

Financial Statements

Foundation for Canadian Parks and Wilderness

March 31, 2006



AUDITORS' REPORT

To the Directors of the
Foundation for Canadian Parks and Wilderness

We have audited the statement of financial position of the **Foundation for Canadian Parks and Wilderness [the "Foundation"]** as at March 31, 2006 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation 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 Foundation as at March 31, 2006 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 basis consistent with that of the preceding year.

Ottawa, Canada,
January 16, 2007.

Ernst + Young LLP

Chartered Accountants
Licensed Public Accountants

Foundation for Canadian Parks and Wilderness

STATEMENT OF FINANCIAL POSITION

As at March 31

	2006	2005
	\$	\$
		<i>[Restated – see note 3]</i>
ASSETS		
Current		
Cash	39,421	31,272
Investments	85,240	78,941
Total current assets	124,661	110,213
Investments restricted for the Boreal Campaign	333,333	—
Investments restricted for endowment purposes	26,402	26,402
Due from Canadian Parks and Wilderness Society <i>[note 5]</i>	64,304	—
	548,700	136,615
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	2,025	2,020
Total current liabilities	2,025	2,020
Deferred contributions <i>[note 6]</i>	402,500	11,613
	404,525	13,633
Net assets		
Unrestricted	117,773	96,580
Endowment	26,402	26,402
Total net assets	144,175	122,982
	548,700	136,615

See accompanying notes

On behalf of the Board:


Director


Director

Foundation for Canadian Parks and Wilderness

STATEMENT OF OPERATIONS

Year ended March 31

	2006	2005
	\$	\$
		<i>[Restated – see note 3]</i>
REVENUE		
Donations	6,750	16,554
Investment income	6,299	3,056
Grant income <i>[note 4]</i>	10,174	9,854
	23,223	29,464
EXPENDITURES		
Professional fees	2,000	2,000
Bank charges	30	20
	2,030	2,020
Excess of revenue over expenditures	21,193	27,444

See accompanying notes

Foundation for Canadian Parks and Wilderness

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	<u>2006</u>	<u>2006</u>	<u>Total</u>	<u>2005</u>
	Unrestricted	Endowment	\$	\$
	\$	\$	\$	\$
				<i>[Restated – see note 3]</i>
Balance, beginning of year				
As previously reported	100,196	26,402	126,598	98,984
Correction of prior years <i>[note 3]</i>	(3,616)	—	(3,616)	(3,446)
Balance, beginning of year, as restated	96,580	26,402	122,982	95,538
Excess of revenue over expenditures	21,193	—	21,193	27,444
Balance, end of year	117,773	26,402	144,175	122,982

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

1. ORGANIZATION

The Foundation for Canadian Parks and Wilderness [the "Foundation"] was incorporated without share capital under the laws of Canada on April 1, 1993 and was registered as a charitable foundation on May 11, 1993. The Foundation manages an endowment fund, which was established to support the Canadian Parks and Wilderness Society [the "Society"], a related party.

The Foundation is classified as a non-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Foundation in the preparation of these financial statements are as follows:

Grants and donations

The Foundation follows the deferral method of accounting for grants and donations. Unrestricted grants and donations are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the period in which they are received. Restricted contributions are deferred and recognized as revenue over the period in which the related expenses are incurred.

Investments

Investments, which consist of mutual funds, are recorded at market value.

Restricted investments Boreal Campaign

Investments restricted for the Boreal Campaign are available for spending only on costs related to that campaign.

Restricted investment endowments

Investments restricted for the purpose of endowments are to remain intact.

Investment income on endowments that is available for spending at the discretion of the Foundation or is available for spending as conditions have been met has been recorded in the statement of operations.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

Financial instruments

The Foundation's financial instruments consist of cash, investments, investments restricted for the Boreal campaign, investment restricted for endowment purposes, due from Canadian Parks and Wilderness Society, accounts payable and deferred contributions unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks from these financial instruments and that their fair value approximates carrying value.

3. RESTATEMENT OF PRIOR YEAR FIGURES

The Foundation receives grants from other entities as described in note 4. During the year, it was noted that the income for one entity has previously been recorded in the year it became available rather than the year it was granted. During fiscal 2006, this was adjusted to show revenues being recorded at the time the funds are granted. This correction of an error has been accounted for retroactively. For the year ended March 31, 2005, \$3,446 was recorded as an increase in the opening equity balance \$3,446 was recorded as a decrease of accounts receivables, \$170 was recorded as a reduction of revenues earned during the year, \$170 was recorded as an increase in deferred revenues.

4. INCOME BENEFICIARY

The Foundation receives income generated from funds that have been endowed to the Calgary Foundation and the Toronto Community Foundation.

The market values of these funds at March 31, 2006 were approximately \$141,812 and \$90,825, [2005 – \$134,565 and \$86,144] respectively. During the year ended March 31, 2006, \$10,174 [2005 – \$9,854] has been recorded as grant income.

5. RELATED PARTY TRANSACTIONS

The Society exercises significant influence over the Foundation for Canadian Parks and Wilderness by virtue of its ability to appoint some of the Foundation's Board of Directors.

The Society provides administrative services to the Foundation at no cost. As at March 31, 2006 an amount of \$64,304 is receivable from the Society. There are no fixed repayment terms.

Foundation for Canadian Parks and Wilderness

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted donations received 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:

	2006	2005
	\$	\$
Balance, beginning of year		<i>[Restated – see note 3]</i>
As previously reported	11,443	11,443
Correction of prior year <i>[note 3]</i>	170	170
Balance, beginning of year, as restated	11,613	11,613
Donations and grants received	392,637	—
Amounts recognized as revenue	(1,750)	—
Balance, end of year	402,500	11,613

7. 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.

8. SUBSEQUENT EVENT

As at September 6, 2006, the Foundation disbursed a loan of \$100,000 to the Canadian Parks and Wilderness Society. This loan will ensure that the Society has appropriate operating funds.

