



Financial Statements

For the year ended March 31, 2009

**Canadian Parks and
Wilderness Society
Financial Statements
For the year ended March 31, 2009**

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Auditors' Report

To the Members of Canadian Parks and Wilderness Society

We have audited the statement of financial position of Canadian Parks and Wilderness Society (the "Society") as at March 31, 2009 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 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 and its Foundation derive revenue from sources the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the Society and its Foundation and we were not able to determine whether: any adjustments might be necessary to the Society's revenue, revenue disbursements, excess of revenue over expenses, assets, transfers payable and net assets; and the Foundation's revenue, deficiency of revenue over expenses, assets and net assets disclosed in note 6 to the financial statements.

For the year ended March 31, 2009, the Society adopted an acceptable alternative accounting policy with respect to its controlled unincorporated chapters. As permitted under Canadian generally accepted accounting principles, these unincorporated chapters are not consolidated but rather as an alternative, the required financial information has been disclosed in note 5 to the financial statements. Comparative financial information as at March 31, 2008 and for the year then ended has not been disclosed since it is not reliably determinable by the Society's management. In addition, the terms of our engagement as auditors' of the Society did not require us to perform audit procedures on this financial information as at March 31, 2008 and for the year then ended. Since the balances at March 31, 2008 enter into the results of operations for the year ended March 31, 2009, we were unable to determine whether adjustments to the unincorporated chapters' grants, donations and other revenue, expenses and deficiency of revenue over expenses for the year ended March 31, 2009 might be necessary. Further, like the Society, the unincorporated chapters derive revenue from sources

(Continued on next page)

Auditors' Report

(Continued from previous page)

the completeness of is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the unincorporated chapters and we were not able to determine whether any adjustments might be necessary to the unincorporated chapters' revenue, deficiency of revenue over expenses, assets and net assets. There was no limitation in our audit scope with respect to the March 31, 2009 financial position of the unincorporated chapters except for the impact on assets and net assets with respect to the completeness of revenue as just described.

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, 2009 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 change in accounting policy for the Society's controlled unincorporated chapters as explained in the above paragraph, in the summary of significant accounting policies accompanying the financial statements and note 5 to 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, 2008 and for the year then ended were reported on by us. Our opinion dated July 22, 2008 was with reservation with respect to a limitation in scope which is the same limitation stated above with respect to the 2009 fiscal year. The second reservation was with respect to a departure from Canadian generally accepted accounting principles since the Society did not consolidate nor provide the alternative financial disclosure regarding its controlled unincorporated chapters, the impact of which was not determined nor was the financial information reliably determinable by the Society's management. As stated above with respect to the 2009 fiscal year, the Society has obtained and disclosed this alternative financial information.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

June 1, 2009, except as to Note 5 to the financial statements which is as at August 7, 2009

Canadian Parks and Wilderness Society Statement of Financial Position

March 31 **2009** **2008**

Assets

Current

Cash and cash equivalents (Note 1)	\$	941,695	\$	918,154
Accounts receivable (Note 2)		80,771		209,616
Prepaid supplies, expenses and deposits		15,197		14,711
		1,037,663		1,142,481

Capital assets (Note 3)

		297,918		187,654
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	\$	1,335,581	\$	1,330,135
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	124,907	\$	118,639
Deferred contributions (Note 4)		449,533		451,803
Transfers payable to regional chapters (Note 5)		170,396		335,099
		744,836		905,541

Loan from the Foundation (Note 6)

		-		78,278
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Deferred contributions related to capital assets (Note 7)

		112,250		-
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		857,086		983,819
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Commitments (Note 8)

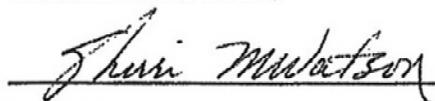
Net assets (Note 9)

Invested in capital assets (Note 10)		185,668		187,654
Reserve fund		200,000		96,674
Unrestricted net assets		92,827		61,988

		478,495		346,316
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	\$	1,335,581	\$	1,330,135
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On behalf of the Board:


Trustee


Trustee

Canadian Parks and Wilderness Society Statement of Changes in Net Assets

For the year ended March 31				2009	2008
	Invested in Capital Assets	Reserve Fund	Unrestricted	Total	Total
Balance, beginning of year	\$ 187,654	\$ 96,674	\$ 61,988	\$ 346,316	\$ 192,571
Excess (deficiency) of revenue over expenses for the year	(15,288)	-	147,467	132,179	153,745
Contributions for the acquisition of capital assets (Note 7)	(224,499)	-	224,499	-	-
Acquisition of capital assets	237,801	-	(237,801)	-	-
Internal transfer	-	103,326	(103,326)	-	-
Balance, end of year	\$ 185,668	\$ 200,000	\$ 92,827	\$ 478,495	\$ 346,316

Canadian Parks and Wilderness Society Statement of Operations

For the year ended March 31	2009	2008
Revenue		
Designated revenue (Note 5)	\$ 1,635,747	\$ 1,256,484
Individual donations	936,612	962,773
Bequests	203,000	292,023
Foundation and corporate grants and donations (Note 6)	1,126,773	652,472
Other revenue	23,381	46,898
Amortization of deferred contributions related to capital assets (Note 7)	112,249	-
	<u>4,037,762</u>	<u>3,210,650</u>
Expenses		
Revenue disbursements (Note 5)	2,086,046	1,660,282
Development and membership	384,070	517,202
Conservation programs	519,483	361,576
Communication and public education	462,331	240,376
General and administrative	326,116	257,924
Amortization of capital assets	127,537	19,545
	<u>3,905,583</u>	<u>3,056,905</u>
Excess of revenue over expenses for the year	\$ 132,179	\$ 153,745

Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2009

Nature and Purpose of the Organization

The Canadian Parks and Wilderness Society 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 Society is a registered charity and as such, it is exempt from income taxes, and may issue tax receipts for donations. The Society 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, Southern Alberta, 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.

Upon cessation of an unincorporated chapter's operations 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 either consolidating the controlled organizations or by providing disclosure of the controlled organizations. The Society's unincorporated chapters have not been consolidated in these financial statements, which is an acceptable accounting policy under GAAP since alternative financial disclosures have been provided in note 5 to these financial statements.

Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2009

Basis of Presentation
(continued)

The Society exercises control over the Foundation for Canadian Parks and Wilderness (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 controlled foundation is not consolidated in these financial statements, which is an acceptable accounting policy under GAAP since alternative disclosures have been provided in note 6 to these financial statements.

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.

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, or as a component of deferred contributions if the change in fair value of a held-for-trading financial asset is restricted. 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 if there is a decline in value that is considered other than temporary in which case the loss 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, investments held-to-maturity and other liabilities.

The Society's financial instruments as at March 31, 2009 consist of cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and transfers payable to regional chapters. 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.

Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2009

Financial Instruments (continued)	As at March 31, 2009 cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and transfers payable to regional chapters are valued at amortized 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.
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.
Revenue Recognition	<p>The Society follows the deferral method of accounting for contributions which consist of designated revenue; individual donations; bequests; and foundation and corporate grants and donations. 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.</p> <p>Unrestricted and internally restricted interest and investment revenue is included in other revenue and is being recognized as revenue when it is earned. Externally restricted interest and investment revenue, if any, is recognized as revenue and included in other revenue in the year in which the related expenses are incurred.</p>
Contributed Materials and Services	<p>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.</p> <p>Donated materials are recorded as donations revenue at their fair value at the time the materials are 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.</p>
Cash and Cash Equivalents	Cash and cash equivalents consists of cash on hand and bank balances.
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. The amortization of capital assets commences when the assets are put in service. 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.

Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2009

Capital Assets (continued)

The following capital assets are amortized to operations over their expected useful lives on a declining balance at the following annual rates:

Building	4%
Computer equipment and software	30%

Website development costs consist of website application and development stage costs and graphics development costs. Costs capitalized consist of third party costs only. Internal costs including overheads have not been capitalized and are charged to operations as incurred since it is management's opinion that these costs are not necessarily incremental in nature to the organization and in many respects would not be practicable to determine. Website development costs are amortized to operations on a straight-line basis over their expected useful life of two years.

