

**INTERNATIONAL CONSERVATION FUND OF CANADA**  
**Financial Statements**  
**Year Ended December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of International Conservation Fund of Canada

### *Opinion*

We have audited the financial statements of International Conservation Fund of Canada (ICFC), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ICFC as at December 31, 2022, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

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 ICFC 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ICFC's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate ICFC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ICFC'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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 ICFC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICFC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICFC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bridgewater, Nova Scotia  
May 30, 2023

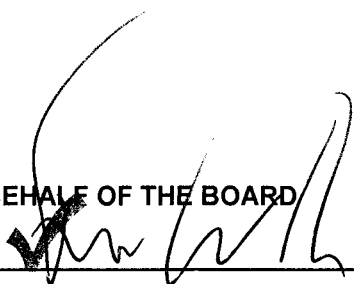
*Belliveau Veinotte Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS

## Statement of Financial Position

December 31, 2022

	2022	2021
<b>ASSETS</b>		
Current		
Cash	\$ 302,685	\$ 634,028
Accounts receivable	1,647	13,146
HST recoverable	16,130	14,953
Prepaid expenses	-	825
Project advances	1,994,097	861,843
	<b>2,314,559</b>	1,524,795
Unrestricted investments (Note 3)	2,212,778	1,776,245
Capital assets (Note 4)	96,737	96,521
Internally restricted cash and investments (Notes 5, 6)	6,438,434	7,139,587
	<b>\$ 11,062,508</b>	<b>\$ 10,537,148</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 66,340	\$ 79,419
Deferred income	138,826	-
	<b>205,166</b>	79,419
<b>NET ASSETS</b>		
General fund	4,418,908	3,318,142
Restricted fund (Note 6)	6,438,434	7,139,587
	<b>10,857,342</b>	10,457,729
	<b>\$ 11,062,508</b>	<b>\$ 10,537,148</b>

ON BEHALF OF THE BOARD



Director

Director

See accompanying notes to the financial statements

## Statement of Revenues and Expenditures

Year Ended December 31, 2022

	2022	2021
<b>REVENUE</b>		
Donations - General	\$ 6,267,178	\$ 6,426,006
Donations - Designated	4,002,802	3,483,320
	<b>10,269,980</b>	<b>9,909,326</b>
<b>OTHER INCOME (EXPENSES)</b>		
Investment income	212,850	178,047
Gains (losses) on disposal of investments	(215,044)	315,332
Unrealized gain (loss) on investments	(1,414,514)	(365,231)
Gain (loss) on foreign currency exchange	358,616	(17,651)
	<b>(1,058,092)</b>	<b>110,497</b>
<b>TOTAL REVENUE</b>	<b>9,211,888</b>	<b>10,019,823</b>
<b>PROJECT EXPENDITURES (Schedule 1)</b>	<b>8,236,687</b>	<b>6,134,092</b>
<b>GENERAL AND ADMINISTRATIVE EXPENDITURES</b>		
Advertising and message promotion	8,654	2,450
Amortization	2,274	3,690
Interest and bank charges	10,733	8,067
Investigating prospective work	19,318	7,903
Office and administration	32,895	33,187
Rent	5,818	5,244
Salaries and wages	348,821	248,196
Travel and conferences	23,087	35
Utilities	8,940	7,705
	<b>460,540</b>	<b>316,477</b>
<b>FUNDRAISING EXPENDITURES</b>		
Advertising and promotion	21,035	23,124
Consultants	22,911	41,624
Salaries and wages	70,206	50,596
Transportation and travel	896	-
	<b>115,048</b>	<b>115,344</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<b>\$ 399,613</b>	<b>\$ 3,453,910</b>

See accompanying notes to the financial statements

## Statement of Changes in Net Assets

Year Ended December 31, 2022

	General Fund	Restricted Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,318,142	\$ 7,139,587	<b>\$ 10,457,729</b>	\$ 7,003,819
Excess of revenue over expenditures for the year	1,142,742	(743,129)	<b>399,613</b>	3,453,910
Internal transfer (Note 6)	(41,976)	41,976	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,418,908</b>	<b>\$ 6,438,434</b>	<b>\$ 10,857,342</b>	<b>\$ 10,457,729</b>

