



**Financial Statements**  
For the year ended March 31, 2008

**Canadian Parks and  
Wilderness Society**  
**Financial Statements**  
For the year ended March 31, 2008

**Contents**

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## Auditors' Report

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

We have audited the statement of financial position of Canadian Parks and Wilderness Society as at March 31, 2008 and the statements of operations and changes in net assets (deficiencies) 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 paragraphs, 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 charitable organizations, the Society derives revenue from sources the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenue, revenue disbursements, excess of revenue over expenses, assets, transfers payable and net assets (deficiencies).

In addition certain Society revenue may be sourced from the Society's chapters. Under the terms of our engagement we have not performed audit procedures on the accounting records of the chapters nor were we required to satisfy ourselves concerning those revenues by alternative means. Therefore we were not able to obtain sufficient and appropriate audit evidence with respect to the completeness of the Society's revenue. Accordingly, our verification of revenue was limited to the amounts recorded in the Society's records and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets (deficiencies). Furthermore, because we have not performed audit procedures on the accounting records of the chapters nor were we able to satisfy ourselves concerning their financial activities including their financial position, results of operations and cash flows by alternative means, we were not able to determine the impact of the departure from Canadian generally accepted accounting principles with respect to the required disclosure of the Society's chapters as described in the following paragraph.

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## Auditors' Report (continued)

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*(Continued from previous page)*

The summary of significant accounting policies accompanying the financial statements describe the Society's accounting and presentation policy with respect to the Society's chapters. The policy entitled "Basis of Presentation" indicates a departure from Canadian generally accepted accounting principles, the impact of which has not been determined nor is it readily available to the Society's management, nor were we able to determine the impact of the departure as explained in the preceding paragraph.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue and the disclosure of chapter financial activities as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2008 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, in our opinion, these principles have been applied, except for the changes in accounting policies and standards for financial instruments as explained in the summary of significant accounting policies accompanying the financial statements, on a basis consistent with that of the preceding year.

The comparative amounts presented in these financial statements as at March 31, 2007 and for the year then ended are based on the financial statements reported on by the Society's previous auditors whose report dated October 31, 2007 stated that the Society derived revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, they were unable to determine whether any adjustments might be necessary to donations, the statement of operations and changes in net assets for the year and unrestricted net assets.

*Collins Barrow Ottawa LLP*

Chartered Accountants, Licensed Public Accountants

July 22, 2008

## Canadian Parks and Wilderness Society Statement of Financial Position

March 31 2008 2007

### Assets

#### Current

Cash and cash equivalents (Note 1)	\$ 918,154		\$ 479,745
Accounts receivable (Note 2)	209,616		81,202
Prepaid supplies, expenses and deposits	14,711		15,268
	1,142,481		576,215

Long-term receivable - regional chapters (Note 3) - 12,136

Capital assets (Note 4) 187,654 200,005

**\$ 1,330,135 \$ 788,356**

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$ 118,639		\$ 129,939
Deferred contributions (Note 5)	451,803		69,309
Transfers payable to regional chapters (Note 3)	335,099		236,789
Transfers payable to the Foundation (Note 6)	-		67,636
	905,541		503,673

Loan from the Foundation (Note 6) 78,278 92,112

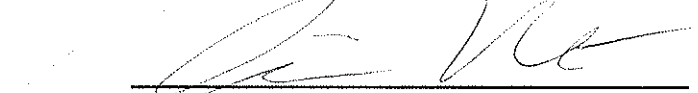
**983,819 595,785**

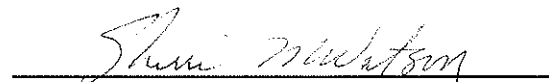
#### Net assets (deficiencies)

Invested in capital assets	187,654		200,005
Reserve fund	96,674		-
Unrestricted net assets (deficiency)	61,988		(7,434)
	346,316		192,571

**\$ 1,330,135 \$ 788,356**

On behalf of the Board:

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

## Canadian Parks and Wilderness Society Statement of Changes in Net Assets (Deficiencies)

For the year ended March 31				2008	2007
	Invested in Capital Assets	Reserve Fund	Unrestricted (Deficiency)	Total	Total
Balance, beginning of year	\$ 200,005	\$ -	\$ (7,434)	\$ 192,571	\$ 138,552
Excess (deficiency) of revenue over expenses for the year	(19,545)	-	173,290	153,745	54,019
Investment in capital assets	7,194	-	(7,194)	-	-
Internal transfer	-	96,674	(96,674)	-	-
<b>Balance, end of year</b>	<b>\$ 187,654</b>	<b>\$ 96,674</b>	<b>\$ 61,988</b>	<b>\$ 346,316</b>	<b>\$ 192,571</b>

## Canadian Parks and Wilderness Society Statement of Operations

<b>For the year ended March 31</b>	<b>2008</b>	<b>2007</b>
<b>Revenue</b>		
Designated revenue (Note 3)	\$ 1,256,484	\$ 1,478,741
Individual donations	962,773	947,161
Bequests	292,023	240,669
Foundation and corporate donations	652,472	558,848
Other revenue	46,898	102,332
	<u>3,210,650</u>	<u>3,327,751</u>
<b>Expenses</b>		
Revenue disbursements (Note 3)	1,660,282	1,702,854
Development and membership	517,202	461,049
Conservation programs	361,576	549,544
Communication and public education	240,376	278,908
General and administrative	257,924	267,697
Amortization	19,545	13,680
	<u>3,056,905</u>	<u>3,273,732</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 153,745</b>	<b>\$ 54,019</b>

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## Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2008

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

The Canadian Parks and Wilderness Society is incorporated without share capital under the Canada Corporations Act. The Society is a registered charity, is not subject to income taxes, may issue tax receipts to donors and is dedicated to protecting Canada's wild ecosystems in parks, wilderness and similar natural areas. The Society also promotes awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience. Regional activities are conducted by the following chapters (the "Regional Chapters") of the Society through agency agreements where applicable: The Wildlands League, Saskatchewan, Manitoba, Ottawa Valley, Calgary/Banff, Northern Alberta, British Columbia, Quebec, Nova Scotia, New Brunswick, Newfoundland, the Yukon and the Northwest Territories.

### **Basis of Presentation**

These financial statements represent the financial position and results of operations of the Society only. They do not include the financial position, results of operations and cash flows of the unincorporated chapters that are controlled by the Society or incorporated chapters that act as agents for the Society. Under the Society's bylaws, the Society's Board of Trustees may from time to time establish chapters to promote and carry out the objects of the Society and may revoke a chapter's status and cause a dissolution of any unincorporated chapter. The incorporated chapters are not controlled by the Society however the Society does have significant influence over these chapters. Unincorporated chapters are controlled by the Society.

Upon termination of an unincorporated chapter's existence or of an incorporated chapter's status as a chapter of the Society, all usage of the chapter name and Society trade-marks immediately cease. The chapter shall return all materials which have been provided by the Society to the chapter and shall destroy all letterhead and other similar material on which the name of the Society appears. The chapter shall immediately comply with all financial and other directives provided by the Society, including provision of all financial information regarding the affairs of the chapter.

Under Canadian generally accepted accounting principles (GAAP), controlled not-for-profit organizations should be reported by consolidating the controlled organizations or by providing disclosure of the controlled organizations. This disclosure would include the total assets, liabilities and net assets as well as the revenues, expenses and cash flows of the controlled organizations. Disclosure is also required of any restrictions on the controlled organizations' resources as well as any significant differences in the accounting policies followed by the controlled organizations. A group of controlled organizations may be excluded from consolidation or the alternative disclosure set out above if the group of organizations excluded are a large number of organizations that are individually immaterial.



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## Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2008

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**Basis of Presentation**  
(continued)

The unincorporated chapters have not been consolidated, which is an acceptable accounting policy under GAAP, however, the alternative disclosures have not been provided and since it is unlikely that all the chapters are individually immaterial, these financial statements lack the required disclosure under GAAP. At the present time, the required information to comply with the GAAP disclosure requirements is not readily available to the Society.