Contributions related to capital assets are amortized to operations and included as revenue on the same basis as the respective capital asset.

Net Assets

Net assets invested in capital assets is comprised of the amount of capital assets acquired with unrestricted funds as explained in note 10 to these financial statements.

The reserve fund was established in 2008 by the Board of Trustees. The reserve fund is only to be used at the discretion of the Board and the Society's Foundation 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 transfers from unrestricted net assets that are sourced from a portion of unrestricted bequest revenue and operational surpluses.

Unrestricted net assets represents the Society's net assets that may be used by the Society for any purpose it deems appropriate.

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 revised certain Canadian generally accepted accounting principles for not-for-profit organizations as set out in CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions relate to presentation and disclosure standards and hence will have no impact on the organization's net financial position or its results of operations. In addition, the CICA has issued a new standard, CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations.

Canadian Parks and Wilderness Society Summary of Significant Accounting Policies

March 31, 2009

Future Changes in Accounting Standards (continued)

The changes may impact the following:

- presentation of the Society's statement of financial position and statement of changes in net assets whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets when the Society chooses to do so;
- presentation and recognition of revenues and expenses on a gross basis and not a net basis when the Society is acting as a principal in transactions; and
- new disclosure standards for organizations that choose to classify some or all of their expenses by function and allocate expenses to a number of functions to which the expenses relate.

The main features of these new disclosure standards are:

- a requirement for an organization that allocates its fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made; and
- a requirement for an organization to disclose the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

These sections are effective for fiscal periods commencing on or after January 1, 2009 which would be the Society's March 31, 2010 fiscal year, however earlier adoption is permitted. The effects on the Society's financial statement presentation and disclosure of adopting these changes has not yet been fully determined. These changes in disclosure and presentation standards, if any, will be required on a retrospective basis and comparative amounts may need to be reclassified to a similar basis where practicable.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

1. Cash and Cash Equivalents

The Society's bank accounts are held at one chartered bank and earn interest at a variable rate.

2. Accounts Receivable

The accounts receivable consists of the following:

	2009	2008
Receivables from regional chapters	\$ 12,648	\$ 7,628
Grants receivable	45,000	-
Receivable from Foundation (Note 6)	10,000	187,711
Other receivables	13,123	14,277
	\$ 80,771	\$ 209,616

3. Capital Assets

	2009			2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	\$ 225,780	\$ 66,999	\$ 158,781	\$ 225,780	\$ 60,384	\$ 165,396
Computer equipment	39,242	15,671	23,571	25,940	8,419	17,521
Computer software	16,248	12,932	3,316	16,248	11,511	4,737
Website development costs	224,499	112,249	112,250	-	-	-
	\$ 505,769	\$ 207,851	\$ 297,918	\$ 267,968	\$ 80,314	\$ 187,654

The website development costs all relate to the Big Wild program that the Society was operating during the 2009 fiscal year. Therefore, \$112,249 (2008 - \$nil) of the total amortization of \$127,537 (2008 - \$19,545) is related to program activities. The purchase of these assets were fully funded by specific contributions as described in note 7 to these financial statements.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

4. Deferred Contributions

Deferred contributions represent unspent externally restricted grants and donations received by the Society for National office programs. 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 future operating expenses of the following projects.

	2009	2008
Big Wild	\$ 129,448	\$ 166,430
Boreal Campaign	112,972	200,403
Integration Studies	15,000	-
Nova Scotia Protected Area	152,011	-
Oceans	10,000	12,869
Other	1,000	1,000
Yellowstone to Yukon	29,102	71,101
	\$ 449,533	\$ 451,803

5. Chapters

Unincorporated Chapters

As explained in the summary of significant accounting policies accompanying these financial statements, the Society controls its unincorporated chapters. These chapters have not been consolidated in the Society's financial statements. Commencing with the year ended March 31, 2009 the Society is presenting a summary of these chapters' assets, liabilities, net assets, revenues and expenses. These are set out below. Comparative amounts for the year ended March 31, 2008 are not presented since they are not reliably determinable by the Society.

