

**CANADIAN PARKS AND WILDERNESS SOCIETY  
SOUTHERN ALBERTA CHAPTER**

**Financial Statements  
Year Ended March 31, 2017**

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Index to Financial Statements**

**Year Ended March 31, 2017**

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**BUCHANAN BARRY LLP**  
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

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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, 2017 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 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.

*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 auditors consider 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.

*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, 2017 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.

Calgary, Alberta  
July 31, 2017

800, 840 - 6th Avenue SW  
Calgary, AB, Canada, T2P 3E5

tel 403.262.2116  
fax 403.265.0845

www.buchananbarry.ca

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*Buchanan Barry LLP*

CHARTERED ACCOUNTANTS

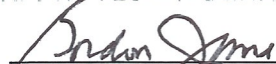

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Financial Position**

**March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 349,193	\$ 254,243
Accounts receivable	35,525	21,711
Goods and services tax recoverable	-	5,928
Inventory	-	2,106
Prepaid expenses	4,033	3,842
Due from CPAWS National <i>(Note 3)</i>	57,424	54,265
	<hr/>	<hr/>
	446,175	342,095
<b>CAPITAL ASSETS <i>(Note 4)</i></b>	<hr/>	<hr/>
	8,064	12,367
	<hr/>	<hr/>
	\$ 454,239	\$ 354,462
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 23,652	\$ 39,801
Goods and services tax payable	1,962	-
Deferred contributions <i>(Note 5)</i>	158,806	97,719
	<hr/>	<hr/>
	184,420	137,520
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS <i>(Note 5)</i></b>	<hr/>	<hr/>
	6,483	10,979
	<hr/>	<hr/>
	190,903	148,499
<b>NET ASSETS</b>		
<b>INVESTED IN CAPITAL ASSETS</b>	1,581	1,388
<b>UNRESTRICTED NET ASSETS</b>	<hr/>	<hr/>
	261,755	204,575
	<hr/>	<hr/>
	263,336	205,963
	<hr/>	<hr/>
	\$ 454,239	\$ 354,462
<b>COMMITMENTS <i>(Note 6)</i></b>		

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Operations**

**Year Ended March 31, 2017**

	2017	2016
<b>REVENUE</b>		
Casino	\$ 38,360	\$ 42,115
Corporations	62,599	84,672
Events	-	24,542
Foundations	170,339	261,774
Government	42,516	55,154
Individuals	137,569	71,082
Interest	229	889
Products and services	71,719	54,372
Royalties	132	127
	<u>523,463</u>	<u>594,727</u>
<b>EXPENSES</b>		
Amortization of capital assets	5,306	5,641
Audit	7,000	7,000
Bank charges	24	355
Consulting	15,260	102,234
Cost of inventory sold	2,106	1,006
National office administration fees	24,156	16,548
Office rent and administration	41,878	39,584
Outreach and member services	210	424
Professional development	1,223	2,442
Professional fees	3,830	4,230
Salaries and employee benefits	347,111	386,828
Special events and promotional activities	6,161	16,742
Travel, meals and entertainment	11,825	16,822
	<u>466,090</u>	<u>599,856</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 57,373</u>	<u>\$ (5,129)</u>

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2017**

	<b>Invested in capital assets</b>		<b>Unrestricted net assets</b>		<b>2017</b>	<b>2016</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$	1,388	\$	204,575	\$ 205,963	\$ 211,092
Excess (deficiency) of revenues over expenses		(810)		58,183	<b>57,373</b>	(5,129)
Investment in capital assets		1,003		(1,003)	-	-
<b>BALANCE, END OF YEAR</b>	\$	1,581	\$	261,755	\$ <b>263,336</b>	\$ 205,963

