of year</b>	<b>383,671</b>	<b>420,818</b>
	<hr/>	<hr/>
<b>Cash, end of year</b>	<b>\$ 533,606</b>	<b>\$ 383,671</b>

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The accompanying notes are an integral part of these financial statements.

**September 30, 2016**

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**1. Significant Accounting Policies**

**a) Basis of Accounting**

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**b) Nature of Business**

The Society is incorporated under the laws of British Columbia. Its primary purpose is to promote the maintenance of a healthy, livable environment for all life. The Society is a registered charity under the Income Tax Act.

**c) Financial Instruments**

*Measurement of financial instruments*

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at either fair value or amortized cost.

Financial assets measured at fair value include cash, grants receivable, GST receivable, accounts receivable and long-term investments.

Financial liabilities measured at amortized cost include accounts payable.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**d) Long-term Investments**

Long-term investments are comprised of mutual funds and shares of public companies and are recorded at fair value.

**e) Tangible Capital Assets**

Equipment is recorded at cost. Amortization, based on the estimated useful life of the asset, is provided annually on the straight-line basis as follows:

Computer equipment	-	5 years
Office equipment	-	10 years
Display equipment	-	10 years



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**Wildsight  
Notes to Financial Statements**

**September 30, 2016**

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**1. Significant Accounting Policies (continued)**

**f) Impairment of Long-lived Assets**

The Society assesses long-lived assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized on a long-lived asset to be held and used when its carrying value exceeds the total undiscounted cash flows expected from its use and disposal. The amount of the loss is determined by deducting the assets fair value from its carrying amount.

**g) Contributed Services**

Volunteers contribute many hours each year to assist the Society. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**h) Foreign Currency Transactions**

The Society receives grants from funders and pays for contract services in the USA. The Society uses the temporal method to translate its foreign currency transactions. These grants are translated at the rate of exchange at the date the Society receives the funding.

**i) Revenue Recognition**

The Society follows the deferral method of accounting for contributions. Under this method, restricted contributions related to expenses in future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Net investment income (loss) includes dividend and interest income, and realized and unrealized gains and losses on long-term investments.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to the purchase of equipment are deferred and recognized as revenue as the equipment is amortized.

Revenues from special events are recognized at the time of the event.

Membership revenue is recognized as the fees are received.

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**Wildsight  
Notes to Financial Statements**

**September 30, 2016**

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**1. Significant Accounting Policies (continued)**

**j) Board Designated Operating Reserve**

The board designated operating reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development and investment in infrastructure.

The board designated operating reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the board designated operating reserve.

**k) Use of Estimates**

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Significant estimates for the Society include the calculation of allowance for doubtful accounts, the estimated useful life of equipment, and calculation of deferred contributions.

