

Financial Statements of

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

Year ended March 31, 2013

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Year Ended March 31, 2013**

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Calgary, Alberta
July 16, 2013

CHARTERED ACCOUNTANTS

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Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statement which describes that Canadian Parks and Wilderness Society Southern Alberta Chapter adopted Canadian Accounting Standards for Not-For-Profit Organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011 and the statement of operations and changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Opinion

In our opinion, 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, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

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

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.

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.

Auditors' Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations, 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.

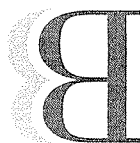
Management's Responsibility for the Financial Statements

We have audited the accompanying financial statements of Canadian Parks and Wilderness Society Southern Alberta Chapter (the "Society"), which comprise the statement of financial position as at March 31, 2013, the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

INDEPENDENT AUDITORS' REPORT

BUCHANAN BARRY LLP
CHARTERED ACCOUNTANTS



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

Statement of financial position

As at March 31, 2013, with comparative figures as at March 31, 2012

	March 31, 2013	March 31, 2012	April 01, 2011
	March 31, 2013	March 31, 2012	April 01, 2011
	(Unaudited)	(Unaudited)	(Unaudited)

ASSETS

CURRENT

Cash (Note 3)	\$ 291,056	\$ 273,668	\$ 152,100
Due from CPAWS National (Note 4)	86,550	84,996	59,158
Accounts receivable	18,827	42,564	77,852
Goods and services tax recoverable	3,151	3,153	3,425
Inventory	4,858	6,486	8,221
Prepaid expenses	2,603	3,153	3,317
Total	407,045	414,020	304,073

CAPITAL ASSETS (Note 5)

	25,773	6,350	5,367
Total	432,818	420,370	309,440

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 21,902	\$ 21,435	\$ 25,723
Deferred contributions (Note 6)	253,760	262,341	202,133
Total	275,662	283,776	227,856

DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	23,567	3,750	2,829
Total	299,229	287,526	230,685

NET ASSETS

UNRESTRICTED	133,589	132,844	78,755
Total	432,818	420,370	309,440

LEASE COMMITMENT (Note 8)

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, 2013, with comparative figures for the year ended March 31, 2012

	2013	2012
		(Unaudited)
REVENUE		
Foundations	\$ 192,741	\$ 186,617
Corporations	102,877	93,424
Individuals	65,680	67,055
Casino	51,670	46,388
Government	38,801	61,899
Products and services	19,932	22,769
Events	4,375	4,726
Royalties	90	94
EXPENSES		
Amortization	3,091	3,144
Audit	5,550	6,500
Bank charges	801	987
Consulting	42,384	44,842
National office administration fees	19,866	21,155
Office rent and administration	56,878	50,297
Outreach and member services	331	2,558
Product purchases	1,627	1,735
Professional development	2,890	1,513
Professional fees	4,734	-
Salaries and employee benefits (Note 7)	318,843	276,081
Special events	7,758	9,715
Travel, meals and entertainment	10,668	10,356
EXCESS OF REVENUES OVER EXPENSES	475,421	428,884
NET ASSETS - Beginning of year	132,844	78,755
NET ASSETS - End of year	\$ 133,589	\$ 132,844

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

Statement of cash flows

For the year ended March 31, 2013, with comparative figures for the year ended March 31, 2012

	2013	2012
		<i>(Unaudited)</i>
Cash provided from (used in):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 745	\$ 54,088
Items not affecting cash:		
Amortization	3,091	3,144
Amortization of deferred capital contributions	(2,697)	(3,638)
Net changes in non-cash working capital balances:		
Due from CPAWS National	(1,554)	(25,838)
Accounts receivable	23,737	35,288
Goods and services tax recoverable	2	272
Inventory	1,628	1,735
Prepaid expenses	550	164
Accounts payable and accrued liabilities	467	(4,286)
Deferred contributions	(8,581)	60,208
	17,388	121,137
INVESTING ACTIVITY		
Purchase of capital assets	(4,119)	(4,127)
FINANCING ACTIVITY		
Deferred contributions related to capital assets	4,119	4,558
INCREASE IN CASH	17,388	121,568
CASH - Beginning of period	273,668	152,100
CASH - End of period	\$ 291,056	\$ 273,668

PURPOSE OF THE ORGANIZATION

The Canadian Parks and Wilderness Society Southern Alberta Chapter ("CPAWS" or the "Society") 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 the Society. CPAWS is classified as a non-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

These financial statements have been prepared on a going concern basis, which assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of business. Continuation as a going concern is dependent upon the Society's ability to continue to collect grants and donations and put these funds to use in charitable conservation projects.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society have been prepared by management in accordance with Accounting Standards for Not-For-Profit Organizations ("ASNPO"). 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. 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
Leasehold improvements	over the remaining term of the lease

Revenue recognition

CPAWS follows the deferral method of accounting. Externally restricted contributions 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. No attempt has been made to quantify the value of volunteer services in these financial statements.

