

# **Foundation for Canadian Parks and Wilderness**

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## **Financial Statements** For the year ended March 31, 2012

# Foundation for Canadian Parks and Wilderness

## Financial Statements

For the year ended March 31, 2012

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## Independent Auditor's Report

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### To the Member of the Foundation for Canadian Parks and Wilderness

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Foundation for Canadian Parks and Wilderness (the "Foundation"), which comprise the statement of financial position as at March 31, 2012 and the statements of operations and changes in net assets 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 generally accepted accounting principles, 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 of our qualified audit opinion.

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## Independent Auditor's Report (continued)

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### Basis for Qualified Opinion

In common with many charitable organizations, the Foundation may derive revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Our audit opinion on the financial statements for the year ended March 31, 2011 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to donations revenue and the excess of revenue over expenses for the years ended March 31, 2012 and 2011, assets as at March 31, 2012 and March 31, 2011 and net assets at both the beginning and end of the March 31, 2012 and March 31, 2011 years.

### Qualified Opinion

In our opinion, except for the 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 the Foundation for Canadian Parks and Wilderness as at March 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### **Report on Other Legal and Regulatory Requirements**

As required by the Canada Corporations Act, we report that in our opinion, the accounting principles in Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

*Collins Barrow Ottawa LLP*

Chartered Accountants, Licensed Public Accountants

January 4, 2013

Ottawa, Ontario

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## Foundation for Canadian Parks and Wilderness Statement of Financial Position

**March 31** **2012** **2011**

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### Assets

Cash (Note 1)	\$	291,577	\$	178,200
Cash allocated for endowment purposes (Note 1)		26,402		26,402
Due from Canadian Parks and Wilderness Society (Note 2)		16,654		60,816
	<b>\$</b>	<b>334,633</b>	<b>\$</b>	<b>265,418</b>

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### Liabilities and Net Assets

#### Liabilities

Accounts payable and accrued liabilities	\$	2,703	\$	4,430
Due to Canadian Parks and Wilderness Society (Note 2)		36,940		5,100
		<b>39,643</b>		<b>9,530</b>

#### Net assets (Note 3)

Endowment		26,402		26,402
Unrestricted		268,588		229,486
		<b>294,990</b>		<b>255,888</b>
	<b>\$</b>	<b>334,633</b>	<b>\$</b>	<b>265,418</b>

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On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**Foundation for Canadian Parks and Wilderness  
Statement of Changes in Net Assets**

**For the year ended March 31, 2012**

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(With comparative amounts for the year ended March 31, 2011)

	2012			2011		
	Endowment	Unrestricted	Total	Endowment	Unrestricted	Total
<b>Balance</b> , beginning of year	\$ 26,402	\$ 229,486	\$ 255,888	\$ 26,402	\$ 128,481	\$ 154,883
<b>Excess of revenue over expenses for the year</b>	-	39,102	39,102	-	101,005	101,005
<b>Balance</b> , end of year	<b>\$ 26,402</b>	<b>\$ 268,588</b>	<b>\$ 294,990</b>	<b>\$ 26,402</b>	<b>\$ 229,486</b>	<b>\$ 255,888</b>

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## Foundation for Canadian Parks and Wilderness Statement of Operations

<b>For the year ended March 31</b>	<b>2012</b>	<b>2011</b>
<b>Revenue</b>		
Donations (Note 2)	\$ 68,408	\$ 108,434
Investment	2,445	398
Other revenue	-	458
	<hr/>	<hr/>
	<b>70,853</b>	<b>109,290</b>
<b>Expenses</b>		
Bank charges	63	165
Donations to Canadian Parks and Wilderness Society (Note 2)	28,506	5,100
Professional fees	3,182	3,020
	<hr/>	<hr/>
	<b>31,751</b>	<b>8,285</b>
<b>Excess of revenue over expenses for the year</b>	<hr/> <b>\$ 39,102</b>	<hr/> <b>\$ 101,005</b>

