

Financial Statements of

**THE CANADIAN PARKS AND WILDERNESS SOCIETY (CPAWS)
SOUTHERN ALBERTA CHAPTER**

Year ended March 31, 2012

**THE CANADIAN PARKS AND WILDERNESS SOCIETY (CPAWS)
SOUTHERN ALBERTA CHAPTER**

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Year ended March 31, 2012

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BUCHANAN BARRY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Parks and Wilderness Society Southern Alberta Chapter

We have audited the accompanying financial statements of Canadian Parks and Wilderness Society Southern Alberta Chapter, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Canadian Parks and Wilderness Society Southern Alberta Chapter derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Canadian Parks and Wilderness Society Southern Alberta Chapter and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Parks and Wilderness Society Southern Alberta Chapter as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
July 2, 2012

Buchanan Barry LLP

CHARTERED ACCOUNTANTS

**THE CANADIAN PARKS AND WILDERNESS SOCIETY (CPAWS)
SOUTHERN ALBERTA CHAPTER**

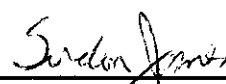
Statement of financial position

As at March 31, 2012, with comparative figures as at March 31, 2011


	2012	2011
ASSETS		
CURRENT		
Cash (Note 3)	273,668	152,100
Due from CPAWS National (Note 4)	84,996	59,158
Accounts receivable	42,564	77,852
Goods and services tax recoverable	3,153	3,425
Inventory	6,486	8,221
Prepaid expenses	3,153	3,317
	<u>414,020</u>	<u>304,073</u>
CAPITAL ASSETS (Note 5)	6,350	5,367
	<u>420,370</u>	<u>309,440</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	21,435	25,723
Deferred contributions (Note 6)	266,091	204,962
	<u>287,526</u>	<u>230,685</u>
NET ASSETS		
UNRESTRICTED	132,844	78,755
	<u>420,370</u>	<u>309,440</u>

LEASE COMMITMENT (Note 9)

Approved on behalf of the Board of Directors



Director



Director

**THE CANADIAN PARKS AND WILDERNESS SOCIETY (CPAWS)
SOUTHERN ALBERTA CHAPTER**

Statement of operations and changes in net assets

For the year ended March 31, 2012, with comparative figures for the year ended March 31, 2011

	2012	2011
REVENUE		
Government	61,899	45,481
Foundations	186,617	173,074
Individuals	67,055	71,352
Corporations	93,424	81,351
Casino	46,388	46,082
Events	4,726	9,465
Products and services	22,769	35,986
Royalties	94	470
	482,972	463,261
EXPENSES		
Amortization	3,144	4,830
Audit	6,500	5,500
Bank charges	987	812
Consulting	44,842	93,042
National office administration fees	21,155	18,391
Office rent and administration	50,297	49,335
Outreach and member services	2,558	643
Product purchases	1,735	2,367
Professional development	1,513	2,235
Professional fees	-	11,321
Salaries and employee benefits (Note 7)	276,081	184,985
Special events	9,715	2,783
Travel, meals and entertainment	10,356	6,580
	428,884	382,824
EXCESS OF REVENUES OVER EXPENSES	54,088	80,437
EXCESS - Beginning of year	78,755	(1,682)
NET ASSETS (DEFICIENCY) - End of year	132,844	78,755

**THE CANADIAN PARKS AND WILDERNESS SOCIETY (CPAWS)
SOUTHERN ALBERTA CHAPTER**

Statement of cash flows

For the year ended March 31, 2012, with comparative figures for the year ended March 31, 2011

	2012	2011
Cash provided from (used in):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	54,088	80,437
Items not affecting cash:		
Amortization	3,144	4,830
	57,233	85,267
Net changes in non-cash working capital balances:		
Due from CPAWS National	(25,838)	(43,356)
Accounts receivable	35,288	(64,393)
Goods and services tax recoverable	272	2,709
Inventory	1,735	1,819
Prepaid expenses	164	(1,576)
Accounts payable and accrued liabilities	(4,287)	737
Deferred contributions	61,129	15,455
	68,463	(88,605)
	125,696	(3,338)
INVESTING ACTIVITIES		
Purchase of capital assets	(4,128)	(1,820)
INCREASE (DECREASE) IN CASH	121,568	(5,158)
CASH - Beginning of period	152,100	157,258
CASH - End of period	273,668	152,100

