

**WILDLIFE PRESERVATION CANADA/  
CONSERVATION DE LA FAUNE AU CANADA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

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Chartered Accountants  
and Business Advisors

People Count.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of: Wildlife Preservation Canada/Conservation de la Faune au Canada

### Report on the Financial Statements

We have audited the accompanying financial statements of Wildlife Preservation Canada/Conservation de la Faune au Canada, which comprise the statement of financial position as at December 31, 2011 and the statement of operations and changes in net assets 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 principles 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, Wildlife Preservation Canada/Conservation de la Faune au Canada derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments for unrecorded donations might be necessary to donations revenue, excess (deficiency) of revenue over expenses for the year, assets and fund balances, end of year.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Wildlife Preservation Canada/Conservation de la Faune au Canada as at December 31, 2011, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants  
Licensed Public Accountants

Guelph, Ontario  
June 21, 2012

**WILDLIFE PRESERVATION CANADA/  
CONSERVATION DE LA FAUNE AU CANADA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2011**

**A S S E T S**

	General Fund	Externally Restricted Fund	Internally Restricted Fund (note 3)	Total 2011	Total 2010
<b>CURRENT</b>					
Cash and cash equivalents (market value approximates cost)	\$ 237,850	\$ 0	\$ 172,378	\$ 410,228	\$ 213,421
Accounts receivable	247,184	0	0	247,184	318,070
Other	<u>3,075</u>	<u>0</u>	<u>0</u>	<u>3,075</u>	<u>1,415</u>
	488,109	0	172,378	660,487	532,906
	<u>13,459</u>	<u>0</u>	<u>0</u>	<u>13,459</u>	<u>14,920</u>
<b>CAPITAL ASSETS (note 4)</b>	<u>\$ 501,568</u>	<u>\$ 0</u>	<u>\$ 172,378</u>	<u>\$ 673,946</u>	<u>\$ 547,826</u>

**LIABILITIES**

<b>CURRENT</b>					
Accounts payable	\$ 5,077	\$ 0	\$ 0	\$ 5,077	\$ 5,519
Deferred income	<u>261,780</u>	<u>0</u>	<u>0</u>	<u>261,780</u>	<u>261,763</u>
	<u>266,857</u>	<u>0</u>	<u>0</u>	<u>266,857</u>	<u>267,282</u>

**NET ASSETS**

Unrestricted net assets	234,711	0	0	234,711	182,312
Externally restricted fund	0	0	0	0	35,498
Net assets restricted for endowment purposes (note 3)	<u>0</u>	<u>0</u>	<u>172,378</u>	<u>172,378</u>	<u>62,734</u>
	<u>234,711</u>	<u>0</u>	<u>172,378</u>	<u>407,089</u>	<u>280,544</u>
	<u>\$ 501,568</u>	<u>\$ 0</u>	<u>\$ 172,378</u>	<u>\$ 673,946</u>	<u>\$ 547,826</u>

**WILDLIFE PRESERVATION CANADA/  
CONSERVATION DE LA FAUNE AU CANADA  
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General Fund		Externally Restricted Fund		Internally Restricted Fund (note 3)		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>								
Individual donations	\$ 101,540	\$ 126,168	\$ 40	\$ 110	\$ 137,055	\$ 0	\$ 238,635	\$ 126,278
Foundation donations	4,985	10,320	89,557	71,000	0	0	94,542	81,320
Special event (note 6)	27,954	33,842	0	0	0	0	27,954	33,842
Federal government grants	73,414	29,741	279,809	267,672	0	0	353,223	297,413
Provincial government grants	27,756	15,515	111,026	139,643	0	0	138,782	155,158
Other grants	12,000	0	0	0	0	0	12,000	0
Other income	14,070	7,215	0	0	0	0	14,070	7,215
Investment income	1,915	0	0	0	0	0	1,915	0
	<u>263,634</u>	<u>222,801</u>	<u>480,432</u>	<u>478,425</u>	<u>137,055</u>	<u>0</u>	<u>881,121</u>	<u>701,226</u>
<b>EXPENSES</b>								
Project implementation	54,185	53,433	55,018	57,112	0	0	109,203	110,545
Conservation grants (note 5)	59,130	55,065	354,290	321,467	0	0	413,420	376,532
Grant expenses	27,984	26,464	42,890	41,541	0	0	70,874	68,005
Administrative and fundraising	70,670	66,357	50,905	22,807	0	0	121,575	89,164
Special event expenses (note 6)	7,403	8,153	0	0	0	0	7,403	8,153
Web development	0	0	32,101	0	0	0	32,101	0
	<u>219,372</u>	<u>209,472</u>	<u>535,204</u>	<u>490,440</u>	<u>0</u>	<u>0</u>	<u>754,576</u>	<u>652,399</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES for the year</b>	44,262	13,329	(54,772)	35,498	137,055	0	126,545	48,827
Net assets, beginning of year	182,312	175,551	35,498	0	62,734	56,166	280,544	231,717
Inter-fund transfers	8,137	(6,568)	19,274	0	(27,411)	6,568	0	0
	<u>\$ 234,711</u>	<u>\$ 182,312</u>	<u>\$ 0</u>	<u>\$ 35,498</u>	<u>\$ 172,378</u>	<u>\$ 62,734</u>	<u>\$ 407,089</u>	<u>\$ 280,544</u>

**WILDLIFE PRESERVATION CANADA/  
CONSERVATION DE LA FAUNE AU CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Wildlife Preservation Canada/Conservation de la Faune au Canada was incorporated as a charitable organization under Section 2 of the Canada Corporations Act. The organization's mission is to save endangered species from extinction.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Policies considered significant are as follows:

**a) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on account and short term investments with remaining maturities of less than three months at acquisition. These are valued at the lower of cost and net realizable value.

