CPAWS

CANADIAN PARKS AND WILDERNESS SOCIETY

Financial Statements

For the year ended March 31, 2010

Collins Barrow

Chartered Accountants

an independent member of BAKER TILLY INTERNATIONAL

Canadian Parks and Wilderness Society
Financial Statements
For the year ended March 31, 2010

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Auditors' Report

To the Members of
Canadian Parks and Wilderness Society

We have audited the statement of financial position of Canadian Parks and Wilderness Society (the "Society") as at March 31, 2010 and the statements of operations and changes in net assets for the year 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 paragraphs, 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, and its Foundation as disclosed in note 8 to the financial statements, derive revenue from sources the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the Society and its Foundation and we were not able to determine whether: any adjustments might be necessary to the Society's revenue, revenue disbursements, excess (deficiency) of revenue over expenses, assets, transfers payable to incorporated chapters and net assets; and as disclosed in note 8 to the financial statements the Foundation's revenue, excess (deficiency) of revenue over expenses, assets and net assets.

As at March 31, 2010 and for the year then ended, the Society consolidated the financial information of its controlled unincorporated chapters. This change in accounting policy was applied on a retrospective basis and comparative financial information as at March 31, 2009 and for the year then ended has also been restated to a consolidated basis. Previously, as at March 31, 2009 and for the year then ended, as permitted under Canadian generally accepted accounting principles, the controlled unincorporated chapters were not consolidated, but rather as a permitted alternative, the required financial information had been disclosed in a note to the financial statements. In addition, as part of the consolidation process, the accounting policy with respect to revenue recognition related to restricted contributions transferred to the controlled unincorporated chapters from the Society has been changed for the year ended March 31, 2010 and the resulting deferred contribution balances as at March 31, 2010 and April 1, 2009 to be in agreement with that of the Society for the purposes of preparing these financial statements.

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Auditors' Report

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In the opinion of the Society's management, it was not practicable to determine the deferred contribution balances on the same basis as at March 31, 2008 and the resulting impact, if any, on revenue for the year ended March 31, 2009. The terms of our engagement as auditors' of the Society did not require us to perform audit procedures on this financial information as at March 31, 2008 and for the year then ended. Since the balances at March 31, 2008 enter into the results of operations for the year ended March 31, 2009, we were unable to determine whether adjustments to the controlled unincorporated chapters' revenue, expenses and excess (deficiency) of revenue over expenses for the year ended March 31, 2009 might be necessary.

Further, like the Society, the controlled unincorporated chapters derive revenue from sources the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the controlled unincorporated chapters and we were not able to determine whether any adjustments might be necessary to the controlled unincorporated chapters' revenue, excess (deficiency) of revenue over expenses, assets and net assets. There was no limitation in our audit scope with respect to the March 31, 2010 or the March 31, 2009 financial positions of the controlled unincorporated chapters except for the impact on assets and net assets with respect to the completeness of revenue as just described.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue and the amount of the deferred contributions balance as at March 31, 2008 including the resulting impact, if any, on revenue for the year ended March 31, 2009 as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied, after giving retrospective effect to the change in accounting policy for the Society's controlled unincorporated chapters to a consolidated basis, and except for the change in accounting policy with respect to revenue recognition related to restricted contributions transferred to the controlled unincorporated chapters from the Society, as explained previously and as further explained in the summary of significant accounting policies accompanying the financial statements and in note 1 to the financial statements, on a basis consistent with that of the preceding year.

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Auditors' Report

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The comparative amounts presented in these financial statements as at March 31, 2009 and for the year then ended were reported on by us. Our opinion dated June 1, 2009, except for note 6 to the March 31, 2009 financial statements for which our opinion was dated August 7, 2009, was with reservation with respect to a limitation in scope with respect to the completeness of certain revenue which is the same limitation stated in a preceding paragraph of this report with respect to the 2010 fiscal year. In addition, our opinion contained a reservation which was with respect to a limitation in scope related to the financial information of the controlled unincorporated chapters at March 31, 2008 and their impact on the results of operations for the year ended March 31, 2009 which is also the same limitation stated in a preceding paragraph of this report with respect to the related 2009 amounts presented for comparative purposes in these financial statements.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