Canadian Parks and Wilderness Society

Southern Alberta Chapter

Notes to Financial Statements

Year Ended March 31, 2012

1. ORGANIZATION

The Canadian Parks and Wilderness Society Southern Alberta Chapter ("CPAWS") was incorporated under the Alberta Societies Act on April 30, 2003. CPAWS conducts regional activities on behalf of and in association with The Canadian Parks and Wilderness Society ("CPAWS National"), a registered charity dedicated to protecting Canada's wilderness ecosystems in parks and protected areas. CPAWS' activities are conducted in accordance with and pursuant to Agency and Affiliation agreements with CPAWS National.

CPAWS operates as a separate financial entity from CPAWS National and other regional chapters. As a result, CPAWS' financial statements reflect only the financial operations of CPAWS.

CPAWS 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 financial statements of the Society have been prepared by management in accordance with generally accepted accounting principles ("GAAP"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash consists of cash on hand and bank deposits. Highly liquid investments with original maturities three months or less at date of purchase are considered to be cash equivalents.

Inventory

Inventory consists of guide books and is valued at the lower of cost and net realizable value with cost determined on a first-in, first-out basis. In the event that circumstances which previously caused inventories to be written down below cost no longer exist, the amount of the write down is reversed.

Capital assets

Capital assets are stated at cost less accumulated amortization. Purchased assets are recorded at cost and donated equipment is recognized at fair value at the date of contribution.

Canadian Parks and Wilderness Society

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Notes to Financial Statements

Year Ended March 31, 2012

Capital assets are amortized on a straight-line basis over their estimated useful lives commencing when assets are placed in service at the following annual rates:

Computer equipment	4 years
Computer software	3 years
Furniture and fixtures	10 years
Office equipment	6 years

Revenue recognition

CPAWS follows the deferral method of accounting. Externally restricted donations are deferred and recognized as revenue over the period in which the estimated program related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations received directly by CPAWS, for which a tax receipt may be issued by CPAWS National, are recognized as revenue when received by the Society.

Donations received directly by CPAWS National are shared between CPAWS National and the regional chapters based upon the donor's place of residence and the budget distribution guidelines of CPAWS National. Donations received by CPAWS National and distributed to CPAWS as designated by the donor are recognized as revenue when the funds are receivable by CPAWS.

Contributed materials and services

CPAWS, in common with many non-profit organizations, makes extensive use of volunteers and donated materials in conducting its activities. Donated materials are recorded at their market value where the market value can be readily determined with corresponding donation revenue. No attempt has been made to quantify the value of volunteer services in these financial statements.

Financial instruments

The Society has chosen to apply CICA Section 3861 'Financial Instruments – Presentation and Disclosure' in place of Section 3862 'Financial Instruments – Disclosure' and Section 3863 'Presentation'.

The Society's financial instruments included in the statement of financial position are comprised of cash, due from CPAWS National, accounts receivable, accounts payable and accrued liabilities and deferred revenue. The Society has designated its financial instruments as follows:

- a) Cash is classified as held for trading. Due to its nature, the carrying value of cash approximates its fair value. Transaction costs are expensed.
- b) Accounts receivable and due from CPAWS National are classified as loans and receivable. These financial assets are recorded at values that

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Notes to Financial Statements

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approximate their amortized costs using the effective interest method. Transaction costs are expensed.

- c) Accounts payable and accrued liabilities and deferred revenue are classified as other financial liabilities. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method. - Transaction costs are expensed.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of capital assets for amortization purposes, the net recoverable amount of due from CPAWS National, accounts receivable, inventory, capital assets, estimates of fair market value of financial instruments and the work accomplished to date on work-in-process projects recorded in deferred revenue. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. EXTERNALLY RESTRICTED CASH

The cash balances of \$273,668 (2011 - \$152,100) includes \$26,289 (2011 - \$8,423) explicitly externally restricted pursuant to Alberta Gaming regulations for purposes of future qualifying expenditures (*Note 6*).