See accompanying notes to the financial statements

## Statement of Cash Flow

Year Ended December 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for the year	\$ 399,613	\$ 3,453,910
Items not affecting cash:		
Amortization of capital assets	2,274	3,690
Loss (gain) on disposal of investments	215,044	(315,332)
Unrealized gain (loss) on investments	1,414,514	365,231
	<b>2,031,445</b>	<b>3,507,499</b>
Changes in non-cash working capital:		
Accounts receivable	11,499	(13,141)
HST recoverable	(1,177)	(5,802)
Project advances	(1,132,254)	(207,459)
Prepaid expenses	825	(825)
Accounts payable	(13,083)	6,366
Deferred income	138,826	-
	<b>(995,364)</b>	<b>(220,861)</b>
Cash flow from operating activities	<b>1,036,081</b>	<b>3,286,638</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(2,500)	(2,373)
<b>FINANCING ACTIVITIES</b>		
Proceeds on sale of investments	1,215,146	2,490,279
Purchase of investments	(2,580,070)	(6,089,513)
Cash flow used by financing activities	<b>(1,364,924)</b>	<b>(3,599,234)</b>
<b>DECREASE IN CASH FLOW</b>	<b>(331,343)</b>	<b>(314,969)</b>
Cash - beginning of year	634,028	948,997
<b>CASH - END OF YEAR</b>	<b>\$ 302,685</b>	<b>\$ 634,028</b>

See accompanying notes to the financial statements



## Notes to Financial Statements

Year Ended December 31, 2022

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## 1. DESCRIPTION OF OPERATIONS

The International Conservation Fund of Canada ("ICFC"), is a registered Canadian charity founded in April, 2007, and accordingly is exempt from income taxes. ICFC's mission is to advance the long-term preservation of nature and biodiversity in the tropics and other priority areas by: furthering the protection of natural ecosystems; countering degradation of natural ecosystems; and promoting the restoration or recovery of natural ecosystems; while seeking ways to involve local communities.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

International Conservation Fund of Canada follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

Cash

Cash includes amounts on deposit with financial institutions.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported in the statement of operations.

Project advances

The International Conservation Fund of Canada (ICFC) works with field partners who carry out program activities. Advances of funds are made to field partners, with no more than 6 months funding advanced in any installment for projects more than \$10,000. Further payments made after the initial payment are dependent on satisfactory project and financial reports being received from field partners. Project expenses are recorded upon receipt of financial reports from the field partners.

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## Notes to Financial Statements

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Equipment	5 years
Computer equipment	5 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated assets

Donated assets are recorded at their fair market value at the time of the donation.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

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

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

Financial assets measured at fair value include marketable securities.

## 3. UNRESTRICTED INVESTMENTS

	2022	2021
Canadian Investment portfolio	\$ 1,809,284	\$ 1,726,279
US Investment portfolio (USD - \$297,913; 2021 - \$39,411)	403,494	49,966
	<b>\$ 2,212,778</b>	<b>\$ 1,776,245</b>

Unrestricted investments are in various Canadian and US equities and mutual funds held through TD Waterhouse.

## Notes to Financial Statements

Year Ended December 31, 2022

## 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Interest in land	\$ 93,152	\$ -	\$ 93,152	\$ 93,152
Equipment	3,175	3,174	1	1
Computer equipment	20,315	16,731	3,584	3,368
	\$ 116,642	\$ 19,905	\$ 96,737	\$ 96,521

Interest in land represents 3 hectares and conservation easements over 2,576 hectares of land in Guatemala, and mortgages in Ecuador and Bolivia with conservation covenants.

## 5. RESTRICTED CASH AND INVESTMENTS

	2022	2021
Canadian Investment portfolio	\$ 3,209,142	\$ 3,462,237
US Investment portfolio (USD - \$2,384,297; 2021 - \$2,900,576)	3,229,292	3,677,350
	\$ 6,438,434	\$ 7,139,587

Restricted investments are in various Canadian and US equities and mutual funds held through TD Waterhouse and Peregrine Investment Management. These investments are professionally managed by the Private Investment Counsel and Peregrine and are recorded at market value except for a \$625,000 investment in a wind project, which is a private company.

