

***NATURESERVE CANADA***

**AUDITED FINANCIAL STATEMENTS**

**AT MARCH 31, 2010**

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**AT MARCH 31, 2010**

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*John F. Rubie*

PROFESSIONAL CORPORATION • CHARTERED ACCOUNTANT

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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, 2010 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, 2010 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 10, 2010

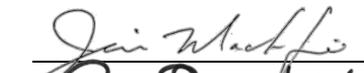
*John Rubie*  
John F. Rubie, C.A.  
Licensed Public Accountant

**NATURESERVE CANADA****STATEMENT OF FINANCIAL POSITION**

As at March 31, 2010

	2010 \$	2009 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	151,202	222,267
Accounts receivable	1,089,718	769,242
Prepaid expense	1,338	1,338
<b>Total Assets</b>	<b>1,242,258</b>	<b>992,847</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	958,666	736,936
Deferred revenue - Note 4	9,875	79,007
	968,541	815,943
<b>Net Assets</b>	<b>273,717</b>	<b>176,904</b>
<b>Total Liabilities and Net Assets</b>	<b>1,242,258</b>	<b>992,847</b>

**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, 2010

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	2010	2009
	\$	\$
<hr/>		
<b>NET ASSETS</b>		
<b>Balance, beginning of year</b>	176,904	91,799
Excess of revenue over expenditures	96,813	85,105
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<b>Balance, end of year</b>	273,717	176,904

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

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

For The Year Ending March 31, 2010

	2010 \$	2009 \$ (Note 5)
<b>Revenue</b>		
Dues	12,000	12,000
Interest	13	2,291
Government funding	1,296,032	1,027,588
Suncor Energy Foundation	62,500	62,500
Other	841	89
<b>Total Revenue</b>	<b>1,371,386</b>	<b>1,104,468</b>
<b>Expenditures</b>		
Annual meeting	5,000	3,497
Bookkeeping and accounting	12,300	12,000
Business taxes, licenses and membership	-	30
Consulting fees	1,225,673	988,177
Insurance	2,430	2,426
Interest and bank charges	700	644
Office, telephone and general	6,153	1,887
Printing fees	12,749	-
Professional fees	4,427	4,832
Recruitment costs	-	2,416
Travel, meals and accommodation	3,553	3,099
Workshop	1,588	355
<b>Total Expenditures</b>	<b>1,274,573</b>	<b>1,019,363</b>
<b>Excess of Revenue Over Expenditures</b>	<b>96,813</b>	<b>85,105</b>

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

**NATURESERVE CANADA****STATEMENT OF CASH FLOWS**  
**For The Year Ending March 31, 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating Activities</b>		
Excess of revenue over expenditure for the year	96,813	85,105
Changes in non-cash working capital accounts		
Accounts receivable	(320,476)	(291,777)
Prepaid expense	-	297
Accounts payable	221,730	264,087
Deferred revenue	(69,132)	11,632
	(71,065)	69,344
<b>Increase (Decrease) In Cash</b>	<b>(71,065)</b>	<b>69,344</b>
<b>Cash, Beginning of Year</b>	<b>222,267</b>	<b>152,923</b>
<b>Cash, End of Year</b>	<b>151,202</b>	<b>222,267</b>

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

## **NATURESERVE CANADA**

### **NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2010**

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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**

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, 2010**

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

The organization has adopted the 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 received for the subsequent fiscal year.

**NOTE 5: PRIOR YEAR COMPARATIVE FIGURES**

Certain prior year figures have been reclassified to conform to the current year presentation.