July 19, 2010

Canadian Parks and Wilderness Society
Statement of Financial Position

March 31		2010		2009
Assets				
Current				
Cash (Note 2)	$	**419,991**	$	1,040,897
Short-term investments (Note 3)		**700,000**		-
Accounts receivable (Note 4)		**72,014**		109,662
Prepaid supplies, expenses and deposits		**24,627**		15,197
		1,216,632		1,165,756
Capital assets (Note 5)		**170,892**		298,799
	$	**1,387,524**	$	1,464,555
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	$	**58,019**	$	144,122
Deferred contributions (Note 6)		**644,753**		449,533
Transfers payable to incorporated chapters (Note 7)		**110,314**		156,624
		813,086		750,279
Deferred contributions related to capital assets (Note 9)		**-**		112,250
		813,086		862,529
Commitments (Note 10)				
Net assets (Note 11)				
Internally restricted net assets				
Invested in capital assets (Note 12)		**170,892**		186,549
Reserve fund		**207,926**		200,000
Unrestricted net assets		**195,620**		215,477
		574,438		602,026
	$	**1,387,524**	$	1,464,555

On Behalf of the Board:

Trustee

Trustee

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society
Statement of Changes in Net Assets

For the year ended March 31	Internally Restricted Net Assets: Invested in Capital Assets	Internally Restricted Net Assets: Reserve Fund	Unrestricted	2010 Total	2009 Total
Balance, beginning of year as previously reported	$ 185,668	$ 200,000	$ 92,827	$ 478,495	346,316
Retrospective initial impact of consolidating controlled unincorporated chapters (Note 1)	881	-	122,650	123,531	291,061
Balance, beginning of year as retroactively restated	186,549	200,000	215,477	602,026	637,377
Prospective revenue recognition impact related to consolidated unincorporated chapters (Note 1)	-	-	(65,818)	(65,818)	-
Balance, beginning of year as retroactively and prospectively restated	186,549	200,000	149,659	536,208	637,377
Excess (deficiency) of revenue over expenses for the year	(15,657)	-	53,887	38,230	(35,351)
Internal transfer	-	7,926	(7,926)	-	-
Balance, end of year	$ 170,892	$ 207,926	$ 195,620	$ 574,438	$ 602,026

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society
Statement of Operations

For the year ended March 31	2010	2009
Revenue		
Designated revenue (Note 7)	**$ 1,282,968**	$ 1,636,652
Individual donations	**935,662**	1,002,847
Bequests	**46,112**	203,000
Foundation and corporate grants and donations (Note 8)	**900,550**	1,139,337
Other revenue	**97,763**	62,700
Amortization of deferred contributions related to capital assets (Note 9)	**112,250**	112,249
	3,375,305	4,156,785
Expenses		
Revenue disbursements (Note 7)	**1,239,053**	1,749,864
Development and membership	**492,726**	384,070
Conservation programs	**446,704**	519,483
Communication and public education	**192,296**	462,331
General and administrative	**338,478**	326,116
Amortization of capital assets (Note 5)	**127,907**	128,140
Controlled unincorporated chapter expenses excluding amortization of capital assets (Note 13)	**499,911**	622,132
	3,337,075	4,192,136
Excess (deficiency) of revenue over expenses for the year	**$ 38,230**	$ (35,351)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Canadian Parks and Wilderness Society
Summary of Significant Accounting Policies

March 31, 2010

Nature and Purpose of the Organization

The Canadian Parks and Wilderness Society ("the Society") is incorporated under the laws of Canada as a not-for-profit organization without share capital under Part II of the Canada Corporations Act. The Society is a registered charity and as such, it is exempt from income taxes, and may issue tax receipts for donations. The Society is dedicated to protecting Canada's wild ecosystems in parks, wilderness and similar natural areas. The Society also promotes awareness and understanding of ecological principles and the inherent values of wilderness through education, appreciation and experience. Regional activities are conducted by "Regional Chapters" of the Society which are the following controlled unincorporated chapters and incorporated chapters that are not controlled by the Society, through agency agreements where applicable: The Wildlands League, Saskatchewan, Manitoba, Ottawa Valley, Southern Alberta, Northern Alberta, British Columbia, Quebec, Nova Scotia, New Brunswick, Newfoundland, the Yukon and the Northwest Territories.

