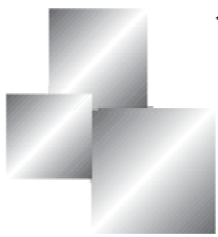


CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Financial Statements

March 31, 2009



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AUDITORS' REPORT

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

We have audited the balance sheet of Canadian Parks and Wilderness Society - Southern Alberta Chapter as at March 31, 2008 and March 31, 2009 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, 2008 and March 31, 2009 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 6, 2009

WGD LLP
Chartered Accountants

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Balance Sheet

As at March 31

	2009	2008
ASSETS		
Current		
Cash (Note 3)	\$ 41,144	\$ 74,126
Due from CPAWS National (Note 4)	47,904	85,143
Accounts receivable (Note 4)	45,151	116,970
Inventory	11,821	-
Prepaid expenses	6,583	3,246
	<u>152,603</u>	279,485
Property and equipment (Note 5)	<u>12,742</u>	12,518
	<u>\$ 165,345</u>	<u>\$ 292,003</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 41,690	\$ 20,103
Deferred income (Note 6)	142,228	223,059
Current portion of Due to CPAWS National (Note 7)	-	6,068
	<u>183,918</u>	249,230
Due to CPAWS National (Note 7)	<u>-</u>	1,020
	<u>183,918</u>	<u>250,250</u>
MEMBERS' DEFICIENCY		
Internally restricted (Note 8)	-	7,050
Invested in capital assets	12,742	12,518
Unrestricted	<u>(31,315)</u>	22,185
	<u>(18,573)</u>	41,753
	<u>\$ 165,345</u>	<u>\$ 292,003</u>

Commitments (Note 11)

Approved by the Board,

Signed: Gordon James *Chair*

Signed: Anthony Jordan *Treasurer*

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Statement of Operations and Changes in Net Assets

Year Ended March 31

	2009	2008
Revenue		
Conservation	\$ 136,547	\$ 161,811
Education	157,774	138,171
Fundraising	82,428	232,918
Outreach	90,383	89,657
Other	18,030	6,394
Interest income	896	3,832
	486,058	632,783
Expenses		
Salaries and employee benefits <i>(Note 9)</i>	278,667	384,250
Office rent and administration <i>(Note 11)</i>	94,886	81,980
Special events	15,501	49,870
Consulting	103,096	56,119
Travel, meals and entertainment	9,826	10,417
National office administration fees	8,754	14,229
Professional fees	17,640	14,259
Audit	6,500	8,000
Amortization	5,859	5,071
Professional development	2,290	1,534
Outreach and member services	119	1,116
Bank charges	813	2,387
Product purchases	2,433	1,110
	546,384	630,342
Excess (deficiency) of revenue over expenses	(60,326)	2,441
Net assets - beginning of year	41,753	39,312
Net assets (deficiency) - end of year	\$ (18,573)	\$ 41,753

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Statement of Cash Flow

Year Ended March 31

	2009	2008
Operating activities		
Net earnings	\$ (60,326)	\$ 2,441
Item not affecting cash:		
Amortization of property and equipment	5,859	5,071
	<u>(54,467)</u>	<u>7,512</u>
Changes in non-cash working capital:		
Accounts receivable	71,819	(96,895)
Due from CPAWS National	37,239	(25,904)
Prepaid expenses	(3,337)	3,532
Accounts payable and accrued liabilities	21,587	(1,364)
Deferred income	(80,831)	(5,486)
Inventory	(11,821)	-
	<u>34,656</u>	<u>(126,117)</u>
Cash flow used by operating activities	<u>(19,811)</u>	<u>(118,605)</u>
Investing activity		
Purchase of property and equipment	<u>(6,083)</u>	-
Cash flow used by investing activity	<u>(6,083)</u>	-
Financing activity		
Repayments and uses of funds due to CPAWS National	<u>(7,088)</u>	(11,118)
Cash flow used by financing activity	<u>(7,088)</u>	(11,118)
Decrease in cash	(32,982)	(129,723)
Cash - beginning of year	74,126	203,849
Cash - end of year	\$ 41,144	\$ 74,126

See accompanying notes.

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

March 31, 2009

1. Organization

The Canadian Parks and Wilderness Society - Southern Alberta 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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Canadian Institute of Chartered Accountants ('CICA') applicable to a going concern. Under the going concern assumption, the Society is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations. The use of generally accepted accounting principles applicable to a going concern is potentially inappropriate given the deficiency of revenue over expenses in the current year and the deficiency of unrestricted net assets. The ongoing economic challenges that individuals, governments, foundations and corporations are currently experiencing may mean that CPAWS will continue to experience financial challenges that will impact its ability to continue in its current legal structure and organization; however, subsequent to the year end, CPAWS received \$48,000 of one-time sponsorship and program funding.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the one-time sponsorship and program funding described above will assist CPAWS in stabilizing its financial situation and mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption.