The controlled foundation, Foundation for Canadian Parks and Wilderness (the "Foundation"), is not consolidated in these financial statements. Alternative disclosures have been provided. 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.

**Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

**Changes in Accounting Policies and Standards**

Effective April 1, 2007, the Society adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, Financial Instruments – Recognition and Measurement. The new accounting standards for financial instruments require that all financial assets and liabilities be classified according to their characteristics, management's intention, or the choice of category in certain circumstances. All 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, all financial assets and liabilities are recorded at fair value on the statement of financial position. In subsequent periods, financial instruments will be valued at fair value, except for items that are classified in the following categories, which will be measured at amortized cost. These categories are loans and receivables, investments held-to-maturity and financial liabilities not held for trading purposes. Previously the fair value of the Society's financial assets and financial liabilities approximated their carrying value. This change in accounting policy did not have an impact on the Society's financial statements, so the required retrospective application of this change in accounting policy was not necessary.

Effective January 1, 2007, the Society also adopted the CICA Handbook Section 3861, Financial Instruments - Disclosures and Presentation, which establishes standards for presentation and disclosure of financial instruments.

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# Canadian Parks and Wilderness Society

## Summary of Significant Accounting Policies

March 31, 2008

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**Financial Instruments** The Society's financial instruments consist of cash and cash equivalents, accounts receivable, long-term receivables, accounts payable and accrued liabilities, a loan from its Foundation and transfers payable to related parties. 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.

Cash, accounts receivable, accounts payable and accrued liabilities, and transfers payable to related parties are valued at cost which approximates fair value at the year-end due to their short-term maturities and/or if they are interest bearing, due to their bearing of a variable rate of interest.

**Revenue Recognition** The Society 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. 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 internally restricted interest and investment revenue is recognized as revenue when it is earned. Externally restricted interest and investment revenue, if any, is recognized as revenue in the year in which the related expenses are incurred.

**Contributed Materials and Services** Volunteers contribute an indeterminable number of hours per year to the Society. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated materials are recorded as donations revenue at their fair value at the time the material is donated if these materials are used in the normal course of operations, would otherwise be purchased by the Society and their fair value can be reasonably estimated.

**Financial Risk Management** The Society is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

**Cash and Cash Equivalents** Cash and cash equivalents consists of cash on hand and bank balances.

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## Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2008

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### Capital Assets

Capital assets are recorded at cost; and in the case of donated capital assets, at fair value on the date of contribution, when it can be reasonably determined. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value. In the year of acquisition, assets are amortized at one half the annual rate.

Amortization is provided on a declining balance using the following annual rates:

Building	4%
Computer equipment and software	30%

### Net Assets

Unrestricted net assets represents the Society's net assets that may be used by the Society for any purpose it deems appropriate. Invested in capital assets is comprised of the amount of capital assets purchased with unrestricted funds. The reserve fund was established in 2008 by the Board of Trustees. The reserve is only to be used at the discretion of the board for items that they deem necessary. The intent is to have funds available to fund charitable operations in times of financial difficulty. The reserve is to be funded through a portion of unrestricted bequest revenue and operational surpluses.

### 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.

### Future Changes in Accounting Standards

The CICA has reissued CICA Handbook Section 3861 as Sections 3862 and 3863, Financial Instruments - Disclosure of Financial Instruments - Presentation, respectively, which establish standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. In addition the CICA has issued Section 1535, Capital Disclosures which establishes standards for the disclosure of information related to an entity's objectives, policies and processes for managing capital. These sections must be adopted for the Society's March 31, 2009 fiscal year. The effect of adopting these sections has not yet been determined.

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## Canadian Parks and Wilderness Society Notes to Financial Statements

**March 31, 2008**

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**1. Cash**

The Society's bank account is held at one chartered bank. The operating bank account earns interest at a nominal rate.