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# Foundation for Canadian Parks and Wilderness

## Summary of Significant Accounting Policies

March 31, 2012

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### **Nature and Purpose of the Organization**

The Foundation is incorporated under the laws of Canada as a not-for-profit organization without share capital under Part II of the Canada Corporations Act. The Foundation is a registered charity and as such is exempt from income taxes and may issue tax receipts for donations. The Foundation manages an endowment fund, which was established to support the Canadian Parks and Wilderness Society - National Office (the "Society" or "CPAWS"). The Society exercises control over the Foundation by virtue of it being the sole member of the Foundation and therefore has the ability to appoint all of the Foundation's Board of Directors.

The Foundation also promotes the conservation of natural land and marine ecosystems in Canada through public education, scientific studies and protection. In doing so the Foundation may solicit and receive donations, grants and bequests to fund its administration as well as projects undertaken directly or by other organizations promoting the same objectives of the Foundation.

### **Financial Instruments**

The accounting standards for financial instruments require that financial assets and liabilities be classified according to their characteristics, management's intention, or the choice of category in certain circumstances. Financial assets must be classified as either held-for-trading, held-to-maturity, available-for-sale or loans and receivables. Financial liabilities must be classified as held-for-trading or other liabilities. When initially recognized, financial assets and financial liabilities are recorded at fair value on the statement of financial position. In subsequent periods, financial assets and financial liabilities classified as held-for-trading will be valued at fair value with gains or losses arising from a change in fair value recognized in operations as they occur. Financial assets classified as available-for-sale are also recorded at fair value with any change in fair value recognized in the statement of changes in net assets until realized or there is a decline in value that is considered other than temporary in which case they would be transferred to the statement of operations. Items that are classified in the following categories, will be measured at amortized cost using the effective interest method with gains or losses recognized in operations when realized. These categories are loans and receivables, financial assets held-to-maturity and other liabilities.

The Foundation's financial instruments at March 31, 2012 consist of cash, cash allocated for endowment purposes, accounts payable and accrued liabilities, and amounts due from and to CPAWS. They are not classified as being held-for-trading purposes or available-for-sale so they are valued at amortized cost which approximates fair value at the end of the fiscal year due to their short-term maturities.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.



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## Foundation for Canadian Parks and Wilderness Summary of Significant Accounting Policies

**March 31, 2012**

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**Financial Instruments -  
Disclosures**

The Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, Financial Instruments - Disclosures and CICA Handbook Section 3863, Financial Instruments - Presentation replaced CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation for certain entities, revising and enhancing the disclosure requirements and carrying forward unchanged the presentation requirements. These new Sections would provide additional information to enable users of the financial statements to evaluate the significance of financial instruments for an entity's financial position and performance, the nature and extent of risks arising from financial instruments to which an entity is exposed, and how an entity manages those risks. The Foundation would have had to adopt these new Sections for its March 31, 2010 fiscal year. However, the CICA eliminated the requirement for not-for-profit organizations to adopt these standards. As a result, the Foundation has opted to disclose and present financial instruments under the CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of the more onerous CICA Handbook Sections 3862 and 3863, which is a permitted option under the transition rules for not-for-profit organizations in these standards.

**Financial Risk  
Management**

The Foundation manages its investment portfolio to earn investment revenue and invests only in low risk investments. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

**Revenue Recognition**

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred or on the basis directed by the donor. Endowment contributions are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably assured.

Unrestricted and endowment investment revenue is available for spending at the discretion of the Foundation, unless externally restricted, and is recognized as revenue when it is earned. Externally restricted investment revenue, if any, is added to deferred contributions and is recognized as revenue in the year in which the related expenses are incurred.

**Statement of Cash Flows**

A statement of cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements. The Foundation's cash flows are substantially all related to operating activities.

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## Foundation for Canadian Parks and Wilderness Summary of Significant Accounting Policies

**March 31, 2012**

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### **Future Changes in Accounting Standards**

The CICA has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The organization, at its option, may adopt IFRS.

