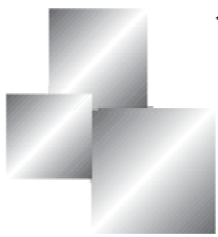


CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Financial Statements

March 31, 2008



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AUDITORS' REPORT

To the Members of Canadian Parks and Wilderness Society - Calgary/Banff Chapter

We have audited the balance sheet of Canadian Parks and Wilderness Society - Calgary/Banff Chapter as at March 31, 2007 and March 31, 2008 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 charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues 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 contributions, excess of revenues over expenses, 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 contributions 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, 2007 and March 31, 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
August 19, 2008

WGD LLP
Chartered Accountants

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Balance Sheet

As at March 31, 2008

	2008	2007
ASSETS		
Current		
Cash (Note 3)	\$ 74,126	\$ 203,849
Due from CPAWS National (Note 4)	85,143	59,239
Accounts receivable (Note 4)	116,970	20,075
Prepaid expenses	3,246	6,778
	<u>279,485</u>	289,941
Property and equipment (Note 5)	<u>12,518</u>	17,589
	<u>\$ 292,003</u>	<u>\$ 307,530</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 20,103	\$ 21,467
Deferred revenue (Note 6)	223,059	228,545
Due to CPAWS National (Note 7)	6,068	6,068
	<u>249,230</u>	256,080
Due to CPAWS National (Note 7)	<u>1,020</u>	12,138
	<u>250,250</u>	268,218
MEMBERS' EQUITY		
Internally restricted (Note 8)	7,050	7,050
Invested in capital assets	12,518	17,589
Unrestricted	<u>22,185</u>	14,673
	<u>41,753</u>	39,312
	<u>\$ 292,003</u>	<u>\$ 307,530</u>

Commitments (Note 10)

Approved by the Board,

Signed: Gordon James *Chair*

Signed: Anthony Jordan *Treasurer*

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Statement of Operations and Changes in Net Assets

Year Ended March 31, 2008

	2008	2007
Revenue		
Conservation	\$ 161,811	\$ 220,380
Education	138,171	81,084
Fundraising	232,918	238,995
Outreach	89,657	90,060
Other	6,394	6,332
Interest income	3,832	7,543
	<u>632,783</u>	<u>644,394</u>
Expenses		
Salaries and employee benefits <i>(Note 9)</i>	384,250	358,681
Office rent and administration <i>(Note 10)</i>	81,980	75,517
Special events	49,870	41,905
Consulting	56,119	107,203
Travel, meals and entertainment	10,417	15,073
National office administration fees	14,229	11,755
Professional fees	14,259	14,270
Audit	8,000	4,957
Amortization	5,071	3,956
Professional development	1,534	3,890
Outreach and member services	1,116	1,483
Bank charges	2,387	2,303
Product purchases	1,110	755
	<u>630,342</u>	<u>641,748</u>
Excess of revenue over expenses	2,441	2,646
Net assets - beginning of year	39,312	36,666
Net assets - end of year	\$ 41,753	\$ 39,312

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER**Statement of Cash Flow
Year Ended March 31, 2008**

	2008	2007
Operating activities		
Net earnings	\$ 2,441	\$ 2,646
Item not affecting cash:		
Amortization of property and equipment	<u>5,071</u>	3,956
	<u>7,512</u>	<u>6,602</u>
Changes in non-cash working capital:		
Accounts receivable	(96,895)	6,056
Due from CPAWS National	(25,904)	(44,695)
Prepaid expenses	3,532	(4,786)
Accounts payable and accrued liabilities	(1,364)	10,189
Deferred revenue	<u>(5,486)</u>	<u>(102,868)</u>
	<u>(126,117)</u>	<u>(136,104)</u>
Cash flow used by operating activities	<u>(118,605)</u>	<u>(129,502)</u>
Investing activity		
Purchase of property and equipment	<u>-</u>	(11,006)
Cash flow used by investing activity	<u>-</u>	<u>(11,006)</u>
Financing activity		
Repayments and uses of funds due to CPAWS National	<u>(11,118)</u>	(6,068)
Cash flow used by financing activity	<u>(11,118)</u>	<u>(6,068)</u>
Decrease in cash	(129,723)	(146,576)
Cash - beginning of year	<u>203,849</u>	350,425
Cash - end of year	<u>\$ 74,126</u>	<u>\$ 203,849</u>

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Notes to Financial Statements

March 31, 2008

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. Summary of significant accounting policies

Change in accounting policy

CPAWS adopted the Canadian Institute of Chartered Accountants Handbook Section 3855 "Financial Instruments - Recognition and Measurement" effective April 1, 2007. As required by the new standards, prior periods have not been restated. The adoption of these standards has had no material impact on CPAWS' net earnings or cash flows.

