

Foundation for Canadian Parks and Wilderness

Financial Statements

For the year ended March 31, 2010

Foundation for Canadian Parks and Wilderness

Financial Statements

For the year ended March 31, 2010

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Auditors' Report

To the Member of Foundation for Canadian Parks and Wilderness

We have audited the statement of financial position of Foundation for Canadian Parks and Wilderness as at March 31, 2010 and the statement 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 charitable organizations, the Foundation may derive 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 (deficiency) of revenue over expenses for the year, assets and net assets.

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, 2010 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, on a basis consistent with that of the preceding year.

The comparative amounts presented in these financial statements as at March 31, 2009 and for the year then ended were reported on by us. Our opinion dated May 15, 2009 was with reservation with respect to a limitation in scope which is the same limitation stated above with respect to the 2010 fiscal year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

July 5, 2010

Foundation for Canadian Parks and Wilderness

Statement of Financial Position

March 31	2010	2009
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Assets

Cash (Note 1)	\$ 133,994	\$ 97,036
Cash allocated for endowment purposes (Note 1)	26,402	-
Temporary investment	-	38,272
Investment allocated for endowment purposes (Note 1)	-	26,402
Due from Canadian Parks and Wilderness Society - National Office (Note 2)	3,638	-
	\$ 164,034	\$ 161,710

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities	\$ 2,500	\$ 3,000
Due to Canadian Parks and Wilderness Society - National Office (Note 2)	5,000	10,000
Deferred contributions (Note 3)	1,651	3,303
	9,151	16,303

Net assets (Note 4)

Endowment	26,402	26,402
Unrestricted	128,481	119,005
	154,883	145,407
	\$ 164,034	\$ 161,710

On behalf of the Board:

_____ Director

_____ Director

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

For the year ended March 31, 2010

(With comparative amounts for the year ended March 31, 2009)

	2010			2009		
	Endowment	Unrestricted	Total	Endowment	Unrestricted	Total
Balance , beginning of year	\$ 26,402	\$ 119,005	\$ 145,407	\$ 26,402	\$ 138,141	\$ 164,543
Excess (deficiency) of revenue over expenses for the year	-	9,476	9,476	-	(19,136)	(19,136)
Balance , end of year	\$ 26,402	\$ 128,481	\$ 154,883	\$ 26,402	\$ 119,005	\$ 145,407

Foundation for Canadian Parks and Wilderness Statement of Operations

For the year ended March 31	2010	2009
Revenue		
Donations (Notes 2 and 3)	\$ 18,042	\$ 1,651
Investment (Note 2)	88	4,894
	<u>18,130</u>	<u>6,545</u>
Expenses		
Bank charges	59	66
Donations to Canadian Parks and Wilderness Society - National Office (Note 2)	5,000	13,509
Professional fees	3,595	12,106
	<u>8,654</u>	<u>25,681</u>
Excess (deficiency) of revenue over expenses for the year	\$ 9,476	\$ (19,136)

Foundation for Canadian Parks and Wilderness Summary of Significant Accounting Policies

March 31, 2010

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 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.

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. 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 there is a decline in value that is considered other than temporary in which case they 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, financial assets held-to-maturity and other liabilities.

The Foundation's financial instruments at March 31, 2010 consist of cash, cash allocated for endowment purposes, accounts payable and accrued liabilities, and amounts due from and to CPAWS. 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, cash allocated for endowment purposes, accounts payable and accrued liabilities, and amounts due from and due to CPAWS are valued at cost which approximates fair value at the end of the fiscal year due to their short-term maturities.

