

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations and Changes in Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 10

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

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, 2018 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these 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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Qualified Opinion

In common with many not for profit organizations, the organization derives some of its revenues from cash sources, 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 might be necessary to revenues, excess of revenues over expenditures and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities. This description forms part of our auditor's report.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
April 22, 2019

Chartered Professional Accountants
Licensed Public Accountants

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,186,173	\$ 782,119
Accounts receivable	134,282	478,670
Prepaid expenses	<u>3,896</u>	<u>3,896</u>
	1,324,351	1,264,685
CAPITAL ASSETS (note 4)	<u>5,427</u>	<u>7,510</u>
	<u>\$ 1,329,778</u>	<u>\$ 1,272,195</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 38,725	\$ 44,287
Deferred income (note 5)	<u>366,140</u>	<u>305,040</u>
	<u>404,865</u>	<u>349,327</u>
NET ASSETS		
NET ASSETS (note 6)	<u>924,913</u>	<u>922,868</u>
	<u>\$ 1,329,778</u>	<u>\$ 1,272,195</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUES		
Government grants	\$ 407,203	\$ 460,211
Corporate and foundation donations	310,209	245,630
Individual donations	232,695	578,302
Contracted projects	111,123	100,517
Other income	<u>21,450</u>	<u>17,287</u>
	<u>1,082,680</u>	<u>1,401,947</u>
EXPENDITURES		
Project implementation	756,292	720,048
Fundraising and communications	187,407	172,839
Administrative	121,751	101,048
Conservation grants	<u>15,185</u>	<u>67,292</u>
	<u>1,080,635</u>	<u>1,061,227</u>
EXCESS OF REVENUES OVER EXPENDITURES for the year	2,045	340,720
NET ASSETS, beginning of year (note 6)	<u>922,868</u>	<u>582,148</u>
NET ASSETS, end of year (note 6)	<u>\$ 924,913</u>	<u>\$ 922,868</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 2,045	\$ 340,720
Items not requiring an outlay of cash		
Amortization	<u>2,083</u>	<u>2,916</u>
	4,128	343,636
Changes in non-cash working capital		
Accounts receivable	344,388	(102,174)
Prepaid expenses	0	413
Accounts payable and accrued liabilities	(5,562)	8,171
Deferred income	<u>61,100</u>	<u>78,125</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	404,054	328,171
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>782,119</u>	<u>453,948</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,186,173</u>	<u>\$ 782,119</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 422,484	\$ 424,103
Temporary investments	<u>763,689</u>	<u>358,016</u>
	<u>\$ 1,186,173</u>	<u>\$ 782,119</u>

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. NATURE OF ORGANIZATION

Wildlife Preservation Canada/Conservation de la Faune au Canada is a not for profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Wildlife Preservation Canada/Conservation de la Faune au Canada is exempt from income tax. Its purpose is to save endangered species within Canada from extinction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations (ASNPO) contained in Part III of the CPA Canada Handbook. Policies considered significant are as follows:

(a) REVENUE RECOGNITION

The organization utilizes the deferral method of accounting for contributions. This treatment better aligns the project revenue with the related expenditures and provides more intuitive and accurate reporting.

Revenue from government sources or related to specific causes or projects is recognized in the same period as the underlying expenditures.

Donation revenue is recognized when received. Revenue from other sources is recognized as earned and collection is reasonably assured.

(b) CASH AND CASH EQUIVALENTS

The organization's cash and cash equivalents include cash on account and short term investments with remaining maturities of less than 1 year. These are valued at amortized cost.

(c) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Computer	- 30 % declining balance basis
Vehicles	- 30 % declining balance basis
Equipment	- 20 % declining balance basis

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

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 management's estimates include useful lives of capital assets. Actual results could differ from those estimates.

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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 and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an 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.

Transaction costs

The organization recognizes its transaction costs in excess of revenues over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(f) CONTRIBUTED MATERIALS AND SERVICES

Donated assets and contributed materials are recorded as revenue at fair market value when their value can be reasonably obtained.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 compared to the previous period.

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

WILDLIFE PRESERVATION CANADA/CONSERVATION DE LA FAUNE AU CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Computer	\$ 8,863	\$ 8,056	\$ 807	\$ 1,153
Vehicles	30,643	27,382	3,261	4,659
Equipment	<u>8,868</u>	<u>7,509</u>	<u>1,359</u>	<u>1,698</u>
	<u>\$ 48,374</u>	<u>\$ 42,947</u>	<u>\$ 5,427</u>	<u>\$ 7,510</u>

5. DEFERRED INCOME

The organization typically receives donations and grants in advance for conservation work planned in the future. These amounts are deferred until the work has been completed.

The remaining deferred income consists of grants received during 2018 which are intended to support conservation activities planned for the upcoming fiscal year.

	2018	2017
Balance, beginning of the year	\$ 305,040	\$ 226,916
Less amount recognized as revenue in the year	(245,905)	(155,320)
Plus amount received related to the following year	<u>307,005</u>	<u>233,444</u>
Balance, end of year	<u>\$ 366,140</u>	<u>\$ 305,040</u>
Comprised of the following amounts:		
Corporate funded projects	\$ 3,405	\$ 20,000
Foundation funded projects	315,005	213,444
Deferred bequests	<u>47,730</u>	<u>71,596</u>
	<u>\$ 366,140</u>	<u>\$ 305,040</u>

6. NET ASSETS

The organization has a number of directly funded conservation projects and a number of projects that are funded through general operations as the opportunity and need arise. Due to the nature of conservation efforts, significant capital is often needed to hire the proper professional staff, set up research areas, purchase materials, and write proposals and outlines. The conservation projects cannot get fully underway without all of the required resources. There can be, and often are, delays between receiving funding and spending resources on the projects. Additionally, while certain conservation projects are directly funded through government agencies or industry grants, funding provided is often the maximum funding allowed so any extra costs needed are funded through the organization's reserves. Other significant conservation projects are funded through the entity's own net assets as the opportunity and need arise.

For these reasons, the organization has built up what it believes to be sufficient reserves to cover unforeseen interruptions in current funding, provide the ability to address conservation risks in Canada that are not currently backed by agencies or industry, and fund its own conservation initiatives.