

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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CONSERVATION DE LA FAUNE AU CANADA**

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FOR THE YEAR ENDED DECEMBER 31, 2012

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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

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, 2012 and December 31, 2011 and the statement of operations and changes in net assets and cash flows for the years 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 accounting standards for not for profit organizations 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, 2012 and December 31, 2011, and the results of its operations and cash flows for the years then ended in accordance with Canadian accounting standards for not for profit organizations.

Guelph, Ontario
May 10, 2013

RLB LLP

Chartered Accountants
Licensed Public Accountants

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	General Fund	Externally Restricted Fund	Internally Restricted Funds (note 4)	Total 2012	Total 2011
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 256,624	\$ 0	\$ 144,967	\$ 401,591	\$ 410,228
Accounts receivable	253,342	0	0	253,342	247,184
Other	3,006	0	0	3,006	3,075
	<u>512,972</u>	<u>0</u>	<u>144,967</u>	<u>657,939</u>	<u>660,487</u>
CAPITAL ASSETS (note 5)	<u>9,896</u>	<u>0</u>	<u>0</u>	<u>9,896</u>	<u>13,459</u>
	<u>\$ 522,868</u>	<u>\$ 0</u>	<u>\$ 144,967</u>	<u>\$ 667,835</u>	<u>\$ 673,946</u>
LIABILITIES					
CURRENT					
Accounts payable	\$ 6,635	\$ 0	\$ 0	\$ 6,635	\$ 5,077
Deferred income (note 8)	273,905	0	0	273,905	261,780
	<u>280,540</u>	<u>0</u>	<u>0</u>	<u>280,540</u>	<u>266,857</u>
NET ASSETS					
Unrestricted net assets	242,328	0	0	242,328	234,711
Externally restricted fund	0	0	0	0	0
Internally restricted funds (note 4)	0	0	144,967	144,967	172,378
	<u>242,328</u>	<u>0</u>	<u>144,967</u>	<u>387,295</u>	<u>407,089</u>
	<u>\$ 522,868</u>	<u>\$ 0</u>	<u>\$ 144,967</u>	<u>\$ 667,835</u>	<u>\$ 673,946</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR DECEMBER 31, 2012

	General Fund		Externally Restricted Fund		Internally Restricted Funds (note 4)		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE								
Individual donations	\$ 127,029	\$ 101,540	\$ 0	\$ 40	\$ 0	\$ 137,055	\$ 127,029	\$ 238,635
Foundation donations	20,745	4,985	88,500	89,557	0	0	109,245	94,542
Special event (note 6)	22,560	27,954	0	0	0	0	22,560	27,954
Federal government grants	56,001	73,414	218,017	279,809	0	0	274,018	353,223
Provincial government grants	22,326	27,756	136,619	111,026	0	0	158,945	138,782
Other grants	0	12,000	11,280	0	0	0	11,280	12,000
Other income	18,250	14,070	0	0	0	0	18,250	14,070
Investment income	3,187	1,915	0	0	0	0	3,187	1,915
	<u>270,098</u>	<u>263,634</u>	<u>454,416</u>	<u>480,432</u>	<u>0</u>	<u>137,055</u>	<u>724,514</u>	<u>881,121</u>
EXPENSES								
Project implementation	55,827	54,185	34,893	55,018	0	0	90,720	109,203
Conservation grants	33,458	59,130	401,640	354,290	0	0	435,098	413,420
Grant expenses	37,634	27,984	50,412	42,890	0	0	88,046	70,874
Administrative and fundraising	71,344	70,670	50,485	50,905	0	0	121,829	121,575
Special event expenses (note 6)	5,907	7,403	0	0	0	0	5,907	7,403
Web development	2,708	0	0	32,101	0	0	2,708	32,101
	<u>206,878</u>	<u>219,372</u>	<u>537,430</u>	<u>535,204</u>	<u>0</u>	<u>0</u>	<u>744,308</u>	<u>754,576</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES for the year	63,220	44,262	(83,014)	(54,772)	0	137,055	(19,794)	126,545
Net assets, beginning of year	234,711	182,312	0	35,498	172,378	62,734	407,089	280,544
Inter-fund transfers (note 7)	(55,603)	8,137	83,014	19,274	(27,411)	(27,411)	0	0
NET ASSETS, end of year	<u>\$ 242,328</u>	<u>\$ 234,711</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 144,967</u>	<u>\$ 172,378</u>	<u>\$ 387,295</u>	<u>\$ 407,089</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures for the year	\$ (19,794)	\$ 126,545
Amortization	<u>3,563</u>	<u>4,310</u>
	(16,231)	130,855
Change in non-cash working capital		
Accounts receivable	(6,158)	70,886
Accounts payable	1,558	(442)
Deferred income	12,125	17
Other	<u>69</u>	<u>(1,660)</u>
	(8,637)	199,656
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Capital additions	<u>0</u>	<u>(2,850)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,637)	196,806
CASH AND CASH EQUIVALENTS, beginning of year	<u>410,228</u>	<u>213,421</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 401,591</u>	<u>\$ 410,228</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 204,148	\$ 208,832
Investments	<u>197,443</u>	<u>201,396</u>
	<u>\$ 401,591</u>	<u>\$ 410,228</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 and is exempt from income tax. The organization's mission is to save endangered species from extinction.

