

NATURESERVE CANADA

AUDITED FINANCIAL STATEMENTS

AT MARCH 31, 2009

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AUDITOR'S REPORT

**To the Board of
NatureServe Canada**

I have audited the statement of financial position of the NatureServe Canada as at March 31, 2009 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express and opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Peterborough, Ontario
June 2, 2009


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

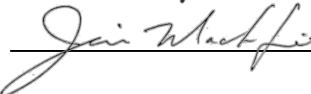
NATURESERVE CANADA**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash	222,267	152,923
Accounts receivable	769,242	477,465
Prepaid expense	1,338	1,635
Total Assets	992,847	632,023
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	736,936	472,849
Deferred revenue - Note 4	79,007	67,375
	815,943	540,224
Net Assets	176,904	91,799
Total Liabilities and Net Assets	992,847	632,023

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, 2009

	2009	2008
	\$	\$
<hr/>		
NET ASSETS		
Balance, beginning of year	91,799	32,880
Excess of revenue over expenditures	85,105	58,919
<hr/>		
Balance, end of year	176,904	91,799

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

NATURESERVE CANADA**STATEMENT OF OPERATIONS**

For The Year Ending March 31, 2009

	2009 \$	2008 \$
Revenue		
Dues	12,000	12,000
Interest	2,291	4,151
Government funding	1,027,588	1,152,998
Suncor Energy Foundation	62,500	-
Other	89	590
Total Revenue	1,104,468	1,169,739
Expenditures		
Annual meeting	3,497	2,222
Bookkeeping and accounting	12,000	7,431
Business taxes, licenses and membership	30	30
Consulting fees	723,010	840,914
Parks Canada	265,167	250,267
Insurance	2,426	2,355
Interest and bank charges	644	728
Office, telephone and general	1,887	233
Professional fees	4,832	5,088
Recruitment costs	2,416	-
Travel, meals and accommodation	3,099	1,156
Workshop	355	396
Total Expenditures	1,019,363	1,110,820
Excess of Revenue Over Expenditures	85,105	58,919

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

NATURESERVE CANADA**STATEMENT OF CASH FLOWS**
For The Year Ending March 31, 2009

	2009 \$	2008 \$
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess of revenue over expenditure for the year	85,105	58,919
Changes in non-cash working capital accounts		
Accounts receivable	(291,777)	(260,826)
Prepaid expense	297	(375)
Accounts payable	264,087	227,414
Deferred revenue	11,632	56,375
	69,344	81,507
Increase In Cash	69,344	81,507
Cash, Beginning of Year	152,923	71,416
Cash, End of Year	222,267	152,923

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

NATURESERVE CANADA

NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2009

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

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.

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, 2009

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

The organization has adopted the new CICA Handbook Section 3855 for the recognition and measurement of financial instruments. Under this new section, 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

No capital assets were acquired in the year.

NOTE 4: DEFERRED REVENUE

Deferred revenue relates to membership dues and funding received for the subsequent fiscal year.