Financial Position

Assets	
Cash	\$ 99,202
Transfers receivable from the Society	13,772
Other	29,772
Total Assets	\$ 142,746
Liabilities	\$ 19,215
Net Assets	123,531
Liabilities and Net Assets	\$ 142,746

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

5. **Chapters** (continued)

Unincorporated Chapters (continued)

Results of Operations

Revenue	
Transfers from the Society	\$ 371,166
Grants, donations and other	<u>119,023</u>
Total Revenue	490,189
Expenses	<u>622,735</u>
Deficiency of revenue over expenses for the year	(132,546)
Net assets, beginning of year	291,061
Transfer of net assets on incorporation of a chapter	<u>(34,984)</u>
Net assets, end of year	<u>\$ 123,531</u>

The unincorporated chapters most significant financial instrument consists of cash which is presented at its fair value. The unincorporated chapters are not exposed to significant interest, currency or credit risks arising from its financial instruments.

All Chapters

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.

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. These would include the designated revenue and a portion of other revenue in accordance with the Society's policies.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

5. **Chapters** (continued)

All Chapters (continued)

The policy of the Society is to make quarterly transfers to the chapters for unrestricted donations received for charitable work. As at March 31, 2009 there was an amount of \$142,599 (2008 - \$198,815) 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 \$27,797 (2008 - \$42,370). All the above amounts to be transferred do not bear interest.

During the 2008 fiscal year the Society supported bookkeeping services to three chapters and as of the March 31, 2008 year-end only two chapters were receiving these services. During the 2009 fiscal year 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 which was paid in the 2009 fiscal year. These amounts do not bear interest.

As at March 31, 2008 there were amounts payable to seven chapters for various sundry items which totalled \$28,448. As at March 31, 2009 no amounts were owing to chapters by the Society for sundry items.

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.

6. **Foundation for Canadian Parks and Wilderness**

The Foundation for Canadian Parks and Wilderness 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 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.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

6. Foundation for Canadian Parks and Wilderness (continued)

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, net assets, revenues and expenses for the years ended March 31, 2009 and 2008 is as follows:

	2009	2008
Financial Position		
Assets		
Cash, temporary investment and accounts receivable	\$ 135,308	\$ 87,210
Investment restricted for endowment purposes	26,402	26,402
Investments restricted for the Boreal Campaign	-	171,320
Loan receivable	-	78,278
Total Assets	\$ 161,710	\$ 363,210
Liabilities	\$ 16,303	\$ 198,667
Net Assets		
Endowment	26,402	26,402
Unrestricted	119,005	138,141
Total Net Assets	145,407	164,543
Liabilities and Net Assets	\$ 161,710	\$ 363,210
Results of Operations		
Revenue	\$ 6,545	\$ 13,493
Expenses		
Donations to the Society	13,509	22,794
Other	12,172	3,846
Total Expenses	25,681	26,640
Deficiency of revenue over expenses for the year	\$ (19,136)	\$ (13,147)

The Foundation's financial instruments as at March 31, 2009 and/or March 31, 2008 consisted of cash, a temporary investment, accounts receivable, an investment restricted for endowment purposes, the investments restricted for the Boreal Campaign, the related party loan receivable, and accounts payable and accrued liabilities.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

6. Foundation for Canadian Parks and Wilderness (continued)

As at March 31, 2009 and/or March 31, 2008, cash, accounts receivable, the loan receivable and accounts payable and accrued liabilities were carried at cost which approximated fair value at the year-end due to their short-term maturities and/or if they were interest bearing due to their bearing of a variable rate of interest.

The temporary investment and the investment restricted for endowment purposes were classified as held-for-trading and were recorded at fair value based on quoted market prices.

Investments restricted for the Boreal Campaign at March 31, 2008 were classified as held-to-maturity and were recorded at amortized cost based on the effective interest rate method since the Foundation had the intent and ability to hold the investments to maturity.

During the 2009 fiscal year, the Foundation transferred the balance of the restricted funds it had invested for the Boreal Campaign plus the balance of interest earned thereon to the Society which was included in the Foundation's 2008 fiscal year-end assets and liabilities in the amount of \$183,723. On the Society's Statement of Financial Position this amount was included in 2008 accounts receivable (see Note 2). This amount plus additional interest earned until the maturity of the investment in early April 2008 was the final amount transferred to the Society during the 2009 fiscal year.