Financial instruments

Measurement

The Society initially measures its financial assets and liabilities at fair value, except for certain related party loans which are measured at the carrying amount or exchange amount. The Society subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in net income.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that impairment exists. The amount of the write-down is recognized as an impairment loss in net income. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

Transactions costs

The Society recognizes transaction costs on financial instruments subsequently measured at fair value in net income in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

Measurement Uncertainty

The preparation of financial statements in conformity with ASNPO 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 and capital assets, estimates of fair market value of financial instruments and the amount of restricted contributions recognized as revenue in relation to work accomplished during the year on the Society's projects. 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.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Society adopted Canadian accounting standards for not-for-profit organizations ("ASNPO"). These financial statements are the first financial statements prepared in accordance with these standards.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2013, the restated comparative information presented in these financial statements for the year ended March 31, 2012, and in the preparation of the restated opening ASNPO statement of financial position as at April 1, 2011 (the Society's "Date of Transition").

The retrospective adoption of ASNPO had no impact on the previously recorded assets, liabilities and net assets of the Society, and accordingly no adjustments have been recorded in the comparative statements of financial position as at April 1, 2011 and March 31, 2012, and the statements of operations and changes in net assets and cash flows for the year ended March 31, 2012.

3. EXTERNALLY RESTRICTED CASH

The cash balances of \$291,056 (2012 - \$273,668) includes \$45,002 (2012 - \$26,289) 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 \$19,866 (2012 - \$21,155) to CPAWS National in processing and administration fees. These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount agreed to by the related parties.

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CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2013

4. DUE FROM CPAWS NATIONAL AND RELATED PARTY TRANSACTIONS (CONTINUED)

The Society is related to CPAWS National through an affiliation agreement which grants the Society the right to use certain licensed material and trademarks owned by CPAWS National, defines the geographic area (southern Alberta) in which the Society is authorized to carry out charitable programs on behalf of CPAWS National and the services CPAWS National agrees to provide to the Society to allow it to carry out its activities.

The Society must conform to the bylaws, regulations, fundraising practices and procedures and strategic plan of CPAWS National but that the two parties operate independently and that the Society is not an agent of CPAWS National. CPAWS National maintains status as a registered charity and therefore processes and issues tax receipts on behalf of the Society.

The activities of the Society are dependent on the license of trademarks and material owned by CPAWS National as well as the processing of donation receipts through CPAWS National. If CPAWS National were to withdraw from the affiliation agreement with the Society, it would be very difficult for the Society to continue operations into the future.

5. CAPITAL ASSETS

	Accumulated	2013 Net	2012 Net	Book Value	2012 Net Book Value
	Cost	Amortization	Book Value	Book Value	Value
Computer equipment	\$ 7,147	\$ (4,316)	\$ 2,831	\$ 4,617	
Computer software	2,895	(2,895)	-	-	
Furniture and fixtures	7,192	(4,053)	3,139	-	
Office equipment	9,225	(7,171)	2,053	1,733	
Leasehold improvements	18,395	(646)	17,748	-	
	\$ 44,854	\$ (19,081)	\$ 25,771	\$ 6,350	

The Society received a donation of movable office wall systems including installation upon the relocation to new office space in January 2013. The fair value of the system of \$18,043 was capitalized as a leasehold improvement and included in deferred contributions. The related revenue and expense will be amortized into income over 57 months corresponding to the period remaining on the five year lease of the premises from the date of installation.

CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2013

6. DEFERRED CONTRIBUTIONS

The amounts representing deferred revenues at the end of 2013 and 2012 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	\$ 73,660	\$ 85,335	\$ 115,220	\$ 43,775
Alberta gaming revenue	26,289	68,292	49,579	45,002
Foundation education grants	133,506	102,315	141,423	94,398
Alberta Community Spirits	-	4,566	4,566	-
Land use framework and parks	7,650	55,585	7,650	55,584
Grizzly bear awareness	6,983	9,000	15,983	-
Communications	5,843	-	5,843	0
Other	8,410	21,000	14,411	15,000
Deferred Contributions - operations	\$ 262,341	\$ 346,094	\$ 354,675	\$ 253,760
Deferred Contributions - capital assets	3750	22,522	2,704	23,567
Total deferred contributions	\$ 266,091	\$ 368,615	\$ 357,380	\$ 277,327

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 2013, CPAWS paid \$4,268 (2012 - \$5,885) 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 2013, CPAWS paid \$4,075 (2012 - \$2,038) with respect to health care and insurance coverage.

8. LEASE COMMITMENT

The office space lease in place in the prior fiscal year expired on September 30, 2012 and was not renewed. The Society entered in a five year lease for new office space including charges for telephone and internet services at the Bob Niven Centre at Canada Olympic Park in Calgary, Alberta, commencing on November 1, 2012. The date of physical occupancy was January 1, 2013. Future minimum lease and service payments at March 31, 2013 are as follows:

2014	\$12,960
2015	12,960
2016	12,960
2017	12,960
2018	7,560
	<u>\$59,400</u>

9. FINANCIAL INSTRUMENTS

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

a) 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.

The Society is exposed to a concentration of credit risk to the extent that \$86,550 in donations and grants receivable are held with CPAWS National. Of this amount, \$40,730 is over 90 days overdue. The Society has not set up an allowance in relation to these receivables, nor have they ever experienced bad debts in relation to the amounts owing from CPAWS National.

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is not exposed to significant interest rate risk.

c) Market rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk. The Society is not exposed to significant market risk, as described below.

d) Currency rate risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the company will fluctuate due to changes in foreign exchange rates. The Society is not exposed to significant currency rate risk.

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9. FINANCIAL INSTRUMENTS (CONTINUED)

e) Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to significant other price risk.

f) Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is not exposed to significant liquidity risk.

10. COMPARATIVE FIGURES

Where necessary, the comparative figures have been reclassified to conform to the current year's presentation.