

NATURESERVE CANADA

AUDITED FINANCIAL STATEMENTS

AT MARCH 31, 2018

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J dnF . R ubie

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, 2018 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, 2018, 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 1, 2018

J dnR ubie

Chartered Professional Accountant
Professional Corporation

*Licensed to practice public accounting by
the Chartered Professional Accountants of Ontario*

NATURESERVE CANADA**STATEMENT OF FINANCIAL POSITION**
As at March 31, 2018

	2018 \$	2017 \$
ASSETS		
Current		
Cash	173,164	240,953
Accounts receivable - Note 3	191,354	185,964
Prepaid expense	672	3,761
	365,190	430,678
Capital Assets - Note 4	-	762
Total Assets	365,190	431,440
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities - Note 5	223,117	296,365
Deferred revenue - Note 6	40,859	42,125
	263,976	338,490
Net Assets	101,214	92,950
Total Liabilities and Net Assets	365,190	431,440

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, 2018

	2018 \$	2017 \$
NET ASSETS		
Balance, beginning of year	92,950	133,587
Excess (deficiency) of revenue over expenditures	8,264	(40,637)
Balance, end of year	101,214	92,950

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

NATURESERVE CANADA**STATEMENT OF OPERATIONS**

For The Year Ending March 31, 2018

	2018 \$	2017 \$
Revenue		
Dues	15,000	13,500
Interest	1,383	310
Government funding	1,012,709	952,124
Charitable organization / foundation funding	97,141	45,000
Direct Public Support - Corporate and Individual	293	546
Other	1,403	4,386
Total Revenue	1,127,929	1,015,866
Expenditures		
Amortization	762	762
Bookkeeping and accounting	11,226	10,914
Consulting fees	1,052,877	996,353
Computer expenses	4,191	1,107
Dues and memberships	864	757
Insurance	1,881	2,226
Interest and bank charges	386	480
Office, telephone and general	2,415	2,483
Professional fees	5,223	5,055
Rent	2,797	8,523
Sponsorship	23,054	13,000
Travel, meals, accommodation, annual meeting, workshops and seminars	13,989	14,843
Total Expenditures	1,119,665	1,056,503
Excess (Deficiency) of Revenue Over Expenditures	8,264	(40,637)

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

NATURESERVE CANADA**STATEMENT OF CASH FLOWS**
For The Year Ending March 31, 2018

	2018 \$	2017 \$
CASH PROVIDED BY (USED IN)		
Amortization		
Operating Activities		
Excess (deficiency) of revenue over expenditure for the year	8,264	(40,637)
Charges (credits) to income not using (providing) cash:		
Amortization	762	762
Changes in non-cash working capital accounts		
Accounts receivable	(5,390)	91,610
Prepaid expense	3,089	(2,272)
Accounts payable	(73,248)	(35,387)
Deferred revenue	(1,266)	42,125
	(67,789)	56,201
Increase (Decrease) In Cash	(67,789)	56,201
Cash, Beginning of Year	240,953	184,752
Cash, End of Year	173,164	240,953

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

NATURESERVE CANADA

NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2018

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, 2018

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: ACCOUNTS RECEIVABLE

The accounts receivable is shown net of an allowance for doubtful accounts of \$nil (2017 - \$nil).

NOTE 4: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2018 \$	2017 \$
Computer equipment	2,287	2,287	-	762
	2,287	2,287	-	762

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$nil (2017 - \$nil).

NOTE 6: DEFERRED REVENUE

Deferred revenue relates to foundation funding received in the year where expenses will be incurred in the next fiscal period.