

Foundation for Canadian Parks and Wilderness

Financial Statements For the years ended March 31, 2008 and 2007

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For the years ended March 31, 2008 and 2007

Contents

Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Changes in Net Assets	3
Statements of Operations	4
Summary of Significant Accounting Policies	5
Notes to Financial Statements	8

Auditors' Report

To the Member of Foundation for Canadian Parks and Wilderness

We have audited the statements of financial position of Foundation for Canadian Parks and Wilderness as at March 31, 2008 and 2007 and the statements of operations and changes in net assets (deficiencies) for the years 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 charitable organizations, the Foundation derives 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 and we were not able to determine whether any adjustments might be necessary to donations revenue, excess (deficiencies) of revenue over expenses, assets and net assets (deficiencies).

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 donations 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, 2008 and 2007 and the results of its operations and its cash flows for the years 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, 2006 and for the year then ended are based on financial statements reported on by the Foundation's previous auditors whose report dated January 16, 2007 expressed an opinion with reservation with respect to the completeness of donations revenue.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

July 22, 2008

Foundation for Canadian Parks and Wilderness Statement of Financial Position

March 31

	2008	2007	2006
Assets			
Cash (Note 1)	\$ 50,173	\$ 23,802	\$ 39,421
Temporary investments (Note 2)	37,037	34,767	85,240
Due from Canadian Parks and Wilderness Society - National Office (Note 3)	-	67,636	64,304
Loan receivable from Canadian Parks and Wilderness Society - National Office (Note 4)	78,278	92,112	-
Investments restricted for the Boreal Campaign (Note 5)	171,320	170,548	333,333
Investment restricted for endowment purposes (Note 2)	26,402	26,402	26,402
	\$ 363,210	\$ 415,267	\$ 548,700

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities (Note 5)	\$ 193,713	\$ 5,001	\$ 2,025
Deferred contributions (Note 6)	4,954	232,576	402,500
	198,667	237,577	404,525

Net Assets

Endowment	26,402	26,402	26,402
Unrestricted	138,141	151,288	117,773
	164,543	177,690	144,175
	\$ 363,210	\$ 415,267	\$ 548,700

On behalf of the Board:

_____ Director

_____ Director

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

For the years ended March 31

	2008			2007			2006
	Unrestricted	Endowment	Total	Unrestricted	Endowment	Total	Total
Balance, beginning of years	\$ 151,288	\$ 26,402	\$ 177,690	\$ 117,773	\$ 26,402	\$ 144,175	\$ 122,982
Excess (deficiency) of revenue over expenses for the year	(13,147)	-	(13,147)	33,515	-	33,515	21,193
Balance, end of years	\$ 138,141	\$ 26,402	\$ 164,543	\$ 151,288	\$ 26,402	\$ 177,690	\$ 144,175

Foundation for Canadian Parks and Wilderness Statement of Operations

For the years ended March 31

	2008	2007	2006
Revenue			
Donations	\$ 1,652	\$ 25,321	\$ 6,750
Investment	11,841	17,235	6,299
Grants	-	-	10,174
	13,493	42,556	23,223
Expenditures			
Bank fees	29	30	30
Donations to Canadian Parks and Wilderness Society - National Office	22,794	6,011	-
Professional fees	3,817	3,000	2,000
	26,640	9,041	2,030
Excess (deficiency) of revenue over expenditures for the years	\$ (13,147)	\$ 33,515	\$ 21,193

Foundation for Canadian Parks and Wilderness

Summary of Significant Accounting Policies

March 31, 2008

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, 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 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.

Changes in Accounting Policies and Standards

Effective April 1, 2006, the Foundation early 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 those financial instruments with long-term maturities and for which the Foundation has the intent and ability to hold these financial instruments to maturity which will be measured at amortized cost using the effective interest rate method.

Previously the Foundation's financial assets and financial liabilities were recorded at cost and gains and losses were recognized in operations when realized. Since the fair values of the Foundation's financial instruments approximate their carrying values due to either their short-term maturities or due to the amount of accrued interest included in long-term investments, this change in accounting policy did not have an impact on the Foundation's financial statements, so the required retrospective application of this change in accounting policy was not considered necessary.

Effective April 1, 2006, the Foundation also early adopted the CICA Handbook Section 3861, Financial Instruments - Disclosures and Presentation, which establishes standards for presentation and disclosure of financial instruments.

Foundation for Canadian Parks and Wilderness Summary of Significant Accounting Policies

March 31, 2008

Financial Instruments

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

Cash, amounts due from CPAWS, the loan receivable from CPAWS and accounts payable and accrued liabilities, 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.