# Wildsight Notes to Financial Statements

September 30, 2016

## 2. Grant Revenue and Deferred Contributions

	Deferred Contributions Sep 30, 2015	Grants Receivable Sep 30, 2015	Grants received in the year	Grants Receivable Sep 30, 2016	Deferred Contributions Sep 30, 2016	Revenue recognized in the year
<b>Government:</b>						
BC Gaming Commission	\$ -	\$ -	\$ 22,500	\$ -	\$ -	\$ 22,500
Columbia Shuswap Regional District	-	-	9,000	-	-	9,000
Eco Action	-	-	40,000	-	-	40,000
Government of Canada	-	-	3,220	-	-	3,220
Regional District of Central Kootenay	-	-	20,000	-	-	20,000
Regional District of East Kootenay	-	-	1,550	-	-	1,550
	-	-	96,270	-	-	96,270
<b>Other:</b>						
444s Foundation	20,185	-	49,070	-	30,000	39,255
Alberta Eco Trust	3,500	-	12,500	-	-	16,000
Alberta Real Estate Foundation	-	-	4,500	-	-	4,500
Art Twomey Memorial *	12,302	-	-	-	12,302	-
BC Hydro	-	-	67,606	-	-	67,606
Canadian Environmental Grantmakers Network	-	-	5,000	-	-	5,000
Columbia Basin Trust	49,983	-	348,995	101,328	172,266	328,040
Columbia Power Corp.	900	-	2,500	-	2,500	900
Columbia Valley Community Foundation	-	-	1,000	-	-	1,000
Creston Kootenay Foundation	-	-	800	-	-	800
Fortis BC	-	-	11,552	8,448	-	20,000
Hamber Foundation	800	-	-	-	-	800
Land Stewardship Centre of Canada	2,500	2,500	5,000	-	-	5,000
LeRoi Community Foundation	1,600	-	1,000	-	400	2,200
LUSH	-	-	40,500	-	38,000	2,500
McLean Foundation	4,446	-	15,000	-	-	19,446
Mountain Equipment Co-Op	-	-	24,100	-	-	24,100
Osprey Community Foundation	640	-	1,200	-	500	1,340
RBC Foundation	1,500	-	10,000	-	-	11,500
Real Estate Foundation of BC	35,000	-	-	-	-	35,000
Sitka Foundation	-	-	22,000	-	-	22,000
TD Friends of Environment	2,000	-	8,400	-	-	10,400
Teck Coal	6,000	-	7,000	-	-	13,000
The Brainerd Foundation	56,435	-	79,098	-	79,098	56,435
The John & Barbara Poole Memorial Funds at Edmonton Community Foundation	-	-	10,000	-	-	10,000
Tides Canada Foundation	7,923	-	14,500	-	7,400	15,023
Tides US Foundation	-	-	49,960	-	22,393	27,567
University of Montana	14,766	4,770	9,020	-	3,000	16,016
Vancouver Foundation	-	-	70,000	-	-	70,000
W.C. Kitchen Family Foundation	7,000	-	-	-	-	7,000
West Cost Environment	-	-	1,427	-	-	1,427
Wilburforce Foundation	72,549	-	108,307	-	108,307	72,549
WWF Canada	-	-	10,000	-	-	10,000
Yellowstone to Yukon Conservation Initiative	-	-	9,230	-	-	9,230
	<b>\$ 300,029</b>	<b>\$ 7,270</b>	<b>\$ 1,095,535</b>	<b>\$ 109,776</b>	<b>\$ 476,166</b>	<b>\$ 1,021,904</b>

Deferred contributions related to the unspent portion of the above grants are restricted for specific purposes under each individual agreement.

\* The Society receives donations designated for an Art Twomey Memorial Fund. The funds will be used in future years for campaigns and projects determined by the family.

**Wildsight  
Notes to Financial Statements**

**September 30, 2016**

**3. Tangible Capital Assets**

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 3,416	\$ 2,871	\$ 3,416	\$ 2,658
Display equipment	767	767	767	692
Computer equipment	944	944	944	944
	<b>5,127</b>	<b>4,582</b>	<b>5,127</b>	<b>4,294</b>
		<b>\$ 545</b>		<b>\$ 833</b>

**4. Net Investment Income**

Net investment income is comprised of the following:

	2016	2015
Mutual fund income	\$ 11,720	\$ 11,036
Interest	4,902	4,806
Unrealized gain (loss) on investments	441	(6,654)
	<b>\$ 17,063</b>	<b>\$ 9,188</b>

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## Wildsight Notes to Financial Statements

September 30, 2016

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### 5. Related Party Transactions

Five branch societies are currently authorized by the Society, namely Invermere, Kimberley/Cranbrook, Golden, Creston and Elk Valley branches. Each branch society may nominate a member as a candidate to stand for election to the board (Regional Council) of Wildsight in accordance with the Society's bylaws. The Society requires that each branch society has an autonomous board of directors, is incorporated as a separate society, and controls its own finances. Each branch is involved in its own environmental activities to promote the purposes of the Society, subject to the direction of the Regional Council.

During the year, the Society contracted the five branch societies, under agency agreements, totaling \$63,687 (2015 - \$44,663). The accounts receivable include \$3,295 (2015 - \$2,561) from the branch societies. The accounts payable include \$41,455 (2015 - \$27,638) to the branch societies.

During the year, the Society paid \$15,239 (2015 - \$12,377) to a director for contracted services related to program delivery.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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### 6. Financial Instruments

#### *Risks and Concentrations*

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at September 30, 2016.

#### *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 Society's main credit risks relate to its long-term investments. The Society's long-term investments are comprised of investments in public markets. Management mitigates risk by limiting exposure to any one investment.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other risk. The Society is mainly exposed to currency risk and other risk.

#### *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is exposed to financial risk on its grants received in a currency other than the Canadian dollar as a result of exchange rate fluctuations.

#### *Other Risk*

The Society's long-term investments in mutual funds and public company shares expose the Society to price risks; as equity based long-term investments are subject to price change in an open market.