

Financial Statements

**Canadian Parks and Wilderness Society**

March 31, 2005

## AUDITORS' REPORT

To the Members of the  
**Canadian Parks and Wilderness Society**

We have audited the statement of financial position of the **Canadian Parks and Wilderness Society [the "Society"]** as at March 31, 2005 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to donations, the statement of operations and changes in unrestricted net assets for the year and unrestricted net assets, end of year.

In our opinion, except for the effect of adjustments, if any, which might have been required had we been able to satisfy ourselves with respect to the completeness of revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that these principles have been applied on a consistent basis with that of the preceding year.

Ottawa, Canada,  
May 27, 2005.

Chartered Accountants

11/08/2005 9:11 AM

**Canadian Parks and Wilderness Society**  
 Incorporated without share capital under the laws of Canada

**STATEMENT OF FINANCIAL POSITION**

As at March 31

	2005 \$	2004 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	84,187	450,192
Restricted cash and short-term investments	336,107	289,512
Accounts receivable	150,011	30,649
Prepaid expenses	20,553	4,294
<b>Total current assets</b>	<b>590,858</b>	<b>774,647</b>
Capital assets, net <i>[note 5]</i>	23,312	13,573
	<b>614,170</b>	<b>788,220</b>
<b>LIABILITIES AND NET ASSETS (DEFICIENCY)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 3]</i>	206,412	436,021
Deferred contributions <i>[note 6]</i>	386,703	289,512
Transfers payable to Regional Chapters <i>[note 3]</i>	73,558	54,568
Due to Yukon Chapter <i>[note 3]</i>	10,000	50,000
<b>Total current liabilities</b>	<b>676,673</b>	<b>830,101</b>
Commitments <i>[note 7]</i>		
<b>Net assets (deficiency)</b>		
Unrestricted	(85,815)	(55,454)
Invested in capital assets	23,312	13,573
<b>Total net assets (deficiency)</b>	<b>(62,503)</b>	<b>(41,881)</b>
	<b>614,170</b>	<b>788,220</b>

*See accompanying notes*

On behalf of the Board:

Director

Director

## Canadian Parks and Wilderness Society

### STATEMENT OF OPERATIONS

Year ended March 31

	2005	2004
	\$	\$
<b>REVENUE</b>		
Donations received on behalf of the Regional Chapters <i>[note 3]</i>	2,075,295	2,208,327
Foundation and other donations <i>[note 3]</i>	682,614	1,381,842
Individual donations <i>[note 3]</i>	1,053,375	927,546
Other revenues	20,605	23,102
Interest income	2,926	4,357
	<b>3,834,815</b>	4,545,174
<b>EXPENDITURES</b>		
Disbursements to the Regional Chapters <i>[note 3]</i>	1,971,530	2,122,268
Conservation programs <i>[note 3]</i>	591,100	1,196,945
Chapter general support <i>[note 3]</i>	439,555	442,468
Development and membership	434,014	396,080
Public education	243,254	312,156
General and administrative	169,113	118,174
Special projects - Governance	362	22,088
Amortization	6,509	5,817
	<b>3,855,437</b>	4,615,996
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>(20,622)</b>	<b>(70,822)</b>

*See accompanying notes*

**Canadian Parks and Wilderness Society**

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended March 31

	<b>Capital Assets</b>	<b>Unrestricted</b>	<b>2005</b>	<b>2004</b>
	\$	\$	\$	\$
<b>Balance, beginning of year</b>	13,573	(55,454)	<b>(41,881)</b>	28,941
Excess (deficiency) of revenue over expenses	(6,509)	(14,113)	<b>(20,622)</b>	(70,822)
Investment in capital assets	16,248	(16,248)	—	—
<b>Balance, end of year</b>	<b>23,312</b>	<b>(85,815)</b>	<b>(62,503)</b>	<b>(41,881)</b>

*See accompanying notes*

## **Canadian Parks and Wilderness Society**

# **NOTES TO FINANCIAL STATEMENTS**

March 31, 2005

## **1. ORGANIZATION**

The Canadian Parks and Wilderness Society [“CPAWS”] is a registered charity dedicated to protecting Canada’s wilderness ecosystems in parks and protected areas. Regional activities are conducted by the following chapters [the “Regional Chapters”] of the Society: The Wildlands League, Saskatchewan, Manitoba, Ottawa Valley, Calgary/Banff, Edmonton, British Columbia, Montreal, Nova Scotia, New Brunswick, Newfoundland, the Yukon and the Northwest Territories. In addition, the Society’s general membership includes the Maritimes, the Northwest Territories, the United Kingdom and foreign countries. Regional Chapters operate as separate legal and financial entities. As a result, the CPAWS financial statements reflect only the financial operations of the National Office.

The Society, which is incorporated without share capital under the laws of Canada, is a registered Canadian charity, and as such, is exempt from income taxes under the Income Tax Act (Canada).

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

### **Use of accounting estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period presented. Actual results could differ from these estimates.

