

**WILDSIGHT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

**To the Members:
Wildsight**

Qualified Opinion

We have audited the accompanying financial statements of Wildsight, which comprise the statement of financial position as at September 30, 2021, and the statements of revenue and expenditure, changes in net assets and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory information.

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 described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Wildsight as at September 30, 2021, and the results of its revenue and expenditure, changes in net assets and cash flows for the year ended September 30, 2021, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, the Society derives revenue from private donations, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Reporting Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied in preparing and presenting 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.

Apex Accounting

Chartered Professional Accountants

Cranbrook, BC
March 29, 2022

WILDSIGHT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	2021	2020
REVENUE		
Grants (Note 2)	\$ 1,026,935	\$ 785,995
Donations	217,177	137,315
Fee for service	103,391	6,826
Miscellaneous and special events	58,429	16,465
Wage subsidy	46,007	6,042
Membership dues	2,260	1,885
	<u>1,454,199</u>	<u>954,528</u>
EXPENDITURE		
Accounting and legal	12,000	12,866
Advertising	5,016	1,753
Amortization	356	356
Bank charges	5,932	3,985
Branch expenses	75,241	67,749
Communications and fundraising	7,496	6,933
Contract services, wages and benefits	1,045,932	737,826
Event expenses	58,409	16,382
Insurance	8,113	6,177
Meeting expenses	37	462
Memberships and subscriptions	6,713	9,233
Newsletter and information packages	7,598	2,833
Office and miscellaneous	16,848	12,906
Office rental	11,376	11,160
Program expenses	57,593	20,477
School bus rental	7,168	5,890
Telephone and internet	2,224	8,221
Training and conferences	4,870	2,520
Travel and meals	28,390	25,942
	<u>1,361,312</u>	<u>953,671</u>
Excess of revenue over expenditure from operations	92,887	857
OTHER INCOME		
Net investment income (Note 5)	37,998	19,136
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	\$ 130,885	\$ 19,993

See accompanying notes to the financial statements

WILDSIGHT
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2021

	2021			2020	
	Invested in Tangible Capital Assets	Unrestricted	Board Designated Operating Reserve	Total	Total
NET ASSETS , beginning of year	\$ 2,223	\$ -	\$ 385,923	\$ 388,146	\$ 378,153
Excess (deficiency) of revenue over expenditure for the year	(356)	131,241	-	130,885	19,993
Transfer to board designated operating reserve	-	(131,241)	131,241	-	-
Transfer to Creston branch	-	-	-	-	(10,000)
NET ASSETS , end of year	\$ 1,867	\$ -	\$ 517,164	\$ 519,031	\$ 388,146

See accompanying notes to the financial statements

WILDSIGHT
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021

	2021	2020
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Cash received from funders, donors and government subsidies	\$ 1,422,590	\$ 1,367,987
Cash paid to suppliers and employees	(1,267,166)	(951,905)
Interest received	3,437	5,398
	<u>158,861</u>	<u>421,480</u>
INVESTING ACTIVITIES		
Purchase of long-term investments	(100,000)	-
Proceeds from sale of long-term investments	118,991	-
	<u>18,991</u>	<u>-</u>
INCREASE IN CASH FOR THE YEAR	177,852	421,480
CASH, beginning of year	768,165	346,685
CASH, end of year	\$ 946,017	\$ 768,165

See accompanying notes to the financial statements

WILDSIGHT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 amortized cost except for long-term assets in mutual funds and shares which are quoted at active market and are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditure.

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 and grants 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) CASH

Cash includes bank balances.

e) LONG-TERM INVESTMENTS

Certain of the Society's long-term investments are comprised of mutual funds and shares of public companies and are recorded at fair market value.

Certain of the Society's long-term investments are comprised of bonds which are measured initially at fair value and subsequently measured at amortized cost.

WILDSIGHT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) 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

g) 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.

h) 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.

i) 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.

j) 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 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.

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

Membership revenue is recognized as the fees are received.

Wage subsidy is recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

WILDSIGHT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) 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.

