

Wildsight
Financial Statements
For the year ended September 30, 2018

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Independent Auditors' Report

**To the Members:
Wildsight**

We have audited the accompanying financial statements of Wildsight, which comprise the statement of financial position as at September 30, 2018, 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, 2018, 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.

Apex Accounting

Chartered Professional Accountants

Cranbrook, BC
February 22, 2019

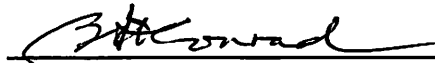
**Wildsight
Statement of Financial Position**

September 30	2018	2017
Assets		
Current		
Cash	\$ 783,722	\$ 571,579
Grants receivable (Note 2)	2,000	46,514
Accounts receivable	4,118	3,253
GST receivable	8,182	14,947
Prepaid expenses	1,380	-
	799,402	636,293
Long-term investments (Note 3)	218,943	208,857
Tangible capital assets (Note 4)	2,935	2,458
	\$ 1,021,280	\$ 847,608
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 146,884	\$ 125,535
Deferred contributions (Note 2)	497,304	415,898
	644,188	541,433
Net assets		
Invested in tangible capital assets	2,935	2,458
Board designated operating reserve	374,157	303,717
	377,092	306,175
	\$ 1,021,280	\$ 847,608

Related Party Transactions (Note 7)

Financial Instruments (Note 8)

On behalf of the Board:



Director



Director

Wildsight Statement of Revenue and Expenditure

For the year ended September 30	2018	2017
Revenue		
Grants (Note 2)	\$ 979,179	\$ 1,125,628
Donations	131,693	94,846
Miscellaneous and special events	39,731	38,480
Membership dues	3,700	2,560
	<u>1,154,303</u>	<u>1,261,514</u>
Expenditure		
Accounting and legal	12,114	22,425
Advertising	942	4,198
Amortization	356	818
Bank charges	8,688	4,308
Branch expenses	51,598	29,607
Communications and fundraising	8,039	12,453
Contract services, wages and benefits	717,694	926,115
Event expenses	16,119	13,000
Insurance	6,636	5,257
Meeting expenses	5,921	13,671
Memberships and subscriptions	7,163	6,717
Newsletter and information packages	3,054	7,595
Office and miscellaneous	28,889	10,192
Office rental	10,800	10,800
Political activity	11,073	3,980
Program expenses	46,438	41,529
Programs funded	63,000	-
School bus rental	14,129	16,781
Telephone and internet	7,150	10,642
Training and conferences	748	641
Travel and meals	74,657	70,553
	<u>1,095,208</u>	<u>1,211,282</u>
Excess of revenue over expenditure from operations	59,095	50,232
Other income		
Net investment income (Note 5)	16,822	16,112
Excess of revenue over expenditure for the year	\$ 75,917	\$ 66,344

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

Wildsight Statement of Changes in Net Assets

For the year ended September 30				2018			2017
	Invested in Tangible Capital Assets	Unrestricted	Board Designated Operating Reserve	Total			Total
Net assets, beginning of year	\$ 2,458	\$ -	\$ 303,717	\$ 306,175	\$		244,831
Excess (deficiency) of revenue over expenditure for the year	(356)	76,273	-	75,917			66,344
Transfer to board designated operating reserve	-	(75,440)	75,440	-			-
Capital asset purchases in year	833	(833)		-			-
Transfer to Living Lakes Canada (Note 5)	-	-	(5,000)	(5,000)			(5,000)
Net assets, end of year	\$ 2,935	\$ -	\$ 374,157	\$ 377,092	\$		306,175

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

Wildsight Statement of Cash Flows

For the year ended September 30	2018	2017
Cash provided by (used in)		
Operating activities		
Cash received from funders and donors	\$ 1,286,123	\$ 1,263,803
Cash paid to suppliers and employees	(1,079,883)	(1,229,281)
Interest received	6,736	6,182
	<u>212,976</u>	<u>40,704</u>
Investing activities		
Purchase of equipment	<u>(833)</u>	<u>(2,731)</u>
Increase in cash for the year	212,143	37,973
Cash, beginning of year	<u>571,579</u>	<u>533,606</u>
Cash, end of year	<u>\$ 783,722</u>	<u>\$ 571,579</u>

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

Wildsight Notes to Financial Statements

September 30, 2018

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 market 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

Wildsight Notes to Financial Statements

September 30, 2018

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 includes dividend and interest income, 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.

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

Membership revenue is recognized as the fees are received.

**Wildsight
Notes to Financial Statements**

September 30, 2018

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, non-recurring 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 deferred contributions.