**b) FUND ACCOUNTING**

The organization follows the restricted fund method of accounting for contributions.

The General Fund reports unrestricted revenue available for any purpose. The Board of Trustees use the General Fund to fund expenses for mission-related activities such as species recovery programs, professional training and education, as well as administrative operating and fundraising expenditures associated with the general management and maintenance of the organization.

The Externally Restricted Fund consists of funds available for spending that are restricted by donors.

The Internally Restricted Funds report revenue where internal restrictions require that the funds must be used for specific purposes.

**c) CAPITAL ASSETS**

Amortization is taken on assets at the following rates:

Computers	30% declining balance basis
Vehicles	30% declining balance basis
Equipment	20% declining balance basis

Amortization is taken at 50% of the above rates in the year of addition.

**d) REVENUE RECOGNITION**

Receipts from donations and grants are recognized as revenue in the fiscal year the donations and grants are received. Interest income is recorded on the accrual basis. Other income is recorded in the year in which it is received. Shrike program funding is recorded on an accrual basis.

**e) DEFERRED REVENUE**

Deferred revenue relates to donations received for specific projects that have not yet been undertaken.

**f) INCOME TAXES**

The organization is a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and may issue tax-deductible receipts to donors.

**g) DONATED ASSETS**

The organization records donated assets as revenue at fair market value.

**WILDLIFE PRESERVATION CANADA/  
CONSERVATION DE LA FAUNE AU CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

h) USE OF 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates and assumptions relate to the useful life of capital assets. Actual results could differ from those estimates.

**2. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts of these financial instruments approximate their fair market value due to their short term maturity or capacity for prompt liquidation. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, credit, or liquidity risks arising from these financial instruments.

**3. INTERNALLY RESTRICTED FUNDS**

These are funds which are to be used to assist with the cash flow requirements of the organization, as deemed appropriate by the Board.

The Gerald Durrell Fund for Wildlife was created to continue the conservation work of Gerald Durrell, and can be allocated to projects which fulfil that mandate.

The Futures Fund was created based on a decision by the Board to allocate fifty percent of any revenue surplus in excess of budget to the Futures Fund annually. The first funds were deposited in 1998.

The Bequest Fund was created in order to allocate bequests in excess of \$10,000 to this fund, to be brought into the annual budget to fund conservation programs over a five year period. Fifty percent of bequests over \$100,000 will be permanently endowed.

	<b>2011</b>	<b>2010</b>
Internally restricted funds:		
Gerald Durrell Fund for Wildlife	\$ 30,190	\$ 30,190
Futures Fund	32,544	32,544
Bequest Fund	<u>109,644</u>	<u>0</u>
	<u>\$ 172,378</u>	<u>\$ 62,734</u>

**4. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2011</b>	<b>Net 2010</b>
Computers	\$ 6,874	\$ 3,444	\$ 3,430	\$ 1,439
Vehicles	13,017	7,732	5,285	7,550
Equipment	<u>8,236</u>	<u>3,492</u>	<u>4,744</u>	<u>5,931</u>
	<u>\$ 28,127</u>	<u>\$ 14,668</u>	<u>\$ 13,459</u>	<u>\$ 14,920</u>

**WILDLIFE PRESERVATION CANADA/  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**5. CONSERVATION GRANTS**

Conservation grants awarded consist of the following:

	<b>2011</b>	<b>2010</b>
Eastern Loggerhead Shrike Recovery Program	\$ 328,524	\$ 326,667
Canada's New Noah Program	13,963	15,465
Canadian Collection - Burrowing Owl	15,000	15,000
Canadian Collection - Ontario Freshwater Turtles	22,606	0
Canadian Collection - Piping Plover (Atlantic)	21,827	0
Canadian Collection - Oregon Spotted Frog	10,500	0
Canadian Collection - Spiny Softshell Turtle	0	9,200
Canadian Collection - Black Tailed Prairie Dog	0	5,000
Canadian Collection - Species At Risk Strategy	<u>1,000</u>	<u>5,200</u>
	<u>\$ 413,420</u>	<u>\$ 376,532</u>

**6. SPECIAL EVENT**

The organization hosts an annual dinner and auction.

**7. STATEMENT OF CASH FLOWS**

A separate statement of cash flows has not been presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements.

**8. CAPITAL DISCLOSURES**

Wildlife Preservation Canada/Conservation de la Faune au Canada's defines its capital as the balance maintained in its unrestricted net assets. The organization's objective when managing capital is to safeguard the organization's ability to continue as a going concern and to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events in order to maintain stability in the financial structure.

The organization seeks to maintain sufficient liquidity to enable it to meet its obligations as they become due. The organization holds investments to ensure sufficient liquidity. The organization manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the organization may redeem investments or adjust membership fees.

The organization is not subject to any externally imposed capital requirements.