Basis of Presentation

Under Canadian generally accepted accounting principles (GAAP), controlled not-for-profit organizations could be reported by either consolidating the controlled organizations or by providing summary disclosure of the controlled organizations.

These financial statements reflect the assets, liabilities, net assets, revenues and expenses of the Society and its controlled unincorporated chapters. Transactions and balances between the Society and the controlled unincorporated chapters have been eliminated in these financial statements. Consolidation of the Society's controlled unincorporated chapters is a change in accounting policy as further explained in note 1 to these financial statements. In addition the accounting policy with respect to revenue recognition related to restricted contributions transferred to the chapters from the Society have been changed to be in agreement with those of the Society for the purposes of preparing these financial statements. This second change in accounting policy is also further explained in note 1 to these financial statements.

These financial statements do not include the financial position, results of operations and cash flows of the incorporated chapters that are not controlled by the Society but act as agents for the Society.

Under the Society's bylaws, the Society's Board of Trustees may from time to time establish chapters to promote and carry out the objects of the Society and may revoke a chapter's status.

Further, under the Society's bylaws, the Society's Board of Trustees may cause a dissolution of any unincorporated chapter and the net assets would revert to the Society.

Basis of Presentation (continued)

Upon cessation of an unincorporated chapter’s operations or of an incorporated chapter’s status as a chapter of the Society, all usage of the chapter name and Society trade-marks immediately cease. The chapter shall return all materials which have been provided by the Society to the chapter and shall destroy all letterhead and other similar material on which the name of the Society appears. The chapter shall immediately comply with all financial and other directives provided by the Society, including provision of all financial information regarding the affairs of the chapter.

The controlled unincorporated chapters consolidated in these financial statements are Manitoba, New Brunswick, Newfoundland and Quebec. In addition, the Ottawa Valley chapter was a controlled unincorporated chapter until the early part of the Society's 2009 fiscal year when the chapter became incorporated. Therefore this chapter's results of operations and cash flows are consolidated for only a portion of the Society's 2009 fiscal year.

The incorporated chapters not consolidated in these financial statements are the Wildlands League, Saskatchewan, Ottawa Valley (since incorporation in the early part of the Society's 2009 fiscal year), Southern Alberta, Northern Alberta, British Columbia, Nova Scotia, the Yukon and the Northwest Territories.

The Society exercises control over the Foundation for Canadian Parks and Wilderness (the "Foundation") by virtue of it being the sole member of the Foundation and therefore has the ability to appoint all of the Foundation's Board of Directors. The controlled foundation is not consolidated in these financial statements, which is an acceptable accounting policy under GAAP since alternative disclosures have been provided in note 8 to these financial statements.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Significant estimates include assumptions used in: estimating the amounts and collectibility of accounts receivable; in establishing the useful lives and related amortization of capital assets; in estimating provisions for accrued liabilities; and in estimating the amount of contributions earned and deferred.

Financial Instruments

The accounting standards for financial instruments require that financial assets and liabilities be classified according to their characteristics, management's intention, or the choice of category in certain circumstances. Financial assets must be classified as either held-for-trading, held-to-maturity, available-for-sale or loans and receivables. Financial liabilities must be classified as held-for-trading or other liabilities. When initially recognized, financial assets and financial liabilities are recorded at fair value on the statement of financial position. In subsequent periods, financial assets and financial liabilities classified as held-for-trading will be valued at fair value with gains or losses arising from a change in fair value recognized in operations as they occur, or as a component of deferred contributions if the change in fair value of a held-for-trading financial asset is restricted. Financial assets classified as available-for-sale are also recorded at fair value with any change in fair value recognized in the statement of changes in net assets until realized or if there is a decline in value that is considered other than temporary in which case the loss would be transferred to the statement of operations. Items that are classified in the following categories, will be measured at amortized cost using the effective interest method with gains or losses recognized in operations when realized. These categories are loans and receivables, investments held-to-maturity and other liabilities.

The Society's financial instruments as at March 31, 2010 consist of cash, short-term investments, accounts receivable, deposits, accounts payable and accrued liabilities, and transfers payable to incorporated chapters. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at March 31, 2010 cash, short-term investments, accounts receivable, deposits, accounts payable and accrued liabilities, and transfers payable to incorporated chapters are valued at amortized cost which approximates fair value at the year-end due to their short-term maturities and/or if they are interest bearing, due to their short-term maturities or their bearing of a variable rate of interest.