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**2. Accounts Receivable**

The accounts receivable consists of the following:

	<u>2008</u>	<u>2007</u>
Regional chapters receivables	\$ 7,628	\$ 9,036
Foundation receivable (Note 6)	187,711	-
Other receivables	<u>14,277</u>	<u>72,166</u>
	<u>\$ 209,616</u>	<u>\$ 81,202</u>

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**3. Chapter Transactions**

In the prior year there was an amount of \$12,136 due from the Calgary/Banff chapter. This amount did not bear interest. The chapter made two payments of \$3,034 each during the current year and has filed reports for the utilization of the remainder of the funds. This amount was expensed in the current year as part of the revenue disbursements.

The Society's policy is to deliver many of its conservation programs through its regional chapters. Grants and donations received are contracted to the chapters under agency agreements for these purposes. The Society maintains a cost recovery program to recover a portion of its administration cost incurred during the processing of grants and donations.

The policy of the Society is to make quarterly transfers to the chapters for unrestricted donations received for charitable work. As at March 31, 2008 there was an amount of \$198,815 (2007 - \$135,118) to be transferred to the chapters for these donations. In addition there were designated donations for charitable programs to be carried out by the chapters that were received by the Society and not yet transferred to the designated chapters in the amount of \$42,370 (2007 - \$101,671). All the above amounts to be transferred do not bear interest.

During the 2007/2008 fiscal year the Society supported bookkeeping services to three chapters and as of the year-end only two chapters were receiving these services. Subsequent to March 31, 2008 the Society no longer provided support for these services. Therefore, included in the 2008 transfers to the chapters is \$65,466 to pay out the balances of the bank accounts to these two chapters. In addition to this there is an amount of \$28,448 (2007 - \$ nil) that is payable to seven chapters for various sundry items. This amount does not bear interest.

## Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2008

### 3. Chapter Transactions (continued)

The building that is owned by the Society is used by one of the regional chapters in exchange for which all incremental costs related to the use of the building are paid by the chapter.

Designated revenue consists of donations, bequests and grants that are specifically designated for a program. These items are normally applied for by the chapter. The Society initially receives these amounts and then transfers the funds to the appropriate chapter.

Revenue disbursements presented on the Society's Statement of Operations represent the total amounts that were contracted to the chapters during the year under the Society's revenue sharing policy. This would include the designated revenue and a portion of other revenue in accordance with the Society's policies.

### 4. Capital Assets

	2008			2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	\$ 225,780	\$ 60,384	\$ 165,396	\$ 225,780	\$ 53,492	\$ 172,288
Computer equipment	25,940	8,419	17,521	150,290	129,340	20,950
Computer software	16,248	11,511	4,737	16,248	9,481	6,767
	<b>\$ 267,968</b>	<b>\$ 80,314</b>	<b>\$ 187,654</b>	<b>\$ 392,318</b>	<b>\$ 192,313</b>	<b>\$ 200,005</b>

The 2007 capital asset balances presented above have been restated from those presented in the Society's 2007 financial statements to correct the amounts previously presented as leasehold improvements that should have been presented as computer equipment. The Society does not have any leasehold improvements. The amounts previously presented as computer software and equipment were comprised of software only and did not include any equipment. These amounts are now presented as computer software. These changes were presentation changes only and had no impact on the Society's 2007 results of operations.

During the year computer equipment was disposed of for no compensation. This equipment had an original cost of \$131,543 and accumulated amortization of \$128,561 at the time of disposal. This resulted in a loss of \$2,982 which is included in amortization expense for the year.

## Canadian Parks and Wilderness Society Notes to Financial Statements

**March 31, 2008**

### 5. Deferred Contributions

Deferred contributions represents the unspent externally restricted grants and donations received by the Society. The externally restricted grants and donations received are not recorded as revenue in the statement of operations until expended on the specific project for which the funds were received. The deferred contributions at year-end are for the following projects:

	2008	2007
Big Wild	\$ 166,430	\$ -
Boreal Campaign	200,403	51,720
Oceans	12,869	16,589
Other	1,000	1,000
Yellowstone to Yukon	71,101	-
	\$ 451,803	\$ 69,309