The CICA has also announced that effective for years beginning on or after January 1, 2012 Canadian private sector not-for-profit organizations (i.e. those not controlled by government entities) will have a new financial reporting framework and that early adoption will be permitted.

For organization's that do not adopt IFRS but rather adopt the new not-for-profit standards the existing not-for-profit accounting standards will remain, supplemented by the new private enterprise standards. The new private enterprise standards include recognition, measurement and presentation changes and simplifications in many areas as well as reduced required disclosures in the financial statements whereas IFRS would require to some extent different and expanded recognition, measurement, presentation and disclosure standards.

The Foundation expects to adopt the new not-for profit standards and further expects that there will be no material impact on the Foundation's financial statements of doing so except that the presentation of a statement of cash flows will be required.

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# Foundation for Canadian Parks and Wilderness

## Notes to Financial Statements

**March 31, 2012**

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**1. Cash**

The Foundation's bank accounts are held at two (2011 - two) Canadian chartered banks. The first bank account earns interest at a nominal rate. The second bank account which has a balance of \$202,843 (2011 - \$200,398) is a business investment savings account and at March 31, 2012 was earning interest at a rate of 1.0% (2011 - 1.25%). The total 2012 cash of \$317,979 (2011 - \$204,602) is presented on the Foundation's statement of financial position as \$291,577 (2011 - \$178,200) for current operating purposes and \$26,402 (2011 - \$26,402) to represent the Foundation's net assets restricted for endowment purposes.

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**2. Related Party Transactions**

The Society receives donations and bequests on behalf of the Foundation as well as bequests received by the Society for its own account a portion of which by agreement the Society transfers to the Foundation. For the year ended March 31, 2012 \$68,408 (2011 - \$106,782) was transferred to the Foundation by the Society. As at March 31, 2012 \$16,654 (2011 - \$60,816) is owing to the Foundation from the Society with respect to donations and bequests.

The Society provides administrative services to the Foundation at no cost. The Society also incurs expenses on behalf of the Foundation and these amounts are then repaid to the Society by the Foundation at cost. The balance owing to the Society at March 31, 2012 for expenses incurred on behalf of the Foundation is \$3,334 (2011 - \$nil).

For the 2012 fiscal year these financial statements include total donations to the Society from the Foundation in the amount of \$28,506 (2011 - \$5,100). The balance owing to the Society at March 31, 2012 for donations to the Society is \$33,606 for the 2012 donations of \$28,506 and the 2011 donation of \$5,100 (2011 - \$5,100 for the 2011 donation).

The total payable to the Society at March 31, 2012 is \$36,940 (2011 - \$5,100).

Amounts due to or from the Society have no specific repayment terms or conditions and are interest free.

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# Foundation for Canadian Parks and Wilderness

## Notes to Financial Statements

**March 31, 2012**

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### 3. **Capital Disclosures**

The Foundation's capital disclosures are in accordance with CICA Handbook Section 1535, Capital Disclosures, which establishes standards for the disclosure of information related to an entity's objectives, policies and processes for managing capital. The Foundation's capital is its net assets which totals \$294,990 (2011 - \$255,888). External restrictions on the Foundation's capital consists of its endowment net assets in the amount of \$26,402 (2011 - \$26,402). Therefore after this restriction, the Foundation's available capital consists of its unrestricted net assets in the amount of \$268,588 (2011 - \$229,486).

The Foundation manages its capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets to meet its organizational objectives and financial risk management policies. These objectives and policies are stated in the nature and purpose of the organization section and the financial risk management section of the summary of significant accounting policies accompanying these financial statements. In addition, as a registered charity, the Foundation must meet its annual disbursement requirement under the Income Tax Act of Canada and must have funds available to meet this requirement should the current year results of operations be insufficient to fund this annual requirement.

The Board of Directors does not establish quantitative return on capital criteria.

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