New accounting standards

In June 2007, the CICA amended Section 1400 General Standards of Financial Statement Presentation to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. The adoption of this Section does not have an impact on CPAWS' financial statements, except for the disclosure above.

Effective April 1, 2008, CPAWS adopted CICA Section 1535, Capital Disclosures which establishes standards for disclosing information about an entity's capital and how it is managed. The adoption of this Section does not have an impact on CPAWS' financial statements, except for the additional note disclosure in note 10.

Use of estimates

Generally accepted accounting principles 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.

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CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

March 31, 2009

2. Summary of significant accounting policies (continued)

Cash

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

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property and equipment

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

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.

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CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

March 31, 2009

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

Financial instruments

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".

Future accounting pronouncements

Financial Statement Presentation by Not-for-Profit Organizations:

Recent amendments to Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, will modify the requirement with respect to various elements of financial statement presentation. These amendments include:

(i) Reporting certain revenues at their gross amounts in the statement of Operations and Changes in Net Assets.

(ii) When a not-for-profit organization classifies its expenses by function and allocate some of its fundraising and general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from each of these two functions to other functions.

(iii) The elimination of the requirement to treat net assets invested in property and equipment as a separate component of net assets.

The new standard applies to financial statements relating to the fiscal years beginning on or after January 1, 2009. This standard will impact the CPAWS's disclosure provided but will not affect the CPAWS's results or financial position.

3. Externally restricted cash

The cash balance of \$41,144 (2008 - \$74,126) includes \$2,855 (2008 - \$8,391) externally restricted pursuant to Alberta Gaming regulations for purposes of future qualifying expenditures.

4. Receivables

At the end of 2009, \$31,000 (2008 - \$122,000) was due from various organizations in respect of deferred revenue (note 6). Of the amounts owing, \$19,000 (2008 - \$NIL) remains outstanding. The amounts owing are included in Due from CPAWS National or Accounts receivable.

There was no bad debt expense or allowance for doubtful receivables in 2009 or 2008.

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

March 31, 2009

5. Property and equipment

	Cost	Accumulated amortization	2009 Net book value	2008 Net book value
Computer equipment	\$ 16,704	\$ 8,698	\$ 8,006	\$ 5,340
Computer software	2,895	1,447	1,448	2,412
Furniture and fixtures	4,000	3,962	38	438
Office equipment	6,474	3,224	3,250	4,328
	\$ 30,073	\$ 17,331	\$ 12,742	\$ 12,518

6. Deferred revenue

The amounts representing deferred revenues at the end of 2009 and 2008 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	Ending balance
Castle Wilderness	\$ 67,775	\$ 95,429	\$ 87,844	\$ 75,360
Fundraising capacity building	-	24,000	16,000	8,000
Alberta gaming revenue	85,667	-	82,812	2,855
Conservation leaders program	14,486	24,000	38,486	-
British Columbia activity in support of Yellowstone to Yukon	13,000	7,500	19,160	1,340
Foundation education grants	39,779	108,315	111,048	37,046
Mountain highways	-	20,000	16,917	3,083
Other	2,352	14,873	2,681	14,544
	\$ 223,059	\$ 294,117	\$ 374,948	\$ 142,228

7. Due to CPAWS National

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

During the year, qualifying activities resulted in revenue recognition and a reduction in the liability in the amount of \$7,088 (2008 - \$5,050).

8. Internally restricted net assets

Pursuant to the request of Mrs. Marjorie Leslie, donations received in memory of Mr. Jim Leslie had been internally restricted pending determination of suitable memorial projects. During the year, these internally restricted funds were utilized in the production of a hiking guide.

CANADIAN PARKS AND WILDERNESS SOCIETY - SOUTHERN ALBERTA CHAPTER

Notes to Financial Statements

March 31, 2009

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 2009, CPAWS paid \$4,700 (2008 - \$8,500) 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 2009 CPAWS paid \$6,900 (2008 - \$3,500) with respect to health care and insurance coverage.

10. Capital management

The Society's capital is comprised of its net assets. The Society's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide services to its members.

There were no changes to the Society's approach to capital management during the year.

11. Commitments

Under the terms of its five year office lease, expiring September 30, 2012, CPAWS incurred lease expense of \$40,000 in the current fiscal year, including operating costs. The annualized rent increases on a yearly basis to a maximum of \$31,000 in the last year, exclusive of operating costs. In addition, the annual operating costs are subject to adjustments. CPAWS is currently looking at alternative office premises, whereby it will vacate its current premises and occupy premises that would represent approximately half the current office space. CPAWS has been informed by the landlord that there would be no cancellation charge for the early termination of its current lease.

During the year, a new Executive Director ("ED") was hired. The new ED was hired on a two year contract that is reviewed annually and extended on the agreement of the ED and CPAWS. The cost incurred with respect to this contract are included as part of consulting expenses.

12. Financial instruments

CPAWS' financial instruments consist of cash, due from CPAWS National, accounts receivable, accounts payable and accrued liabilities and deferred revenue. 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.