Financial Instruments Disclosures

The Society has opted to disclose and present financial instruments under the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of CICA Handbook Sections 3862 and 3863, which is a permitted option under the transition rules for not-for-profit organizations in these standards. Section 3862 is more onerous placing an increased emphasis on risk disclosures and requiring disclosure of both qualitative and quantitative information about exposures to risks arising from financial instruments, including credit, interest rate, liquidity, currency and other price risks as well as in certain situations sensitivity analyses. The requirements of Section 3863 are consistent with certain applicable parts of Section 3861 and therefore would not impact the Society's financial statements.

Transaction Costs	Transaction costs, if any, related to the Society's financial instruments are charged to operations as incurred.
Financial Risk Management	The Society manages its most significant assets of cash and short-term investments according to its cash needs and in such a way as to earn investment income as well as to ensure that amounts invested in financial markets are not a risk. The Society is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.
Revenue Recognition	The Society follows the deferral method of accounting for contributions which consist of designated revenue; individual donations; bequests; and foundation and corporate grants and donations. Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred. Endowment contributions are recognized as direct increases in net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably assured. Unrestricted and internally restricted interest and investment revenue is included in other revenue and is being recognized as revenue when it is earned with the passage of time. Externally restricted interest and investment revenue, if any, is initially included in deferred contributions and recognized as revenue, being included in other revenue, in the year in which the related expenses are incurred.
Contributed Materials and Services	Volunteers contribute an indeterminable number of hours per year to the Society. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Donated materials are recorded as donations revenue at their fair value at the time the materials are donated if these materials are used in the normal course of operations, would otherwise be purchased by the Society and their fair value can be reasonably estimated. Donated materials are not material to the Society's financial statements.
Capital Assets	Capital assets are recorded at cost; and in the case of donated capital assets, at fair value on the date of contribution, when it can be reasonably determined. The amortization of capital assets commences when the assets are put in service. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.

Capital Assets (continued)

The following capital assets are amortized to operations over their expected useful lives on a declining balance basis at the following annual rates:

Building	4%
Computer equipment and software	30%

Website development costs consist of website application and development stage costs and graphics development costs. Costs capitalized consist of third party costs only. Internal costs including overheads have not been capitalized and are charged to operations as incurred since it is management's opinion that these costs are not necessarily incremental in nature to the organization and in many respects would not be practicable to determine. Website development costs are amortized to operations on a straight-line basis over their expected useful life of two years.

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. Donated capital assets are not material to the Society's financial statements.

Net Assets

Internally restricted net assets invested in capital assets is comprised of the amount of capital assets acquired with unrestricted funds as explained in note 12 to these financial statements.

The reserve fund was established in 2008 by the Society's Board of Trustees and is therefore internally restricted. The reserve fund is only to be used at the discretion of the Society's Board of Trustees and the Board of Directors of the Society's Foundation for items that the Boards deem necessary. The intent is to have funds available to fund charitable operations in times of financial difficulty. The reserve fund is to be funded through transfers from unrestricted net assets that are sourced from a portion of unrestricted bequest revenue and operational surpluses since the establishment of the reserve fund in 2008.

Unrestricted net assets represents the Society's net assets that may be used by the Society for any purpose it deems appropriate.

Allocation of Expenses

Except for the amortization of capital assets, the Society's expenses, excluding controlled unincorporated chapters, are presented in the statement of operations on a functional program basis. Certain costs incurred are applicable to more than one function, are directly related to the output of the applicable function, and are therefore considered shared direct costs. The Society does not allocate costs among functions that do not directly contribute to the output of the applicable function using formulae or other allocation bases. Therefore the functional expense totals do not include any indirect costs. Specifically, general and administrative expenses, and development and membership

Allocation of Expenses (continued)

expenses, in the statement of operations represent the total amounts incurred for the year and have not been allocated among other functional expense categories. Development and membership expenses consist substantially of fundraising expenses.

Statement of Cash Flows

A statement of cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.

Changes in Accounting Standards

The CICA has revised certain Canadian generally accepted accounting principles for not-for-profit organizations as set out in CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions relate to presentation and disclosure standards and hence have no impact on the Society's net financial position or its results of operations. In addition, the CICA has issued a new standard, CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations.