**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Statement of Cash Flows**

**Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 57,373	\$ (5,129)
Item not affecting cash:		
Amortization of capital assets	5,306	5,641
	<u>62,679</u>	<u>512</u>
Changes in non-cash working capital:		
Accounts receivable	(13,814)	15,674
Inventory	2,106	1,006
Prepaid expenses	(191)	(1,023)
Due from CPAWS National	(3,159)	34,814
Accounts payable and accrued liabilities	(16,149)	8,280
Goods and services tax payable/recoverable	7,890	(3,741)
Deferred contributions	61,087	(180,533)
Deferred contributions related to capital assets	(4,496)	(4,595)
	<u>33,274</u>	<u>(130,118)</u>
	<u>95,953</u>	<u>(129,606)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(1,003)	(1,241)
<b>INCREASE (DECREASE) IN CASH</b>	<b>94,950</b>	<b>(130,847)</b>
<b>CASH - Beginning of year</b>	<b>254,243</b>	<b>385,090</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 349,193</b>	<b>\$ 254,243</b>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	\$ 349,193	\$ 151,155
Guaranteed investment certificate	-	103,088
	<u>\$ 349,193</u>	<u>\$ 254,243</u>

# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2017

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### 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 wild ecosystems in parks, wilderness and similar natural areas. CPAWS also promotes awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience.

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 on the Society's ability to continue to collect grants and donations and put these funds to use in charitable conservation projects.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CPAWS have been prepared by management in accordance with Canadian 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 maturities of 100 days or less at date of purchase are considered to be cash equivalents.

#### **Inventory**

Inventory consists of hiking guide books and is valued at the lower of cost and net realizable value with the cost being 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.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### **Capital assets**

Capital assets are recorded at cost less accumulated amortization. Purchased assets are recorded at cost and donated capital assets are recognized at the fair value on the date of contribution, when it can be reasonably determined.

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
Equipment	6 years
Furniture and fixtures	10 years

Leasehold improvements are amortized on a straight-line basis over the term of the respective lease.

Contributions of and amounts related to capital assets and donated capital assets are amortized to operations and included as revenue on the same basis as the amortization of the respective capital asset.

#### **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 related program expenses are incurred. Contributions consist of designated revenue, individual donations, bequests, foundation and corporate grants and donations. 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 the Society, for which a tax receipt may be issued by CPAWS National, are recognized as revenue when receivable 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 the Society as designated by the donor are recognized as revenue when the funds are receivable by the Society.

#### **Contributed materials and services**

CPAWS, in common with many non-profit organizations, makes extensive use of volunteers and donated materials in conducting activities. Due to the difficulty in determining the fair value of each individual's contributed services, no attempt has been made to quantify the value of volunteer services in these financial statements.

Donated materials are recorded as donations revenue at their market value at the time the materials are donated where the market value can be readily determined if these materials are used in the normal course of operations and would otherwise be purchased by CPAWS.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2017

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**Financial instruments policy**

*Measurement*

CPAWS initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. CPAWS 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 the statement of operations.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable and the amount due from CPAWS National.

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 an impairment exists. The amount of write-down is recognized as an impairment loss in the statement of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is not 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 the statement of operations in the period the reversal occurs.

*Transaction costs*

CPAWS recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of operations 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 amount of assets and liabilities, 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 CPAWS 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 as additional information becomes available.

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# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2017

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### 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$32,855 (2016 - \$569) of cash explicitly externally restricted pursuant to Alberta Gaming regulations for purposes of future qualifying expenditures (Note 5).

Cash equivalents consist of a guaranteed investment certificate ("GIC") in the amount of \$nil (2016 - \$103,088). The prior year GIC had a 100 day maturity and earned interest at a rate of 0.75% per annum. This GIC was not reinvested during the fiscal year.

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### 3. DUE FROM CPAWS NATIONAL AND RELATED PARTY TRANSACTIONS

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

CPAWS must conform to the bylaws, regulations, fundraising practices and procedures and strategic plan of CPAWS National but the two parties operate independently and CPAWS 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 CPAWS.

The amount due from CPAWS National is comprised of the net amount of CPAWS' portion of funds receivable from the National Office. These funds are generally due within 45 days of the end of the quarter. In cases where funding is received for projects of several months to a year in duration, under the contractual arrangement between CPAWS and CPAWS National for CPAWS to carry out such work, the funds will be disbursed to CPAWS over the course of the contract period.

