

***NATURESERVE CANADA***

**AUDITED FINANCIAL STATEMENTS**

**AT MARCH 31, 2013**

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# *John F. Rubie*

PROFESSIONAL CORPORATION • CHARTERED ACCOUNTANT

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of  
NatureServe Canada**

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the NatureServe Canada which comprises the statement of financial position as at March 31, 2013 and the statements of operations, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting standards for not-for-profit entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based upon my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion the financial statements present fairly, in all material respects, the financial position of the NatureServe Canada as at March 31, 2013, and of its financial performance and its cash flows for the year ended in accordance with Canadian generally accepted accounting standards for not-for-profit entities.

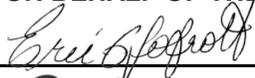
Peterborough, Ontario  
June 5, 2013

*John Rubie*  
John F. Rubie, C.A.  
Licensed Public Accountant

**NATURESERVE CANADA****STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2013

	2013 \$	2012 \$ (Note 5)
<b>ASSETS</b>		
<b>Current</b>		
Cash	68,701	257,434
Accounts receivable	324,880	592,615
Prepaid expense	16,882	1,264
	410,463	851,313
<b>Capital Assets - Note 3</b>	767	4,022
<b>Total Assets</b>	411,230	855,335
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	271,377	644,104
Deferred revenue - Note 4	54,000	52,500
	325,377	696,604
<b>Net Assets</b>	85,853	158,731
<b>Total Liabilities and Net Assets</b>	411,230	855,335

**ON BEHALF OF THE BOARD OF DIRECTORS**

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

The accompanying notes are an integral part of this financial statement.

**NATURESERVE CANADA****STATEMENT OF CHANGES IN NET ASSETS**  
For The Year Ending March 31, 2013

	2013 \$	2012 \$ (Note 5)
<b>NET ASSETS</b>		
<b>Balance, beginning of year</b>	158,731	157,387
Excess (deficiency) of revenue over expenditures	(72,878)	1,344
<b>Balance, end of year</b>	85,853	158,731

*The accompanying notes are an integral part of this financial statement.*

**NATURESERVE CANADA****STATEMENT OF OPERATIONS**

For The Year Ending March 31, 2013

	2013 \$	2012 \$ (Note 5)
<b>Revenue</b>		
Dues	1,000	12,650
Interest	1,746	1,232
Government funding	960,200	1,142,111
Direct Public Support - Corporate and Individual	456	71,225
<b>Total Revenue</b>	963,402	1,227,218
<b>Expenditures</b>		
Amortization	4,406	4,023
Bookkeeping and accounting	9,355	21,823
Consulting fees	974,978	1,152,840
Computer expenses	5,173	7,250
Dues and memberships	996	-
Insurance	2,295	2,369
Interest and bank charges	550	728
Office, telephone and general	2,647	12,838
Professional fees	7,346	6,500
Rent	11,090	2,891
Travel, meals, accommodation, annual meeting, workshops and seminars	17,444	14,612
<b>Total Expenditures</b>	1,036,280	1,225,874
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	(72,878)	1,344

*The accompanying notes are an integral part of this financial statement.*

**NATURESERVE CANADA****STATEMENT OF CASH FLOWS**  
**For The Year Ending March 31, 2013**

	2013 \$	2012 \$ (Note 5)
<b>CASH PROVIDED BY (USED IN)</b>		
Amortization		
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenditure for the year	(72,878)	1,344
Charges (credits) to income not using (providing) cash:		
Amortization	4,406	4,023
Changes in non-cash working capital accounts		
Accounts receivable	267,735	41,421
Prepaid expense	(15,618)	74
Accounts payable	(372,727)	(50,324)
Deferred revenue	1,500	10,125
	(187,582)	6,663
<b>Investing Activities</b>		
Purchase of capital assets	(1,151)	-
<b>Increase (Decrease) In Cash</b>	(188,733)	6,663
<b>Cash, Beginning of Year</b>	257,434	250,771
<b>Cash, End of Year</b>	68,701	257,434

*The accompanying notes are an integral part of this financial statement.*

## **NATURESERVE CANADA**

### **NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2013**

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**NOTE 1: PURPOSE OF THE ORGANIZATION**

NatureServe Canada is a not-for-profit organization whose goal is to be the authoritative source for accessible, current and reliable information on the distribution and abundance of Canada's biodiversity by building dynamic, accurate and comprehensive national, international and ecoregional databases on the distribution, character and conservation status of species and communities at risk in Canada and North America. NatureServe Canada is incorporated under the Canada Corporations Act as a not-for-profit organization.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO").

NatureServe Canada uses the deferral method of accounting.

***Realization of Revenues and Expenses***

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including investment income, are recorded as received.

***Capital Assets***

Capital assets are recorded at cost. Amortization is provided for on a straight-line basis over the assets' estimated useful life. Computer equipment is amortized over three years.

***Income Taxes***

The organization qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal or Provincial income taxes.

***Donated Materials and Services***

No amounts have been recorded in the current year financial statements for donated materials and services.

***Use of Accounting Estimates***

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

## NATURESERVE CANADA

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2013

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Financial Instruments*

The organization's financial instruments are classified by management as either held for trading, held to maturity, available for sale, loans and receivables or other liabilities. Financial instruments classified as held for trading are stated at fair value and changes in fair value are recognized in the statement of operations as revenue or expenditure for the year. Financial instruments classified as available for sale are stated at fair value and changes in fair value are recognized in the statement of changes in fund balances as an increase or decrease in net assets for the year. Financial instruments classified as held to maturity, loans and receivables or other liabilities are stated at cost or amortized cost and any interest income or expense arising from these financial instruments is recorded using the effective interest method.

The organization's financial instruments consist of cash, accounts receivable and accounts payable. Management has classified its cash as available for sale. As the fair value of the cash approximates the cost, there is no effect on net assets for the year. Management has classified its accounts receivable as loans and receivables which have been stated at cost due to their short term maturity. Management has classified its accounts payable as other liabilities which have been stated at cost due to their short term maturities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to any significant interest, currency, or credit risk arising from its financial instruments.

#### NOTE 3: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2013 \$	2012 \$
Computer equipment	13,219	12,452	767	4,022

#### NOTE 4: DEFERRED REVENUE

Deferred revenue relates to membership dues received for the subsequent fiscal year and government funding where expenses will be incurred in the next fiscal period.

#### NOTE 5: PRIOR YEAR AMENDMENT

Subsequent to the Annual General Meeting in 2012, it came to light that an invoice pertaining to the 2013 fiscal year was booked into the accounting records in 2012. As a result, there was an overstatement of the government funding revenue for the 2012 fiscal year. The error in 2012 has been corrected and resulted in the following: a decrease in the government funding revenue of \$52,500, an increase in deferred revenue of \$52,500 and a decrease in the net assets by \$52,500.