These sections are effective for fiscal periods commencing on or after January 1, 2009, and accordingly, the Society has adopted these changes for the March 31, 2010 fiscal year's financial statements. The effects on the Society's financial statement presentation and disclosure of adopting these changes are set out herein. These changes in disclosure and presentation standards are required on a retrospective basis and comparative amounts have been reclassified on a similar basis where practicable.

The changes impacted the following:

<u>Net Assets Invested in Capital Assets</u>

The impact of the revision on the Society's financial statements relate to the presentation of the Society's statement of financial position and statement of changes in net assets whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets.

Therefore amounts previously presented as net assets invested in capital assets are unchanged but are now categorized as a component of internally restricted net assets.

<u>Presentation of Gross Revenues and Expenses</u>

The potential impact on the Society's statement of operations is the requirement to present and recognize revenues and expenses on a gross basis when an organization is acting as a principal in transactions and on a net basis when an organization is acting in an agency capacity. There was no impact of adopting this change since the Society's presentation was consistent with these new standards in the current and prior fiscal years.

March 31, 2010

Changes in Accounting Standards (continued)

Presentation of Allocated Expenses

This change establishes disclosure standards for an organization that chooses to classify some or all of its expenses by functional category and allocates expenses to a number of functions to which the expenses relate. These disclosures include the organization's policy for the allocation of general support and fundraising expenses to other functions including the nature of the expenses being allocated, the basis on which such allocations have been made and the amounts allocated. However, since the Society's policy was not to make any expense allocations among functional categories in the current or prior fiscal year, there was no impact of adopting this change. In the Society's case, its development and membership expenses consist substantially of fundraising expenses. Should the Society adopt such a policy of allocating expenses among functional categories in the future, the above noted disclosures would be required.

1. **Changes in Accounting Policies**

Commencing with the 2010 fiscal year, the Society voluntarily changed its accounting policy with respect to the financial information presentation for its controlled unincorporated chapters to a consolidated basis. This change in accounting policy was applied on a retrospective basis and comparative financial information for the 2009 fiscal year has been restated to a consolidated basis. As part of the consolidation process for 2010 and 2009, transactions and balances between the Society and the controlled unincorporated chapters have been eliminated.

Previously, for the 2009 fiscal year, as permitted under Canadian generally accepted accounting principles, the controlled unincorporated chapters were not consolidated, but rather as a permitted alternative, the required financial information had been disclosed in a note to the financial statements.

In addition, as part of the consolidation process the accounting policy with respect to revenue recognition related to restricted contributions transferred to the controlled unincorporated chapters from the Society has been changed for the year ended March 31, 2010 and the resulting deferred contributions balances as at March 31, 2010 and April 1, 2009 to be in agreement with that of the Society for the purposes of preparing these financial statements.

A summary of the key aspects of the changes in accounting policies follows. Since the consolidation process impacts numerous amounts and disclosures presented in financial statements, only the composite impact on key financial statement amounts reported is set out.

	Increase (Decrease) as at March 31, 2010	Increase (Decrease) as at March 31, 2009	Increase (Decrease) as at April 1, 2008
Impact of Consolidation on Financial Position			
Assets	$ 143,566	$ 128,974	
Liabilities	(26,789)	5,443	
Net Assets	$ 170,355	$ 123,531	$ 291,061

1. **Changes in Accounting Policies** (continued)

		Increase (Decrease) as at March 31, 2010		Increase (Decrease) as at April 1, 2009
Impact of Deferred Contributions Change on Financial Position				
Assets	$	-	$	-
Liabilities		82,338		65,818
Net Assets	$	(82,338)	$	(65,818)

		Increase (Decrease) During Fiscal 2010		Increase (Decrease) During Fiscal 2009
Total Impact on Statement of Operations				
Revenue	$	192,287	$	119,023
Expenses		161,983		286,553
Excess of revenue over expenses for the year	$	30,304	$	(167,530)

2. **Cash**

The bank accounts are held at Canadian chartered banks and other Canadian financial institutions being credit unions. Substantially all of the accounts earn interest at a variable rate. As at March 31, 2010 these rates were nominal.

The net decrease in cash for the 2010 fiscal year was $620,906. This decrease was the result of the acquisition of short-term investments set out in note 3 to these financial statements of $700,000 offset by cash generated substantially all by operating activities of $79,094.