l) 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, 2021

2. GRANT REVENUE AND DEFERRED CONTRIBUTIONS

	Deferred Contributions Sep 30, 2020	Grants Receivable Sep 30, 2020	Grants received in the year	Grants Receivable Sep 30, 2021	Deferred Contributions and Repayable Grants Sep 30, 2021	Revenue recognized in the year
Government:						
BC Gaming Commission	\$ -	\$ -	\$ 53,000	\$ -	\$ -	\$ 53,000
BC Natural Resource Ministries	-	-	20,000	-	-	20,000
City of Nelson	-	-	1,150	-	-	1,150
Columbia Shuswap Regional District	-	-	-	12,620	-	12,620
Environment and Climate Change Canada	-	-	20,000	-	20,000	-
Province of BC	7,984	3,293	207,300	-	50,000	161,991
Regional District of Central Kootenay	-	-	33,314	-	-	33,314
Regional District of Fraser-Fort George	-	-	6,800	-	-	6,800
	7,984	3,293	341,564	12,620	70,000	288,875
Other:						
444s Foundation	23,314	-	43,953	-	43,953	23,314
Arjay R. and Frances F. Miller Foundation	-	-	38,322	-	30,000	8,322
Art Twomey Memorial *	13,190	-	-	-	8,190	5,000
BC Hydro	-	20,343	17,562	6,781	3,556	444
Brainerd Foundation	34,768	-	-	-	-	34,768
College of the Rockies	-	-	1,460	-	-	1,460
Columbia Basin Trust	334,640	6,000	413,505	10,000	413,535	338,610
Columbia Power	-	-	7,500	-	-	7,500
Columbia Valley Community Foundation	-	-	500	-	-	500
Consecon Foundation	27,814	-	30,000	-	30,000	27,814
Cranbrook & District Community Foundation	-	-	1,500	-	-	1,500
Edmonton Community Foundation	-	-	10,000	-	-	10,000
Environmental Careers Organization of Canada (Eco Canada)	-	-	7,000	-	-	7,000
Golden & District Foundation	-	-	16,970	-	-	16,970
Headwaters Foundation	-	-	3,682	-	-	3,682
Kimberley & District Community Foundation	-	-	10,290	-	-	10,290
Kootenay Career Development Society	-	-	10,000	-	-	10,000
Nature Conservancy of Canada	-	-	10,000	-	10,000	-
Osprey Community Foundation	-	-	800	-	-	800
RBC Foundation	18,608	-	-	-	-	18,608
Real Estate Foundation of BC	13,500	-	-	-	13,500	-
Revelstoke Community Foundation	-	-	3,500	-	-	3,500
TD Friends of Environment	-	-	8,500	-	-	8,500
Teck	-	-	2,500	-	-	2,500
Tides US Foundation	13,322	-	-	-	-	13,322
The Patagonia Environmental Grants Fund of Tides Foundation	-	-	18,832	-	9,416	9,416
Vancouver Foundation	13,000	-	-	-	-	13,000
Wilburforce Foundation	150,196	-	162,538	-	157,494	155,240
Yellowstone to Yukon Conservation Initiative	-	-	6,000	-	-	6,000
	\$ 650,336	\$ 29,636	\$ 1,166,478	\$ 29,401	\$ 789,644	\$ 1,026,935

Deferred contributions related to the unspent portion of the above grants are restricted for specific purposes under each individual agreement and includes repayable grants of \$70,642 (2020 - nil), deferred contributions net of repayable grants total \$719,002 (2020- \$650,336).

* The Society receives donations designated for the 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
YEAR ENDED SEPTEMBER 30, 2021

3. LONG-TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
Mutual funds, at fair market value (Cost - 2021 - \$242,820, 2020 - \$227,897)	\$ 291,715	\$ 258,327
Bonds, at cost	46,246	45,367
Shares, at fair market value (Cost - 2021 - \$nil, 2020 - \$5,970)	-	18,698
	<u>\$ 337,961</u>	<u>\$ 322,392</u>

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2021</u>	<u>Net 2020</u>
Office equipment	\$ 7,633	\$ 5,766	\$ 1,867	\$ 2,223

5. NET INVESTMENT INCOME

Net investment income is comprised of the following:

	<u>2021</u>	<u>2020</u>
Unrealized gain on investments	\$ 5,737	\$ 26,204
Mutual fund income	8,354	11,399
Interest	4,101	5,413
Realized gain on sale of investments	30,672	-
Return of capital adjustment during the year	(10,866)	(23,880)
	<u>\$ 37,998</u>	<u>\$ 19,136</u>

WILDSIGHT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

6. RELATED PARTY TRANSACTIONS

Six branch societies are currently authorized by the Society, namely Invermere, Kimberley/Cranbrook, Golden, Creston, Revelstoke 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 Revelstoke branch joined the Society and the Society contracted the six branch societies, under agency agreements, totaling \$75,154 (2020 - \$62,438). The accounts receivable include \$100,021 (2020 - \$4,368) from the branch societies for reimbursement of expenses. The accounts payable include \$47,349 (2020 - \$35,905) to the branch societies. Provided financial support to the Creston branch totaling nil (2020 - \$10,000) from the board designated operating reserve.

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.

7. 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, 2021.

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.

WILDSIGHT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

8. REMUNERATION OF EMPLOYEES AND CONTRACTORS

For the fiscal year ending September 30, 2021, the Society paid remuneration of \$75,000 or greater to one contractor.

9. COMMITMENT

The Society has leased a building with an expiry date of January 31, 2025. Rental payments required on the commitment for the next four years are due as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 14,328
2023	15,619
2024	15,619
2025	<u>5,207</u>
	<u>\$ 50,773</u>

10. Comparative Figures

Certain of the comparative figures for 2020 have been restated to conform with the financial statement presentation adopted in the current year.