Foundation for Canadian Parks and Wilderness

Summary of Significant Accounting Policies

March 31, 2010

Financial Instruments Disclosures	<p>The Foundation discloses and presents financial instruments under the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of the more onerous CICA Handbook Sections 3862 and 3863, which is a permitted option under the transition rules for not-for-profit organizations in these standards.</p>
Financial Risk Management	<p>The Foundation manages its investment portfolio to earn investment revenue 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.</p>
Revenue Recognition	<p>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 or on the basis directed by the donor. 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 endowment 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 investment revenue, if any, is added to deferred contributions and is recognized as revenue in the year in which the related expenses are incurred.</p>
Statement of Cash Flows	<p>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.</p>
Changes in Accounting Standards	<p>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 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.</p> <p>These sections are effective for fiscal periods commencing on or after January 1, 2009 and, accordingly, the Foundation has adopted these changes for the current fiscal year's financial statements. There was no effect on the Foundation's financial statement presentation and disclosure of adopting these changes.</p>

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2010

1. Cash

The Foundation's bank account is held at one Canadian chartered bank. The bank account earns interest at a nominal rate. The total 2010 cash of \$160,396 (2009 - \$97,036) includes \$133,994 (2009 - \$97,036) for current operating purposes and \$26,402 (2009 - \$nil) which represents the Foundation's net assets for endowment purposes. For 2009 the endowment net assets were held in a separate investment of \$26,402.

2. Related Party Transactions

The Society receives donations and bequests on behalf of the Foundation as well as bequests received by the Society for its own account a portion of which the Society transfers to the Foundation. For the year ended March 31, 2010 \$16,390 (2009 - \$nil) was transferred to the Foundation by the Society. As at March 31, 2010 \$3,638 (2009 - \$nil) is owing to the Foundation from the Society with respect to these donations and bequests.

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 to the Society by the Foundation at cost. There are no amounts owing to the Society at March 31, 2010 or March 31, 2009.

For the 2010 fiscal year the Foundation made total donations to the Society in the amount of \$5,000 (2009 - \$13,509) of which \$5,000 is due to the Society at March 31, 2010 (2009 - \$10,000).

Amounts due to or from the Society have no specific repayment terms or conditions and are interest free.

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 in the amount of \$183,723.

Also during the 2009 fiscal year the Society completed the repayment of its loan from the Foundation with a principal repayment of \$78,278. The loan conditions included interest at 5% per annum which resulted in a payment by the Society to the Foundation of \$3,501 during the 2009 fiscal year. This interest earned was included in 2009 investment revenue on the Foundation's statement of operations.

Foundation for Canadian Parks and Wilderness

Notes to Financial Statements

March 31, 2010

3. Deferred Contributions

Deferred contributions represent unspent contributions which have been restricted externally by the donor. These funds are recognized as donations revenue in the fiscal year in which the Foundation meets the restriction which is on an annual basis until its 2011 fiscal year.

	2010	2009
Bishop stock funds		
Balance, beginning of year	\$ 3,303	\$ 4,954
Recognized and included in donations revenue for the year	1,652	1,651
Balance, end of year	\$ 1,651	\$ 3,303

4. Capital Disclosures

The Foundation's capital disclosures are in accordance with CICA Handbook Section 1535, Capital Disclosures, which establishes standards for the disclosure of information related to an entity's objectives, policies and processes for managing capital. The Foundation's capital is its net assets which totals \$154,883 (2009 - \$145,407). External restrictions on the Foundation's capital consists of its endowment net assets in the amount of \$26,402 (2009 - \$26,402). Therefore after this restriction, the Foundation's available capital consists of its unrestricted net assets in the amount of \$128,481 (2009 - \$119,005).

The Foundation 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 and financial risk management policies. These objectives and policies are stated in the nature and purpose of the organization section and the financial risk management section of the summary of significant accounting policies accompanying these financial statements. In addition, as a registered charity, the Foundation must meet its annual disbursement requirement under the Income Tax Act of Canada and must have funds available to meet this requirement should the current year results of operations be insufficient to fund this annual requirement.

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

In addition, as set out in note 3 to these financial statements, the Foundation holds deferred contributions of \$1,651 (2009 - \$3,303) which are restricted as to their use over time.