On the Society's Statement of Financial Position, its liability being the loan from the Foundation (included in the Foundation's assets) is a loan that was issued in September 2006 to originally mature within one year. The loan agreement was amended in 2007 to mature in 2010, and was later amended in 2008 to have no fixed terms of repayment. The loan conditions included interest at 5% per annum. Both the loan and the interest thereon were repaid in full during the 2009 fiscal year. A continuity of the loan principal is as follows:

	2009	2008
Principal balance, beginning of year	\$ 78,278	\$ 92,112
Less: Principal repayments	(78,278)	(13,834)
Principal balance, end of year	\$ -	\$ 78,278

Also included in the liabilities of the Foundation in 2009 is \$10,000 (2008 - \$3,988) payable to the Society representing the balance of its fiscal year donation to the Society. There are no specific repayment terms or conditions and is interest free. On the Society's Statement of Financial Position this amount is included in 2009 accounts receivable (see Note 2).

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. These amounts have no specific repayment terms or conditions and are interest free.

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets is calculated as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ -	\$ -
Contributions received for the acquisition of capital assets	224,499	-
Amounts amortized to revenue during the year	(112,249)	-
Balance, end of year	\$ 112,250	\$ -

8. Commitments

As part of its normal operations, the Society has various commitments with various expiry dates related to the purchase of services and for the rental of equipment and its premises for its 2010 fiscal year and thereafter.

The most significant agreement is for the lease of its office space. The term of the agreement is from June 1, 2006 to May 31, 2011. The annual rent includes additional rent representing operating costs and GST. The estimate of total cost is approximately \$4,000 per month.

The estimated total commitments for the next five years for these noted items are approximately:

2010	\$ 59,000
2011	59,000
2012	18,000
2013	10,000
2014	<u>7,000</u>
	\$ 153,000

Canadian Parks and Wilderness Society Notes to Financial Statements

March 31, 2009

9. Capital Disclosures

The Society has adopted CICA Handbook Section 1535, Capital Disclosures, which establishes standards for the disclosure of information about an organization's capital and how it is managed. The Society's capital is defined as its net assets which total \$478,495 (2008 - \$346,316). Internal restrictions on the Society's capital consists of: its reserve fund in the amount of \$200,000 (2008 - \$96,674) as described in the net assets section of the summary of significant accounting policies accompanying these financial statements; and the amounts invested in its capital assets of \$185,668 (2008 - \$187,654) as described in the net assets section of the summary of significant accounting policies accompanying these financial statements and note 10 to these financial statements. Therefore after these restrictions, the Society's available capital consists of its unrestricted net assets in the amount of \$92,827 (2008 - \$61,988).

The Society 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. These objectives are stated in the nature and purpose of the organization section of the summary of significant accounting policies accompanying these financial statements. In addition, as a registered charity, the Society must meet its disbursement quota requirement under the Income Tax Act of Canada which sets out the required expenditures related to charitable activities.

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

In addition, as set out in the summary of significant accounting policies and notes 5 and 6 to these financial statements, the Society controls certain unincorporated chapters and the Foundation for the Canadian Parks and Wilderness, respectively, which have not been consolidated in these financial statements. As such, the net assets referred to in this note exclude the unincorporated chapters and the Foundation. Further, as set out in the note 4 to the financial statements, the Society has deferred contributions available to fund specific future program activities.

10. Net Assets Invested in Capital Assets

Net assets invested in capital assets is calculated as follows:

	<u>2009</u>	<u>2008</u>
Capital assets - net book value (Note 3)	\$ 297,918	\$ 187,654
Less: Deferred contributions related to capital assets (Note 7)	<u>(112,250)</u>	-
	<u>\$ 185,668</u>	<u>\$ 187,654</u>

**Canadian Parks and Wilderness Society
Notes to Financial Statements**

March 31, 2009

11. Comparative Amounts

In certain instances, 2008 amounts presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.
