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**Canadian Parks and Wilderness Society**  
**(Calgary/Banff Chapter)**  
**Financial Statements**  
**March 31, 2007**



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## **Auditors' Report**

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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, 2006 and March 31, 2007 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, 2006 and March 31, 2007 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 26, 2007

Signed: WGD LLP  
CHARTERED ACCOUNTANTS

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Statement of Financial Position

March 31, 2007

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	2007	2006
<b>Assets</b>		
Current assets		
Cash (note 3)	\$ 203,849	\$ 350,425
Due from CPAWS National (note 4)	59,239	14,544
Accounts receivable (note 4)	20,075	26,131
Prepaid expenses	<u>6,778</u>	<u>1,992</u>
	289,941	393,092
Capital assets (note 5)	<u>17,589</u>	<u>10,539</u>
	<u>\$ 307,530</u>	<u>\$ 403,631</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 21,467	\$ 11,277
Deferred revenue (note 6)	228,545	331,413
Due to CPAWS National - current portion (note 7)	<u>6,068</u>	<u>6,068</u>
	256,080	348,758
Due to CPAWS National (note 7)	<u>12,138</u>	<u>18,206</u>
	<u>268,218</u>	<u>366,964</u>
<b>Net assets</b>		
Internally restricted (note 8)	7,050	7,050
Invested in capital assets	17,589	10,539
Unrestricted	<u>14,673</u>	<u>19,078</u>
	<u>39,312</u>	<u>36,667</u>
	<u>\$ 307,530</u>	<u>\$ 403,631</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, 2007

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	2007	2006
Revenue		
Conservation	\$ 220,380	\$ 158,083
Education	81,084	205,405
Special events	164,090	114,146
Outreach	90,060	47,225
Other	81,236	76,102
Interest income	<u>7,543</u>	<u>3,019</u>
	<u>644,393</u>	<u>603,980</u>
Expenses		
Salaries and employee benefits (note 9)	358,683	357,581
Office rent and administration (note 10)	75,517	86,935
Special events	41,905	46,112
Consulting	107,203	32,335
Travel, meals and entertainment	15,073	16,845
National office administration fees	11,755	16,680
Professional fees	14,270	17,968
Audit	4,957	5,700
Depreciation	3,956	9,140
Professional development	3,890	4,213
Outreach and member services	1,483	2,421
Bank charges	2,301	1,257
Product purchases	<u>755</u>	<u>910</u>
	<u>641,748</u>	<u>598,097</u>
Excess of revenue over expenses	2,645	5,883
Net assets, beginning of year	<u>36,667</u>	<u>30,784</u>
Net assets, end of year	<u>\$ 39,312</u>	<u>\$ 36,667</u>

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Statement of Cash Flow

Year Ended March 31, 2007

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	2007	2006
Operating activities		
Excess of revenue over expenses	\$ 2,645	\$ 5,883
Add (deduct) items not affecting cash		
Depreciation	<u>3,956</u>	<u>9,140</u>
	<u>6,601</u>	<u>15,023</u>
Changes in non-cash working capital		
Due from CPAWS National	(44,695)	634
Accounts receivable	6,056	91,464
Prepaid expenses	(4,786)	599
Accounts payable and accrued liabilities	10,190	1,405
Deferred revenue	<u>(102,868)</u>	<u>108,152</u>
	<u>(136,103)</u>	<u>202,254</u>
	<u>(129,502)</u>	<u>217,277</u>
Financing activities		
Advances from (repayments to) CPAWS National	<u>(6,068)</u>	<u>24,274</u>
Investing activities		
Acquisition of capital assets	<u>(11,006)</u>	<u>(8,985)</u>
Cash inflow (outflow)	(146,576)	232,566
Cash, beginning of year	<u>350,425</u>	<u>117,859</u>
Cash, end of year	<u>\$ 203,849</u>	<u>\$ 350,425</u>

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Notes to Financial Statements

Year Ended March 31, 2007

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### 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.

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Notes to Financial Statements

Year Ended March 31, 2007

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(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, 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
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.