The financial instruments standard establishes the recognition and measurement criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables", or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held-for-trading" are measured at fair value with changes in those fair values recognized in net earnings. Financial assets designated as "loans and receivables", and financial liabilities designated as "other financial liabilities" are measured at amortized cost using the effective interest method of amortization.

Cash is designated as "held-for-trading" and is measured at carrying value, which approximates fair value. Accounts receivable and Due from CPAWS National are designated as "loans and other receivables". Accounts payable and accrued liabilities, deferred revenue and Due to CPAWS National are designated as "other financial liabilities".

Cash equivalents

Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

(continues)

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Notes to Financial Statements

March 31, 2008

2. Summary of significant accounting policies *(continued)*

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Furniture and fixtures	10 years	straight-line method
Office equipment	6 years	straight-line method
Computer equipment	4 years	straight-line method
Computer software	3 years	straight-line method

CPAWS regularly reviews its property and equipment to eliminate obsolete items.

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.

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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Such estimates include providing for allowance for uncollectable accounts receivable, amortization of property and equipment and deferred revenue. Actual results could differ from these estimates.

3. Externally restricted cash

The cash balance of \$74,126 (2007 - \$203,849) includes \$8,391 (2007 - \$64,246) externally restricted pursuant to Alberta Gaming regulations for purposes of future qualifying expenditures.

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Notes to Financial Statements

March 31, 2008

4. Accounts receivable

At the end of 2008, \$122,325 (2007 - \$42,567) 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 2008 or 2007.

5. Property and equipment

	Cost	Accumulated amortization	2008 Net book value	2007 Net book value
Furniture and fixtures	\$ 4,000	\$ 3,562	\$ 438	\$ 838
Office equipment	6,474	2,146	4,328	5,711
Computer equipment	25,568	20,228	5,340	8,145
Computer software	2,895	483	2,412	2,895
	\$ 38,937	\$ 26,419	\$ 12,518	\$ 17,589

6. Deferred revenue

The amounts representing deferred revenues at the end of 2008 and 2007 are restricted in the manner in which such funds may be used. The restrictions are determined by the specific funding organization.

	Opening balance	Additions during the year	Recognized as revenue	Ending balance
Castle Wilderness	\$ 46,937	\$ 145,924	\$ 125,087	\$ 67,774
Fundraising capacity building	43,102	-	43,102	-
Alberta gaming revenue	64,246	77,276	55,855	85,667
Volunteer leaders program	35,401	35,000	55,915	14,486
British Columbia activity in support of Yellowstone to Yukon	18,000	-	5,000	13,000
Foundation education grants	11,230	118,210	89,660	39,780
Mountain highways	3,363	-	3,363	-
Deferred Bow Valley	2,500	-	2,500	-
Other	3,766	-	1,414	2,352
	\$ 228,545	\$ 376,410	\$ 381,896	\$ 223,059

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Notes to Financial Statements

March 31, 2008

7. Due to CPAWS National

The amount owing to CPAWS National is to be repaid in equal amounts of \$6,068, with any balance owing, net of funds used in qualifying activities, due in the 2010 fiscal period. The obligation is non-interest bearing. At the discretion of CPAWS, payments owing may be offset against amounts owed by CPAWS National.

During the year time was spent on qualifying activities and, as such, revenue was recognized to offset costs incurred and the long-term portion of the liability was reduced by \$5,050 (2007 - \$NIL).

It is not practicable to estimate the fair value of the amount owing as an appropriate discount rate is not determinable.

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 2008, CPAWS paid \$8,500 (2007 - \$8,700) 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 2008 CPAWS paid \$3,500 (2007 - \$5,300) with respect to health care and insurance coverage.

10. Commitments

During the year CPAWS renewed its lease for the rental of office premises for a five year period that will expire on September 30, 2012. Under the new lease, the lease rate will escalate over the lease term. Rent under the first year of the new lease is \$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.

CPAWS commissioned an independent writer to produce a hiking guide on the Castle Wilderness area. CPAWS' arrangement with the publisher is that the publisher shall publish the guide at its own expense and determine such matters as pricing, advertising, promotion, distribution, discounts and commissions. As part of this arrangement CPAWS is obligated to purchase 1,000 copies 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. Printing of the hiking guide was completed after the year end.

CANADIAN PARKS AND WILDERNESS SOCIETY - CALGARY/BANFF CHAPTER

Notes to Financial Statements

March 31, 2008

11. Financial instruments

CPAWS' financial instruments consist of cash, due from CPAWS National, accounts receivable, accounts payable and accrued liabilities, deferred revenue and due to CPAWS National. Unless otherwise noted, it is management's opinion that CPAWS is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

12. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.