### 6. The Foundation for Canadian Parks and Wilderness

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, it is exempt from income taxes and may issue tax receipts for donations. The Foundation manages an endowment fund, which was established to support the Society

The Foundation has not been consolidated in the Society's financial statements. Financial statements of the Foundation are available on request. A summary of the Foundation's assets, liabilities, fund balances, revenues and expenses for the year ended March 31 is as follows:

	2008	2007
<b>Financial Position</b>		
<b>Assets</b>		
Cash, temporary investments and accounts receivable	\$ 87,210	\$ 126,205
Investment restricted for the Boreal Campaign	171,320	170,548
Investment restricted for endowment purposes	26,402	26,402
Loan receivable	78,278	92,112
	\$ 363,210	\$ 415,267
<b>Total Assets</b>		

## Canadian Parks and Wilderness Society Notes to Financial Statements

**March 31, 2008**

6. **The Foundation for Canadian Parks and Wilderness** (continued)

	<b>2008</b>	<b>2007</b>
Liabilities	<b>\$ 198,667</b>	<b>\$ 237,577</b>
Net Assets		
Unrestricted	138,141	151,288
Endowment	26,402	26,402
	<b>164,543</b>	177,690
Liabilities and Net Assets	<b>\$ 363,210</b>	<b>\$ 415,267</b>
<b>Results of Operations</b>		
Revenue	<b>\$ 13,493</b>	<b>\$ 42,556</b>
Expenses		
Donations	22,794	6,010
Other	3,846	3,030
Total Expenses	<b>26,640</b>	9,040
Excess (deficiency) of revenue over expenses for the year	<b>\$ (13,147)</b>	<b>\$ 33,516</b>

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 by the Foundation at cost.

Included in the assets of the Foundation in 2007 is \$67,636 due from the Society for revenue disbursements transfers payable. There are no amounts owed to the Foundation from the Society as at March 31, 2008.

Included in the liabilities of the Foundation in 2008 is \$187,711 (see Note 2) payable to the Society. There are no specific repayment terms or conditions and bears interest at the rate earned by the Foundation on these funds. On the Society's statement of financial position this amount is included in accounts receivable and the Boreal campaign deferred contributions.

On the Society's statement of financial position, the loan from the Foundation (included in the Foundation's assets above) is a loan that was issued in September 2006 and was originally to mature within one year. The Society's board amended the loan agreement in 2007 to mature in 2010, and later amended the agreement in 2008 to have no fixed terms of repayment. The loan bears interest at 5% per annum.

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## Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2008

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6. **The Foundation for Canadian Parks and Wilderness** (continued)

	2008	2007
Principal balance, at beginning of year	\$ 92,112	\$ 100,000
Less: Principal repayments	(13,834)	(7,888)
Net loan receivable	\$ 78,278	\$ 92,112

The Foundation's financial instruments consist of cash, temporary investments, accounts receivable, investments restricted for the Boreal Campaign, investments restricted for endowment purposes, the related party loan receivable, and accounts payable and accrued liabilities.

Cash, accounts receivable, the loan receivable and accounts payable and accrued liabilities, are carried at cost which approximates fair value at the year-end due to their short-term maturities and/or if they are interest bearing, due to their bearing of a variable rate of interest.

Investments and investments restricted for endowment purposes are classified as held-for-trading and are recorded at fair value based on quoted market prices.

Investments restricted for the Boreal Campaign are classified as held-to-maturity and are recorded at amortized cost based on the effective interest rate method since the Foundation has the intent and ability to hold the investments to maturity.

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7. **Contributed Materials**

During the year contributed materials of \$ nil (2007 - \$18,233) were recorded as donation revenue at its fair value with a corresponding expense. The contributed materials primarily consisted of donated photographic images.

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8. **Commitments**

Under the terms of the operating leases for premises, equipment and service support agreements, with various expiry dates, the approximate minimum payments the Society is committed to make over the next four years is as follows:

2009	\$ 54,000
2010	53,000
2011	52,000
2012	8,000
	\$ 167,000



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## Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2008

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### 9. Comparative Amounts

In certain instances, 2007 amounts presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

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