For the 2009 fiscal year, the cash balance decreased by $105,693. Cash of $237,801 was expended for the acquisition of capital assets of which $224,499 was financed by contributions specifically for capital assets. In addition, as set out in note 8 to these financial statements, $183,723 of restricted funds was transferred from the Society's Foundation as well as $78,278 and $3,501 was repaid to the Society's Foundation with respect to a loan. The balance of the change in cash balances was a decrease in cash of $194,355 that was the result of other operating activities.

3. Short-Term Investments

The short-term investments of $700,000 consist of guaranteed investment certificates (GIC's) held a one Canadian chartered bank and earn interest at a rate of 0.35%. The GIC's have maturity dates between April 5, 2010 and May 10, 2010.

4. Accounts Receivable

The accounts receivable consists of the following:

	2010	2009
Receivables from incorporated chapters	**$ 24,401**	$ 12,648
Grants receivable	**29,973**	68,209
Receivable from Foundation (Note 8)	**5,000**	10,000
Other receivables	**12,640**	18,805
	$ 72,014	$ 109,662

5. Capital Assets

	2010			2009		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Building	**$ 225,780**	**$ 73,351**	**$ 152,429**	$ 225,780	$ 66,999	$ 158,781
Computer equipment	**40,864**	**24,722**	**16,142**	45,640	21,188	24,452
Computer software	**16,248**	**13,927**	**2,321**	16,248	12,932	3,316
Website development costs	**224,499**	**224,499**	**-**	224,499	112,249	112,250
	$ 507,391	**$ 336,499**	**$ 170,892**	$ 512,167	$ 213,368	$ 298,799

The website development costs were incurred during the 2009 fiscal year and relate to the Big Wild program that was operated during the 2009 and 2010 fiscal years. Therefore, $112,250 (2009 - $112,249) of the total amortization of $127,907 (2009 - $128,140) is related to program activities. The purchase of this asset was fully funded by specific contributions as described in note 9 to these financial statements.

6. **Deferred Contributions**

Deferred contributions represent unspent externally restricted grants and donations received. The externally restricted grants and donations received are not recorded as revenue in the statement of operations until expended on the specific project for which the funds were received. The deferred contributions at year-end are for future operating expenses of the following projects and activities.

	2010	2009
Big Wild	**$ 79,061**	$ 129,448
Boreal Campaign	**203,809**	112,972
Integration Studies	**10,544**	15,000
Nova Scotia Protected Area	**282,193**	152,011
Oceans	**51,030**	10,000
Other	**18,116**	1,000
Yellowstone to Yukon	**-**	29,102
	$ 644,753	$ 449,533

As set out in note 1 to these financial statements, the 2009 deferred contribution amounts do not include the impact of the change in accounting policy with respect to revenue recognition of the controlled unincorporated chapters.

7. Incorporated Chapters

The Society's policy is to deliver some of its conservation programs through its incorporated chapters. Grants and donations received are contracted to the incorporated chapters under agency agreements for these purposes. The Society maintains a cost recovery program to recover a portion of its administration cost incurred during the processing of grants and donations.

Designated revenue consists of donations, bequests and grants that are specifically designated for a program. These items are normally applied for by the incorporated chapter on behalf of the Society. The Society initially receives these amounts and then transfers the funds to the appropriate incorporated chapter.

Revenue disbursements of $1,239,053 (2009 - $1,749,864) presented on the Society's statement of operations represent the total amounts that were contracted to the incorporated chapters during the year under the Society's revenue sharing policy. These would include the designated revenue and a portion of other revenue in accordance with the Society's policies.

The policy of the Society is to make transfers to the incorporated chapters under the respective agency agreements for unrestricted donations received for charitable work. As at March 31, 2010 there was an amount of $87,875 (2009 - $128,827) to be transferred to the incorporated chapters for these donations. In addition there were designated donations for charitable programs to be carried out by the incorporated chapters that were received by the Society and not yet transferred to the designated incorporated chapters in the amount of $22,439 (2009 - $27,797). All the amounts to be transferred do not bear interest.

The building that is owned by the Society, as set out in note 5 to these financial statements, is used by one of the incorporated chapters in exchange for which all incremental costs related to the use of the building are the responsibility of the incorporated chapter. The chapter is not charged the annual amortization expense of the building.

