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Canadian Parks and Wilderness Society
(Calgary/Banff Chapter)
Financial Statements
March 31, 2006



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Auditors' Report

To the Members

Canadian Parks and Wilderness Society - Calgary/Banff Chapter

We have audited the statement of financial position of the Canadian Parks and Wilderness Society - Calgary/Banff Chapter as at March 31, 2005 and March 31, 2006 and the statements of operations and changes in net assets and cash flow for the years then ended. These financial statements are the responsibility of the Society'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 not-for-profit organizations, the Society derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2005 and March 31, 2006 and the results of its operations and cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
June 22, 2006
(except as to note 7 which
is as of August 25, 2006)

Signed: WGD LLP

CHARTERED ACCOUNTANTS

Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

Statement of Financial Position

March 31, 2006

	2006	2005
Assets		
Current assets		
Cash (note 3)	\$ 350,425	\$ 117,859
Due from CPAWS National (note 4)	14,544	15,178
Accounts receivable (note 4)	26,131	117,595
Prepaid expenses	<u>1,992</u>	<u>2,591</u>
	393,092	253,223
Capital assets (note 5)	<u>10,539</u>	<u>10,694</u>
	<u>\$ 403,631</u>	<u>\$ 263,917</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,277	\$ 9,872
Deferred revenue (note 6)	331,413	223,261
Due to CPAWS National - current portion (note 7)	<u>6,068</u>	<u>-</u>
	348,758	233,133
Due to CPAWS National (note 7)	<u>18,206</u>	<u>-</u>
	<u>366,964</u>	<u>233,133</u>
Net assets		
Internally restricted (note 8)	7,050	7,050
Invested in capital assets	10,539	10,694
Unrestricted	<u>19,078</u>	<u>13,040</u>
	<u>36,667</u>	<u>30,784</u>
	<u>\$ 403,631</u>	<u>\$ 263,917</u>

Approved by the Board,

Signed: Susan Ellis _____, Chair

Signed: Gordon James _____, Treasurer

Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

Statement of Operations and Changes in Net Assets

Year Ended March 31, 2006

	2006	2005
Revenue		
Conservation	\$ 158,083	\$ 115,225
Education	205,405	190,103
Special events	114,146	110,655
Outreach	47,225	27,383
Other	76,102	64,097
Interest income	<u>3,019</u>	<u>647</u>
	<u>603,980</u>	<u>508,110</u>
Expenses		
Salaries and employee benefits (note 9)	357,581	326,474
Office rent and administration (note 10)	86,935	72,348
Special events	37,887	26,732
Consulting	32,335	21,603
Travel, meals and entertainment	25,070	16,256
National office administration fees	16,680	12,469
Professional fees	17,968	9,565
Audit	5,700	4,000
Depreciation	9,140	4,071
Professional development	4,213	2,481
Outreach and member services	2,421	1,569
Bank charges	1,257	1,766
Product purchases	<u>910</u>	<u>981</u>
	<u>598,097</u>	<u>500,315</u>
Excess of revenue over expenses	5,883	7,795
Net assets, beginning of year	<u>30,784</u>	<u>22,989</u>
Net assets, end of year	<u>\$ 36,667</u>	<u>\$ 30,784</u>

Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

Statement of Cash Flow

Year Ended March 31, 2006

	2006	2005
Operating activities		
Excess of revenue over expenses	\$ 5,883	\$ 7,795
Add (deduct) items not affecting cash		
Depreciation	<u>9,140</u>	<u>4,071</u>
	<u>15,023</u>	<u>11,866</u>
Changes in non-cash working capital		
Due from CPAWS National	634	(9,151)
Accounts receivable	91,464	(110,595)
Prepaid expenses	599	491
Accounts payable and accrued liabilities	1,405	(14,798)
Deferred revenue	<u>108,152</u>	<u>166,482</u>
	<u>202,254</u>	<u>32,429</u>
	<u>217,277</u>	<u>44,295</u>
Financing activities		
Due to CPAWS National	<u>24,274</u>	<u>-</u>
Investing activities		
Acquisition of capital assets	<u>(8,985)</u>	<u>(749)</u>
Cash inflow	232,566	43,546
Cash, beginning of year	<u>117,859</u>	<u>74,313</u>
Cash, end of year	<u>\$ 350,425</u>	<u>\$ 117,859</u>

Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

Notes to Financial Statements

Year Ended March 31, 2006

1. Organization

The Canadian Parks and Wilderness Society - Calgary/Banff 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

Management has prepared CPAWS' financial statements in accordance with accounting principles generally accepted in Canada, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. In management's opinion, the financial statements have been properly prepared within the framework of the significant accounting policies summarized below.

(a) Basis of accounting

CPAWS maintains its accounts using the accrual basis of accounting. Under this method, all revenue is recorded when earned and collection is reasonably assured and expenses are recorded when incurred.

(b) Fund accounting

CPAWS currently has only one fund which is unrestricted and accounts for CPAWS' program delivery and administrative activities.