Temporary 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. Investments are carried at amortized cost as the Foundation has the intent and ability to hold the investments to maturity.

Financial Risk Management

The Foundation manages its investment portfolio to earn investment income 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. 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 interest and 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 interest and investment revenue, if any, 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.

Foundation for Canadian Parks and Wilderness Summary of Significant Accounting Policies

March 31, 2008

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 Foundation's March 31, 2009 fiscal year. The effect of adopting these sections has not yet been determined.

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2008

1. Cash

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

2. Temporary Investments

Temporary investments consist of mutual funds in a Canadian Money Market Fund. This mutual fund includes \$26,402 for 2008, 2007 and 2006 which has been restricted for endowment purposes.

3. Due from Canadian Parks and Wilderness - National Office

Accounts receivable consist of amounts owed to the Foundation from the Society. These amounts consist of bequests and donations from the Society that are to be transferred to the Foundation. These amounts do not bear interest.

At March 31, 2006, this amount included the \$59,303 restricted LeRoux bequest. In 2008 it was determined that this amount was not going to be paid to the Foundation by the Society as the Foundation did not have appropriate means to fulfill the restriction. Consequently, the amount in accounts receivable and the corresponding amount in deferred contributions (see Note 6) for this bequest in 2007 and 2006 were reversed during the 2008 fiscal year.

4. Related Party Transactions

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.

In addition to the amounts due to and from the Society referred to in notes 3 and 5 there is also a loan receivable from the Society. The loan was issued in September 2006 and originally was to mature within one year. The 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.

Foundation for Canadian Parks and Wilderness Notes to Financial Statements

March 31, 2008

4. Related Party Transactions (continued)

	2008	2007	2006
Principal balance, beginning of year	\$ 92,112	\$ 100,000	\$ -
Less: Principal repayments	(13,834)	(7,888)	-
Net loan receivable	\$ 78,278	\$ 92,112	\$ -

Interest earned on the loan is included in investment income and was comprised of \$4,464 in fiscal 2008 and \$2,863 in fiscal 2007 (2006 - nil).

5. Investments Restricted for the Boreal Campaign

Investments restricted for the Boreal Campaign consist of a guaranteed investment certificate (GIC) held at a chartered bank. The GIC bears interest at 4.05% (2007 - 3.40%) and matures April 9, 2008 (2007 - matured January 10, 2008). These funds represent a portion of a restricted bequest to the Society that was given to the Foundation. Due to the nature of the restriction this investment is being given back to the Society along with all interest that was earned on the investment since it was received by the Foundation in 2006.

In 2007, the Foundation repaid half of the \$333,333 received from the Society along with a portion of the interest earned. The payment of \$172,677 was \$166,666 of principal and \$6,010 of interest. The interest was recorded as a donation to the Society and the interest revenue was not externally restricted. The balance of the principal, \$166,667, was deferred at March 31, 2007 (See Note 6).

In 2008, the remaining principal of \$166,667 plus the remaining interest earned of \$17,056 for a total of \$183,723 was recorded in accounts payable as at March 31, 2008. Again the interest was recorded as a donation to the Society. When the investment was redeemed subsequent to March 31, 2008 the \$183,723 was paid to the Society.

Investments restricted for the Boreal Campaign have been classified as held-to-maturity and consist of guaranteed investment certificates which are carried at their fair value, which equals their amortized cost, of \$171,320 (2007 - \$170,548), and have face values of \$169,775 (2007 - \$169,286) with a maturity of less than one month (2007 - 9 months). These investments have a stated and effective interest rate of 4.05% (2007 - 3.40%).

Foundation for Canadian Parks and Wilderness Notes to Financial Statements

March 31, 2008

6. Deferred Contributions

Deferred contributions represents unspent contributions which have been restricted externally by the donor. These funds will be recognized as revenue in the year in which the Foundation meets the restriction.

	2008	2007	2006
Benson bequest (Note 4)	\$ -	\$ 166,667	\$ 333,333
LeRoux bequest (Note 3)	-	59,303	59,303
Bishop stock funds	4,954	6,606	9,864
	\$ 4,954	\$ 232,576	\$ 402,500

In 2007 and 2008, the deferred contribution for the Benson bequest (Boreal Campaign) was reduced since the Foundation has returned or will return the funds to the Society for use in their Boreal campaign as explained in (Note 5).

In 2008, the deferred revenue for the LeRoux bequest was reversed as explained in Note 3.

7. Comparative Amounts

In certain instances, 2006 amounts presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the 2008 and 2007 years.