During the year CPAWS paid \$24,156 (2016 - \$16,548) 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.

The activities of CPAWS 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 CPAWS, management would be of the opinion that it would be very difficult for CPAWS to continue operations into the future.

During the year, the Society paid \$3,737 (2016 - \$nil) for communications services to a consultant related by virtue of being the spouse of one of the directors of the Society. The transaction is in the normal course of operations and is recorded at the exchange amount, which is the amount agreed to between the related parties.

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**CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 6,946	\$ 5,356	\$ 1,590	\$ 1,205
Computer software	441	244	197	343
Equipment	7,889	5,733	2,156	2,506
Furniture and fixtures	3,192	1,330	1,862	2,181
Leasehold improvements	18,395	16,136	2,259	6,132
	<b>\$ 36,863</b>	<b>\$ 28,799</b>	<b>\$ 8,064</b>	<b>\$ 12,367</b>

**5. DEFERRED CONTRIBUTIONS**

The amounts representing deferred contributions, operating and capital, at the end of 2017 and 2016 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	2017
Alberta Gaming revenue	\$ 569	\$ 70,024	\$ 37,738	\$ 32,855
Castle wilderness	16,189	53,100	47,581	21,708
Grizzly bear awareness	13,090	-	2,188	10,902
Foundation education grants	53,404	171,409	147,545	77,268
Land use framework and parks	10,150	38,689	36,437	12,402
Recreation survey	2,672	-	2,672	-
Other	1,645	9,500	7,474	3,671
Deferred contributions - Operations	97,719	342,722	281,635	158,806
Deferred contributions - Capital Assets	10,979	-	4,496	6,483
Total deferred contributions	<b>\$ 108,698</b>	<b>\$ 342,722</b>	<b>\$ 286,131</b>	<b>\$ 165,289</b>

**6. LEASE COMMITMENTS**

CPAWS entered into a five year lease for 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 and expiring on October 31, 2017. The date of physical occupancy was January 1, 2013. Future minimum lease and service payments at March 31, 2017 are \$9,478 for the year ended 2018.

# CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

## Notes to Financial Statements

Year Ended March 31, 2017

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### 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 4% of the employee's gross salary. Under this arrangement, the contributions made by CPAWS on behalf of employees are invested and controlled by the employees. The individual plans are managed by a third party financial institution. In 2017, CPAWS paid \$9,173 (2016 - \$7,241) into these plans.

CPAWS also provides health care and life insurance coverage while qualified employees are working for CPAWS. Under these employee joint cost sharing plans, once employment ceases, the coverage is terminated. In 2017 CPAWS paid \$10,228 (2016 - \$11,248) with respect to health care and insurance coverage.

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### 8. FINANCIAL INSTRUMENTS

CPAWS is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date.

#### **Credit risk**

Credit risk arises from the possibility that third parties may default on their financial obligations. CPAWS is exposed to credit risk on cash and cash equivalents, accounts receivable and due from CPAWS National.

CPAWS' credit risk exposure on cash and cash equivalents is minimized substantially by ensuring that cash and guaranteed investment certificates are held with credible financial institutions.

CPAWS' accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

CPAWS is exposed to a concentration of credit risk to the extent that \$57,424 (2016 - \$54,265) of donations and grants receivable are held with CPAWS National. Of this amount \$44,904 (2016 - \$42,580) is over 90 days overdue, reflective of the term of project work over which funding will be received. CPAWS 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.

#### **Market 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 as further described below.

#### **Currency risk**

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

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CANADIAN PARKS AND WILDERNESS SOCIETY SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

Year Ended March 31, 2017

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8. FINANCIAL INSTRUMENTS *(continued)*

**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. CPAWS is not currently exposed to significant interest rate risk as the Society does not hold guaranteed investment certificates at year end.

**Other price risk**

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. CPAWS is not exposed to significant other price risk.

**Liquidity risk**

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

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