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations (ASNPO) contained in Part III of the CICA Handbook. 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 amortized cost.

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.

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

f) **DONATED ASSETS**

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

g) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations 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.

h) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and deferred income.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The organization has elected to apply the Canadian accounting standards for not for profit organizations (ASNPO) contained in Part III of the CICA Handbook.

These financial statements for the year ended December 31, 2012 are the first financial statements for which the entity has applied Canadian accounting standards for not for profit organizations. These financial statements are in compliance with the Canadian accounting standards for not for profit organizations and the provisions set out in First-Time Adoption, Section 1501 for first-time adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at the date of transition, January 1, 2011, being the date of the first fiscal period for comparison purposes.

Opening Statement of Financial Position

There are no differences between the statement of financial position as at December 31, 2010 based on previous financial statements for the year then ended, which were prepared according to Canadian generally accepted accounting standards contained in Part V of the CICA Handbook and the statement of financial position prepared upon first time adoption of Canadian accounting standards for not for profit organizations contained in Part III of the CICA Handbook at the date of transition, January 1, 2011.

As a result, there have been no changes to the opening net assets balance as at the date of transition, January 1, 2011, or to net revenues over expenditures, as a result of prior period adjustments, for the year ended December 31, 2010. Accordingly, the opening statement of financial position has not been presented.

3. FINANCIAL INSTRUMENTS

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.

The extent of the organization's exposure to these risks did not change in 2012 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

4. 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.

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

4. INTERNALLY RESTRICTED FUNDS (continued)

	2012	2011
Internally restricted funds:		
Gerald Durrell Fund for Wildlife	\$ 30,190	\$ 30,190
Futures Fund	32,544	32,544
Bequest Fund	<u>82,233</u>	<u>109,644</u>
	<u>\$ 144,967</u>	<u>\$ 172,378</u>

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2012	Net 2011
Computers	\$ 6,874	\$ 4,473	\$ 2,401	\$ 3,430
Vehicles	13,017	9,317	3,700	5,285
Equipment	<u>8,236</u>	<u>4,441</u>	<u>3,795</u>	<u>4,744</u>
	<u>\$ 28,127</u>	<u>\$ 18,231</u>	<u>\$ 9,896</u>	<u>\$ 13,459</u>

Amortization recorded in the year amounted to \$3,563 (2011 - \$4,310).

6. SPECIAL EVENT

The organization hosts an annual dinner and auction.

7. INTERFUND TRANSFERS

Interfund transfers are as follows:

Transfer of deficit on externally restricted fund to general fund	\$ 83,014
Transfer of 20% of bequests from internally restricted fund to general fund	<u>(27,411)</u>
	<u>\$ 55,603</u>

8. DEFERRED INCOME

	2012	2011
Opening balance	\$ 261,780	\$ 261,763
Add: advances received	12,125	1,162
Less: revenue recognized	<u>0</u>	<u>(1,145)</u>
	<u>\$ 273,905</u>	<u>\$ 261,780</u>