### **Cash, cash equivalents and short-term investments**

Cash and cash equivalents consist of cash accounts and investments having a maturity of less than 90 days.

Short-term investments are recorded at cost, which approximates market value.

### **Restricted cash and investments**

Restricted cash and investments are externally restricted funds, which are received and held until related program expenses are incurred.

## **Canadian Parks and Wilderness Society**

### **NOTES TO FINANCIAL STATEMENTS**

March 31, 2005

#### **Net assets**

Unrestricted net assets represent the organization's net assets that may be used by CPAWS for any purpose it deems appropriate. Investment in capital assets is comprised of the amount of capital assets purchased with unrestricted funds.

#### **Capital assets**

Capital assets consist of computer equipment and software and are recorded at cost or at estimated fair market value, if donated, less accumulated amortization. Amortization is provided on a declining balance basis at a rate of 30%. In the year of acquisition, assets are amortized at one-half the annual rate.

#### **Revenue recognition**

CPAWS follows the deferral method of accounting for donations. Unrestricted donations and membership donations are recognized as revenue when received.

Restricted grants are received by the National office and are recorded using the deferral method of accounting. Other externally restricted donations are deferred and recognized as revenue over the period in which the program related expenses are incurred.

#### **Contributed materials and services**

The Society, in common with many non-profit organizations, makes extensive use of volunteers and donated materials in conducting its activities. Donated materials are recorded at their market value with a corresponding donation revenue. No attempt has been made to quantify the value of volunteer services in these financial statements.

#### **Financial instruments**

The Society's financial instruments consist of cash and cash equivalents, restricted cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, deferred contributions, transfers payable to Regional Chapters and due to Yukon Chapter. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments and that their fair value approximates carrying value.

## **Canadian Parks and Wilderness Society**

### **NOTES TO FINANCIAL STATEMENTS**

March 31, 2005

#### **3. RELATED PARTY TRANSACTIONS**

CPAWS National Office provides support to the Regional Chapters. A portion of the revenues received through membership renewal donations is transferred to Regional Chapters based on the member's place of residence, unless otherwise specified by the donor. CPAWS National's policy is to deliver many of its conservation programs through its Regional Chapters. Revenue received by CPAWS National is transferred to Regional Chapters for these purposes. Donations received by the National office, on behalf of the Regional Chapters, are subsequently transferred to the local chapter offices. CPAWS National office maintains a cost recovery program in an attempt to recover a portion of its administration and management costs incurred during the processing of grants and donations. During fiscal 2005, costs of \$103,765 [2004 - \$86,059] were recovered through this program.

During the year, other revenues received from the Regional Chapters amounted to \$99,017 [2004 - \$79,350], while distributions to Regional Chapters amounted to \$416,853 [2004 - \$819,505].

At year-end, there was a net amount owing to the Regional Chapters in the amount of \$73,558 [2004 - \$54,568]. Included in accounts payable and accrued liabilities at year-end is \$145,311 [2004 - \$308,224] in donations owing to the Regional Chapters received by the National Office on their behalf. In fiscal 2005, no amount was owed or receivable from the Foundation for Canadian Parks and Wilderness Society [2004 - \$nil]. All balances are receivable/payable on demand and do not bear interest. All transactions are recorded at the exchange amount agreed to by all parties.

#### **4. CREDIT FACILITY**

The Society has an operating line of credit of \$50,000, [2004 - \$50,000] bearing interest at the bank's prime rate and repayable of demand. At March 31, 2005, no amounts were drawn against the line [2004 - \$nil]. The Society's short-term investments have been pledged against this credit facility.

Canadian Parks and Wilderness Society

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

5. CAPITAL ASSETS

Capital assets consist of the following:

	March 31, 2005			March 31, 2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Computer equipment	131,544	122,043	9,501	131,544	117,971	13,573
Computer software	16,248	2,437	13,811	—	—	—
	<b>147,792</b>	<b>124,480</b>	<b>23,312</b>	131,544	117,971	13,573

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted donations received by the Society relating to activities of the subsequent period or specific projects which extend beyond the current fiscal period. The changes in the deferred contributions balance are as follows:

	2005	2004
	\$	\$
<b>Balance, beginning of year</b>	<b>289,512</b>	422,133
Donations received during the year	<b>535,870</b>	932,204
Amount recognized as revenue in the year	<b>(438,679)</b>	(1,064,825)
<b>Balance, end of year</b>	<b>386,703</b>	289,512

7. COMMITMENTS

Future annual minimum lease payments for office equipment and premises are as follows:

	\$
2006	47,936
2007	12,791

**Canadian Parks and Wilderness Society**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2005

**8. CONTRIBUTED MATERIALS AND SERVICES**

During the year donated materials of \$54,109, [2004 - \$30,268] were recorded as an expenditure at their market value with corresponding donation revenue. Donated materials consisted primarily of photographic images.

**9. STATEMENT OF CASH FLOWS**

A separate statement of cash flows has not been presented, as the information it would contain is readily ascertainable from the other financial statements.