(c) Cash

Cash includes cash on deposit and any short-term investments and term deposits with original maturities of less than three months.

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Notes to Financial Statements

Year Ended March 31, 2006

(d) Capital assets

Purchased assets are recorded at cost. Donated equipment is recognized at fair value at the date of contribution. Depreciation on capital assets is provided using the straight-line method at the following annual rates:

Computer equipment	4 years
Furniture and fixtures	10 years
Office equipment	6 years
Library resources	3 years

(e) Revenue recognition

CPAWS follows the deferral method of accounting. Provided collection is reasonably assured, revenue is recognized. 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 CPAWS.

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.

(f) 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 a corresponding donation revenue. No attempt has been made to quantify the value of volunteer services in these financial statements.

(g) Financial instruments

CPAWS' financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and deferred revenue. It is CPAWS' opinion that it is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of current assets and current liabilities approximate their carrying values because of the short-term nature of these instruments.

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Notes to Financial Statements

Year Ended March 31, 2006

3. Externally restricted cash

The cash balance of \$350,425 (2005 - \$117, 859) includes \$331,413 (2005 - \$223,261) externally restricted for purposes of future operating expenses. This restriction is recorded as deferred revenue (note 6).

4. Receivables

At the end of 2006, \$950 (2005 - \$93,122) was due from various organizations in respect of deferred revenue (note 6). The amounts owing, which have been received subsequent to the year-end, are included in Due from CPAWS National or Accounts receivable.

There was no bad debt expense or allowance for doubtful receivables in 2005 or 2006.

5. Capital assets

	Cost	Accumulated Depreciation	Net Book Value	
			2006	2005
Computer equipment	\$ 34,768	\$ 29,337	\$ 5,431	\$ 7,293
Furniture and fixtures	4,000	2,762	1,238	1,638
Office equipment	7,163	3,293	3,870	1,638
Library resources	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>125</u>
	<u>\$ 47,931</u>	<u>\$ 37,392</u>	<u>\$ 10,539</u>	<u>\$ 10,694</u>

6. Deferred revenue

The amounts representing deferred revenues at the end of 2006 and 2005 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	Received during the year	Recognized as revenue	Ending balance
Castle Wilderness	\$ 78,022	\$ 162,304	\$ 101,089	\$ 139,237
Fundraising capacity building	-	95,000	653	94,347
Alberta gaming revenue	71,422	-	40,989	30,433
Volunteer leaders program	-	45,000	24,474	20,526
British Columbia activity in support of Yellowstone to Yukon	-	20,000	-	20,000
Foundation education grants	11,200	27,700	24,824	14,076
Mountain highways	9,628	6,944	9,454	7,118
School education programs	52,989	-	52,989	-
Other	<u>-</u>	<u>6,000</u>	<u>324</u>	<u>5,676</u>
	<u>\$ 223,261</u>	<u>\$ 362,948</u>	<u>\$ 254,796</u>	<u>\$ 331,413</u>

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Year Ended March 31, 2006

7. Due to CPAWS National

During the year CPAWS National received a donation, a portion of which was distributed to all of the chapters. Each chapter, including CPAWS, received \$25,640.

Subsequent to the end of the year, CPAWS National determined that the donation's use was in fact to be restricted to programs that supported boreal forest conservation activities. As such, for the chapters that don't have boreal activities, including CPAWS, it is the intent of CPAWS National that such advances, less any expenses associated with boreal conservation activities, shall be repaid to CPAWS National in equal repayments over a four year period commencing in the next fiscal period. These advances are to be non-interest bearing.

In the year CPAWS incurred expenditures of \$1,366 to support boreal forest conservation activities. Net of these expenditures, CPAWS is obligated to repay \$24,274, of which \$6,068 is required to be repaid in the fiscal period ending March 31, 2007.

8. Internally restricted net assets

Pursuant to the request of Mrs. Marjorie Leslie, donations received in memory of Mr. Jim Leslie have been internally restricted pending determination of suitable memorial projects.

9. 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 2006, CPAWS paid \$8,400 (2005 - \$6,900) 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 2006 CPAWS paid \$4,200 (2005 - \$4,600) with respect to health care and insurance coverage.

10. Commitments

CPAWS' has a 5-year lease for the rental of office premises which expires on September 30, 2007. The current annual rent is \$32,000, including operating costs, with the annualized rent in each of the remaining years subject to adjustments for operating costs.

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Year Ended March 31, 2006

11. Subsequent event

Subsequent to year-end CPAWS signed an interim contract for a period of 90 days to engage the Crowsnest Conservation Society to provide consulting services to assist the community of the Crowsnest Pass in developing plans for ensuring wildlife connectivity through the Crowsnest Pass. This interim contract will be for an estimated amount of \$15,000.

As part of this contract the Crowsnest Conservation Society has one CPAWS representative on their six-member Board of Directors.

At the end of the interim contract period it is the intention of the parties to negotiate a longer-term contract that builds on the work of the interim contract.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.