4. DUE FROM CPAWS NATIONAL AND RELATED PARTY TRANSACTIONS

The amount due from CPAWS National is comprised of the net amount of the Society's portion of funds received through the National Office in the last quarter of the fiscal year. These funds are generally due within 45 days of the end of the quarter. During the year, the Society paid \$21,155 (2011- \$18,391) to CPAWS National in processing and administration fees.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2012 Net Book Value	2011 Net Book Value
Computer equipment	\$ 7,147	\$ (2,530)	\$ 4,617	3407
Computer software	2,895	(2,895)	-	
Furniture and fixtures	4,000	(4,000)	-	
Office equipment	8,298	(6,564)	1,733	1960
	<u>\$ 22,340</u>	<u>\$ (15,989)</u>	<u>\$ 6,350</u>	<u>\$ 5,367</u>

Canadian Parks and Wilderness Society

Southern Alberta Chapter

Notes to Financial Statements

Year Ended March 31, 2012

6. DEFERRED CONTRIBUTIONS

The amounts representing deferred revenues at the end of 2012 and 2011 are restricted in the manner in which such funds may be used. The restrictions are determined by contractual arrangements between CPAWS and the specific funding organization.

	Opening Balance	Additions During the Year	Recognized as Revenue	Closing Balance
Castle wilderness	\$ 77,562	\$ 119,304	\$ 120,205	\$ 73,660
Alberta gaming revenue	71,148	\$ -	\$ 44,858	\$ 26,289
Foundation education grants	41,775	\$ 221,008	\$ 129,276	\$ 133,506
Alberta Community Spirits	3,617	\$ 23,319	\$ 26,936	\$ -
Land use framework	8,031	\$ 26,883	\$ 27,265	\$ 7,650
Grizzly bear awareness	-	\$ 9,405	\$ 2,421	\$ 6,983
Communications	-	\$ 6,880	\$ 1,037	\$ 5,843
Other	2,829	\$ 14,558	\$ 5,227	\$ 12,160
	<u>\$ 204,962</u>	<u>\$ 421,356</u>	<u>\$ 357,227</u>	<u>\$ 266,091</u>

7. EMPLOYEE BENEFITS

CPAWS' full-time and qualifying part-time employees receive certain registered retirement savings pension plan, health care and insurance benefits.

Under CPAWS' non-contributory self-directed employee registered retirement savings pension plan, employee contributions are matched by CPAWS to a maximum of 3% of the employee's gross salary. Under this arrangement, the contributions made by CPAWS on behalf of employees are invested and controlled by employees. The individual plans are managed by a third party financial institution. In 2012, CPAWS paid \$5,885 (2011 - \$4,101) into these plans.

CPAWS also provides health care and life and insurance coverage while qualified employees are working for CPAWS. Under these employee joint cost sharing plans, once employment ceases, the coverage is terminated. In 2012 CPAWS paid \$2,038 (2011 - \$2,247) with respect to health care and insurance coverage.

8. CAPITAL MANAGEMENT

The Society's capital is comprised of its net assets. The Society's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide services to its members.

9. LEASE COMMITMENT

Under the terms of CPAWS' current lease that expires on September 30, 2012, the Society is required to pay a base rent plus its proportionate share of utilities, maintenance, and other related costs for the leased premises. Future minimum lease payments for the remaining six months of the lease as of March 31, 2012 are \$6,563. This lease has not been renewed.

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Notes to Financial Statements

Year Ended March 31, 2012

10. FINANCIAL INSTRUMENTS

The Society's financial instruments included in the statement of financial position are comprised of cash, due from CPAWS National, accounts receivable, accounts payable and accrued liabilities and deferred revenue.

a) Fair Values

The fair value of a financial instrument is the estimated amount that the Society would receive or pay to settle a financial asset or liability as at the reporting date. The fair values of the Society's financial instruments do not differ significantly from their carrying values.

b) Credit risk

The Society is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Society's accounts receivable are due from a diverse group of customers. The Society's credit risk exposure on cash is minimized substantially by ensuring that cash is held with credible financial institutions.

c) Interest rate risk

The Society is not exposed to significant interest rate risk

d) Currency rate risk

The Society is not exposed to significant currency rate risk.