Wildsight Notes to Financial Statements

September 30, 2018

2. Grant Revenue and Deferred Contributions

	Deferred Contributions Sep 30, 2017	Grants Receivable Sep 30, 2017	Grants received In the year	Grants Receivable Sep 30, 2018	Deferred Contributions Sep 30, 2018	Revenue recognized in the year
Government:						
BC Gaming Commission	\$ -	\$ -	\$ 36,500	\$ -	\$ -	\$ 36,500
Columbia Shuswap Regional District	-	-	10,400	-	-	10,400
Government of Canada	14,995	7,260	37,260	-	15,000	29,995
Regional District of Central Kootenay	-	-	20,000	-	-	20,000
	14,995	7,260	104,160	-	15,000	96,895
Other:						
444s Foundation	31,127	-	42,304	-	-	73,431
Alberta Conservation Association	-	6,670	6,670	-	-	-
Alberta Real Estate Foundation	-	10,000	10,000	-	-	-
Art Twomey Memorial *	12,302	-	-	-	12,302	-
BC Hydro (repayment)	-	13,584	15,799	-	13,562	(11,347)
College of the Rockies	-	-	1,281	-	-	1,281
Columbia Basin Trust	175,152	5,000	369,648	2,000	142,700	399,100
Columbia Valley Community Foundation	-	-	950	-	-	950
Cranbrook & District Community Foundation	-	-	1,300	-	-	1,300
Edmonton Community Foundation	-	-	10,000	-	-	10,000
Fortis BC	-	-	5,000	-	-	5,000
Liz Claiborne Art Ortenberg Foundation	-	-	17,981	-	17,981	-
McLean Foundation	-	-	10,000	-	-	10,000
Mountain Equipment Co-Op	-	-	20,000	-	-	20,000
Osprey Community Foundation	-	-	800	-	-	800
RBC Foundation	-	-	70,000	-	-	70,000
Real Estate Foundation of BC	-	4,000	4,000	-	-	-
TD Friends of Environment	-	-	4,000	-	-	4,000
Teck Coal	-	-	5,000	-	-	5,000
Teck Metals	-	-	2,500	-	-	2,500
The Brainerd Foundation	64,457	-	75,546	-	37,772	102,231
The Hamber Foundation	-	-	1,500	-	-	1,500
The Patagonia Environmental Grants Fund of Tides Foundation	19,218	-	38,673	-	-	57,891
Vancouver Foundation	-	-	5,000	-	-	5,000
W.C. Kitchen Family Foundation	-	-	5,000	-	-	5,000
Wilburforce Foundation	98,647	-	267,987	-	257,987	108,647
Yellowstone to Yukon Conservation Initiative	-	-	10,000	-	-	10,000
	\$ 415,898	\$ 46,514	\$ 1,105,099	\$ 2,000	\$ 497,304	\$ 979,179

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, 2018

3. Long-term Investments

	2018	2017
Shares, at fair market value (Cost - 2018 - \$187,079, 2017 - \$182,652)	\$ 198,235	\$ 189,549
Mutual funds, at fair market value (Cost - 2018 - \$5,970, 2017 - \$5,970)	20,708	19,308
	\$ 218,943	\$ 208,857

4. Tangible Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 6,980	\$ 4,045	\$ 6,147	\$ 3,689
Display equipment	767	767	767	767
Computer equipment	944	944	944	944
	8,691	5,756	7,858	5,400
		\$ 2,935		\$ 2,458

5. Net Investment Income

Net investment income is comprised of the following:

	2018	2017
Mutual fund income	\$ 5,166	\$ 5,611
Interest	5,996	5,501
Unrealized gain on investments	5,660	5,000
	\$ 16,822	\$ 16,112

Wildsight Notes to Financial Statements

September 30, 2018

6. Living Lakes Canada

The Living Lakes program that has been previously administered by the Society will now be run by Living Lakes Canada, a new incorporated Society with an autonomous board of directors. During the year, \$5,000 of previously accumulated surplus from the Living Lakes program was transferred to Living Lakes Canada. The Society also obtained program revenue of which they contracted out \$63,000 to Living Lakes Canada during the year. Any additional costs will be recorded at the time they occur.

7. 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 \$51,598 (2017 - \$29,607). The accounts receivable include \$4,088 (2017 - \$3,236) from the branch societies for reimbursement of expenses. The accounts payable include \$41,518 (2017 - \$39,535) to the branch societies.

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.

**Wildsight
Notes to Financial Statements
(Unaudited)**

September 30, 2018

8. 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, 2018.

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.