8. Foundation for Canadian Parks and Wilderness

During the fiscal year March 31, 2010 the Foundation for Canadian Parks and Wilderness made donations of $5,000 (2009 - $13,509) to the Society. These donations are included in "Foundation and corporate grants and donations" revenue on the Society's statement of operations.

The Foundation for Canadian Parks and Wilderness is incorporated under the laws of Canada as a not-for-profit organization without share capital under Part II of the Canada Corporations Act. The Foundation is a registered charity and as such, it is exempt from income taxes and may issue tax receipts for donations. The Foundation manages an endowment fund, which was established to support the Society. The Foundation also promotes the conservation of natural land and marine ecosystems in Canada through public education, scientific studies and protection. In doing so the Foundation may solicit and receive donations, grants and bequests to fund its administration as well as projects undertaken directly or by other organizations promoting the same objectives of the Foundation.

8. **Foundation for Canadian Parks and Wilderness** (continued)

The Foundation has not been consolidated in these financial statements. Financial statements of the Foundation are available on request. A summary of the Foundation's assets, liabilities, net assets, revenues and expenses for the years ended March 31, 2010 and 2009 is as follows:

	2010	2009
Financial Position		
Assets		
Cash, temporary investment and accounts receivable	$ 137,632	$ 135,308
Cash allocated for endowment purposes	26,402	-
Investment allocated for endowment purposes	-	26,402
Total Assets	$ 164,034	$ 161,710
Liabilities	$ 9,151	$ 16,303
Net Assets		
Endowment	26,402	26,402
Unrestricted	128,481	119,005
Total Net Assets	154,883	145,407
Liabilities and Net Assets	$ 164,034	$ 161,710
Results of Operations		
Revenue		
Donations	$ 18,042	$ 1,651
Investment	88	4,894
	18,130	6,545
Expenses		
Donations to the Society	5,000	13,509
Administrative	3,654	12,172
Total Expenses	8,654	25,681
Excess (deficiency) of revenue over expenses for the year	$ 9,476	$ (19,136)

The Foundation's financial instruments as at March 31, 2010 and/or March 31, 2009 consisted of cash, a temporary investment, accounts receivable, cash or investment allocated for endowment purposes, and accounts payable and accrued liabilities.

8. **Foundation for Canadian Parks and Wilderness** (continued)

As at March 31, 2010 and/or March 31, 2009, cash, cash allocated for endowment purposes, accounts receivable, and accounts payable and accrued liabilities were carried at cost which approximated fair value at the year-end due to their short-term maturities and/or if they were interest bearing due to their bearing of a variable rate of interest.

As at March 31, 2009 the Foundation held a temporary investment and an investment allocated for endowment purposes which were classified as held-for-trading and were recorded at fair value based on quoted market prices.

Included in accounts receivable of the Foundation is $3,638 (2009 - $nil) receivable from the Society with respect to $16,390 (2009 - $nil) of donations and bequests received by the Society on behalf of the Foundation as well as bequests received by the Society for it's own account, a portion which the Society transfers to the Foundation. The asset has no specific repayment terms or conditions and is interest free. On the Society's statement of financial position, amounts due to the Foundation are included in accounts payable and accrued liabilities.

Included in the liabilities of the Foundation is $5,000 (2009 - $10,000) payable to the Society representing the balance of the 2010 fiscal year donation to the Society of $5,000 (2009 - $13,509). The liability has no specific repayment terms or conditions and is interest free. On the Society's statement of financial position amounts due from the Foundation are included in accounts receivable as set out in note 4 to these financial statements.

The Society provides administrative services to the Foundation at no cost. The Society also incurs expenses on behalf of the Foundation and these amounts are then repaid by the Foundation at cost. These amounts have no specific repayment terms or conditions and are interest free.

During the 2009 fiscal year, the Foundation transferred the balance of the restricted funds it had invested for the Boreal Campaign plus the balance of interest earned thereon to the Society in the amount of $183,723.

Also during the 2009 fiscal year the Society completed the repayment of its loan from the Foundation with a principal repayment of $78,278. The loan conditions included interest at 5% per annum which resulted in a payment by the Society to the Foundation of $3,501 during the 2009 fiscal year.

9. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets is calculated as follows:

		2010		2009
Balance, beginning of year	**$**	**112,250**	$	-
Contributions received for the acquisition of capital assets		**-**		224,499
Amounts amortized to revenue during the year		**(112,250)**		(112,249)
Balance, end of year	**$**	**-**	$	112,250

10. Commitments

As part of its normal operations, the Society and its controlled unincorporated chapters have various commitments with various expiry dates related to the purchase of services and for the rental of equipment and premises for its 2011 fiscal year and thereafter.

The most significant agreements are for the lease of office space under agreements expiring between April 30, 2011 and October 31, 2012. The annual rents include additional rent representing operating costs and applicable taxes. The estimate of total cost is approximately $6,000 per month.

The estimated total commitments for these noted items is for the next four fiscal years and are approximately:

2011	$	83,000
2012		33,000
2013		18,000
2014		7,000
	$	141,000

11. **Capital Disclosures**

The Society's capital disclosures are in accordance with CICA Handbook Section 1535, Capital Disclosures, which establishes standards for disclosure of information related to an entity's objectives, policies and processes for managing capital.

The Society's capital is comprised as its net assets which total $574,438 (2009 - $602,026). Internal restrictions on the Society's capital consists of: its reserve fund in the amount of $207,926 (2009 - $200,000) as described in the net assets section of the summary of significant accounting policies accompanying these financial statements; and the amounts invested in its capital assets of $170,892 (2009 - $186,549) as described in the net assets section of the summary of significant accounting policies accompanying these financial statements and note 12 to these financial statements. Therefore after these restrictions, the Society's available capital consists of its unrestricted net assets in the amount of $195,620 (2009 - $215,477). Of this unrestricted balance approximately $88,000 (2009 - $124,000) is related to the controlled unincorporated chapters that have been consolidated in these financial statements. The Society is not subject to externally imposed restrictions of its capital.

The Society manages its capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets to meet its organizational objectives. These objectives are stated in the nature and purpose of the organization section of the summary of significant accounting policies accompanying these financial statements.

The Society's objectives when managing its capital are also to maintain flexibility between:

- enabling it to operate efficiently;
- providing liquidity for growth opportunities;
- having funds available for cyclical expenditures (i.e. expenditures not recurring annually); and
- having funds available for unexpected increases in expenditures or decreases in revenues.

In addition, as a registered charity, the Society must meet its disbursement quota requirement under the Income Tax Act of Canada which sets out the required expenditures related to charitable activities.

As set out in the note 6 to the financial statements, the Society has deferred contributions of $644,753 (2009 - $449,533) available to fund specific future projects.

The Society's financial risk management policies, as set out in the summary of significant accounting policies accompanying these financial statements, have been established to assist the Society in meeting the objectives set out above by ensuring the Society's major assets, being cash and short-term investments, are not at excessive risk and the Society has sufficient liquidity. The Society's Board of Trustees does not establish quantitative return on capital criteria.

11. **Capital Disclosures** (continued)

In addition, as set out in the summary of significant accounting policies and note 8 to these financial statements, the Society controls the Foundation for the Canadian Parks and Wilderness which has not been consolidated in these financial statements. As such, the net assets referred to in this note exclude the Foundation's net assets of $154,883 (2009 - $145,407).

12. **Internally Restricted Net Assets Invested in Capital Assets**

Internally restricted net assets invested in capital assets is calculated as follows:

		2010		2009
Capital assets - net book value (Note 5)	**$**	**170,892**	$	298,799
Less: Deferred contributions related to capital assets (Note 9)		**-**		(112,250)
	$	**170,892**	$	186,549

13. **Controlled Unincorporated Chapter Expenses**

The statement of operations includes the expenses of the controlled unincorporated chapters. However, these chapters do not report their expenses on a functional basis and it was not practicable to reclassify them. Therefore, except for amortization of capital assets, they have not been consolidated on a functional basis and are presented separately. A summary of these expenses on an object basis is as follows:

		2010		2009
Salaries and benefits	**$**	**348,702**	$	364,397
Professional and consulting fees		**38,823**		95,686
Premises		**47,180**		50,437
Travel		**35,627**		45,951
Communications		**17,872**		28,098
Other		**11,707**		37,563
	$	**499,911**	$	622,132