

***NATURESERVE CANADA***

**AUDITED FINANCIAL STATEMENTS**

**AT MARCH 31, 2014**

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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, 2014 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, 2014, 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 6, 2014

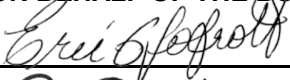
*John Rubie*  
John F. Rubie, C.A.  
Licensed Public Accountant


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

As at March 31, 2014

	2014 \$	2013 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	146,293	68,701
Accounts receivable - Note 3	221,243	324,880
Prepaid expense	1,285	16,882
	368,821	410,463
<b>Capital Assets - Note 4</b>	-	767
<b>Total Assets</b>	368,821	411,230
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities - Note 5	231,192	271,377
Deferred revenue - Note 6	-	54,000
	231,192	325,377
<b>Net Assets</b>	137,629	85,853
<b>Total Liabilities and Net Assets</b>	368,821	411,230

**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, 2014

	2014 \$	2013 \$
<b>NET ASSETS</b>		
<b>Balance, beginning of year</b>	85,853	158,731
Excess (deficiency) of revenue over expenditures	51,776	(72,878)
<b>Balance, end of year</b>	137,629	85,853

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

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

For The Year Ending March 31, 2014

	2014 \$	2013 \$
<b>Revenue</b>		
Dues	16,500	1,000
Interest	1,358	1,746
Government funding	945,500	960,200
Direct Public Support - Corporate and Individual	211	456
Other	2,336	-
<b>Total Revenue</b>	<b>965,905</b>	<b>963,402</b>
<b>Expenditures</b>		
Amortization	767	4,406
Bookkeeping and accounting	10,394	9,355
Consulting fees	863,690	974,978
Computer expenses	5,417	5,173
Dues and memberships	348	996
Insurance	2,274	2,295
Interest and bank charges	221	550
Office, telephone and general	5,743	10,369
Professional fees	5,656	7,346
Rent	11,169	11,090
Travel, meals, accommodation, annual meeting, workshops and seminars	8,450	9,722
<b>Total Expenditures</b>	<b>914,129</b>	<b>1,036,280</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>51,776</b>	<b>(72,878)</b>

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

**NATURESERVE CANADA****STATEMENT OF CASH FLOWS**  
**For The Year Ending March 31, 2014**

	2014 \$	2013 \$
<b>CASH PROVIDED BY (USED IN)</b>		
Amortization		
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenditure for the year	51,776	(72,878)
Charges (credits) to income not using (providing) cash:		
Amortization	767	4,406
Changes in non-cash working capital accounts		
Accounts receivable	103,637	267,735
Prepaid expense	15,597	(15,618)
Accounts payable	(40,185)	(372,727)
Deferred revenue	(54,000)	1,500
	77,592	(187,582)
<b>Investing Activities</b>		
Purchase of capital assets	-	(1,151)
<b>Increase (Decrease) In Cash</b>	77,592	(188,733)
<b>Cash, Beginning of Year</b>	68,701	257,434
<b>Cash, End of Year</b>	146,293	68,701

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

## **NATURESERVE CANADA**

### **NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2014**

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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, 2014

#### 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 (2013 - \$nil).

#### NOTE 4: CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
	\$	\$	2014	2013
	\$	\$	\$	\$
Computer equipment	13,219	13,219	-	767

#### NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$nil (2013 - \$nil).

#### NOTE 6: 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.