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Notes to Financial Statements

Year Ended March 31, 2007

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3. Externally restricted cash

The cash balance of \$203,849 (2006 - \$350,425) includes \$185,978 (2006 - \$331,413) externally restricted for purposes of future operating expenses. This restriction is recorded as deferred revenue (note 6).

4. Receivables

At the end of 2007, \$42,567 (2006 - \$950) 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 2007 or 2006.

5. Capital assets

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>	
			<b>2007</b>	<b>2006</b>
Computer equipment	\$ 39,568	\$ 31,423	\$ 8,145	\$ 5,431
Computer software	2,895	-	2,895	-
Furniture and fixtures	4,000	3,162	838	1,238
Office equipment	<u>10,474</u>	<u>4,763</u>	<u>5,711</u>	<u>3,870</u>
	<u>\$ 56,937</u>	<u>\$ 39,348</u>	<u>\$ 17,589</u>	<u>\$ 10,539</u>

6. Deferred revenue

The amounts representing deferred revenues at the end of 2007 and 2006 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.

	<b>Opening balance</b>	<b>Received during the year</b>	<b>Recognized as revenue</b>	<b>Ending balance</b>
Castle Wilderness	\$ 139,237	\$ 95,668	\$ 187,968	\$ 46,937
Fundraising capacity building	94,347	-	51,245	43,102
Alberta gaming revenue	30,433	82,902	49,089	64,246
Volunteer leaders program	20,526	78,550	63,675	35,401
British Columbia activity in support of Yellowstone to Yukon	20,000	-	2,000	18,000
Foundation education grants	14,076	15,000	21,246	7,830
Mountain highways	7,118	2,000	5,755	3,363
School education programs	-	13,600	10,200	3,400
Deferred Bow Valley	-	7,500	5,000	2,500
Other	<u>5,676</u>	<u>-</u>	<u>1,910</u>	<u>3,766</u>
	<u>\$ 331,413</u>	<u>\$ 295,220</u>	<u>\$ 398,088</u>	<u>\$ 228,545</u>

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Notes to Financial Statements

Year Ended March 31, 2007

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7. Due to CPAWS National

The amount owing to CPAWS National is to be repaid in equal amount of \$6,068 over a four year period that commenced in the current year. The obligation is non-interest bearing. At the discretion of CPAWS, payments owing may be offset against amounts owed by CPAWS National.

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 2007, CPAWS paid \$8,700 (2006 - \$8,400) 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 2007 CPAWS paid \$5,300 (2006 - \$4,200) with respect to health care and insurance coverage.

# Canadian Parks and Wilderness Society

(Calgary/Banff Chapter)

## Notes to Financial Statements

Year Ended March 31, 2007

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### 10. Commitments

a) CPAWS' has a 5-year lease for the rental of office premises which expires on September 30, 2007. The current annual rent is \$16,000, excluding operating costs.

CPAWS has given notice to the landlord that it intends to renew its lease for a further five year period. Under the previous arrangement, the lease amount was fixed over the five year period. The landlord has indicated that under the new lease, the lease rate will escalate over the lease term. Rent under the first year of the new lease is currently expected to be \$22,000, increasing to \$31,000 in the last year, excluding operating costs.

As with the previous lease, the annualized rent is subject to adjustments for operating costs.

b) CPAWS is in the process of having a hiking guide for the Castle Wilderness area written by a writer hired by CPAWS. CPAWS has an arrangement with a publisher who shall publish the guide at its own expense and who shall determine such matters as pricing, advertising, promotion, distribution, discounts and commissions.

Under the terms of the agreement with the writer CPAWS has a further commitment of \$4,400 related to the completion of the guide.

As part of this arrangement CPAWS is obligated to purchase 1,000 copies upon publication at a price not to exceed \$15,000. In addition, for copies of the guide sold directly by the publisher, CPAWS shall be entitled to royalties based on sales by the publisher. A portion of the royalties earned by CPAWS will be paid to the writer hired by CPAWS.

### 11. Subsequent event

Subsequent to year-end CPAWS was in discussions with the Crowsnest Conservation Society ("CCS") to renew their contract whereby CCS will continue to provide consulting services to assist the community of the Crowsnest Pass in developing plans for ensuring wildlife connectivity through the Crowsnest Pass.

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

### 12. Comparative figures

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