## 6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has internally restricted cash and investments for the following purposes:

	2022	2021
ACG Parataxonomist Fund	\$ 2,385,594	\$ 2,859,402
Los Amigos Conservation Concession Fund	1,577,455	1,848,981
Poon Trust Fund	726,354	598,388
Administration Fund	868,928	801,297
Jocotoco Fund	880,103	1,031,519
	\$ 6,438,434	\$ 7,139,587

Investments related to the ACG Parataxonomist Fund are restricted for the purpose of supporting and implementing conservation in the Area de Conservacion Guancaste, Costa Rica. Investments related to Los Amigos Conservation Concession Fund are restricted for the purpose of funding activities and staff positions to provide conservation stewardship of the Los Amigos Conservation Concession, Peru. Investments related to the Poon Trust Fund are restricted for the purpose of providing support to private tropical reserves. Income from the Administration Fund is restricted to supporting staffing and administration expenses. Investments related to the Jocotoco Fund are restricted for the purpose of supporting the Fundación de Conservación Jocotoco in Ecuador.

During the year, ICFC transferred \$191,719 (2021 - \$39,792) to unrestricted net assets to be used for general operations. During the year, ICFC transferred \$233,694 (2021 - \$1,067,359) from general operations to restricted net assets.

## Notes to Financial Statements

Year Ended December 31, 2022

## 7. FINANCIAL INSTRUMENTS

ICFC is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about ICFC's risk exposure and concentration as of December 31, 2022.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. ICFC is mainly exposed to market risk from all three sources.

## Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, ICFC manages exposure through its normal operating activities. ICFC has no external bank debt and risk of exposure to interest rate fluctuations is minimal.

## Currency risk

Currency risk is the risk to ICFC's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. ICFC is exposed to foreign currency exchange risk on cash, investments and loans receivable held in U.S. Dollars and Brazilian Real. ICFC does not use derivative instruments to reduce its exposure to foreign currency risk.

	2022	2021
Cash	\$ 158,939	\$ 186,595
Accounts receivable	-	3,163
Project advances	1,954,716	774,004
Accounts payable	-	-
Investments	3,623,786	3,727,316
	<b>\$ 5,737,441</b>	<b>\$ 4,691,078</b>

## Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. ICFC is exposed to other price risk through its investments in quoted shares and mutual funds with TD Waterhouse.

## PROJECT EXPENDITURES

(Schedule 1)

Year Ended December 31, 2022

	2022	2021
<b>EXPENDITURES</b>		
Argentina: Hooded Grebe	\$ 79,515	\$ 69,857
Bahamas: Piping Plover	80,012	10,898
Bahamas: Salinas Long Is. Restoration	270,605	27,454
Belize: Land Acquisition for the Maya Forest Corridor	-	632,694
Bolivia: Barba Azul Nature Reserve	30,175	20,702
Brazil: Kayapo Project	3,431,806	1,761,450
Cambodia: Marine Conservation Kep	224,222	178,431
Chile: Maullin Shorebirds	132,234	88,229
Costa Rica: ACG Marine Education & Parataxonomists	141,094	99,061
Costa Rica: Ridge to Reef (formerly Osa Safer)	269,968	173,980
Costa Rica: Osa Safer Youth Nature Program	55,766	68,993
DRC: Grauer's Gorilla Conservation	241,159	220,189
Ecuador: Choco Land Acquisition	-	347,597
Ecuador: FCAT Reserve, Education & Capacity Building	29,671	279,921
Guatemala: Laguna Grande Reserve	88,080	16,767
Indonesia: Papua Project	263,787	-
Indonesia: Sulawesi Wildlife	246,326	202,053
Kenya: Kijabe Forest	95,263	82,183
Kenya: Laikipia Nature Conservancy	639,227	217,942
Kenya: Massai Vulture Sanctuary	39,524	993
Kenya: Mt Elgon Elephants	15,453	-
Kenya: Mt Suswa Mastiff Bats	46,683	1,942
Madagascar: Rabondro Reserve	156,912	118,162
Malawi: Fish for Tomorrow	367,958	201,232
Mali: Desert Elephants	244,772	348,333
Mexico: Vaquita Porpoise	70,965	-
Mozambique: Sky Island Conservation	65,623	64,251
Nepal: Koshi Tappu Wetlands	63,417	72,651
Nepal: Red Panda Project	19,681	30,102
Nepal: Snow Leopard	24,106	59,401
Nicaragua: Turtle Projects	91,546	60,528
Panama: Majé Mountains Indigenous-led conservation	46,859	30,492
Peru: Andean Amazon Deforestation Monitoring	189,299	196,881
Peru: Conservation Biology Fellowship	61,646	-
Peru: Los Amigos Conservation Concession	92,662	78,077
Philippines: Manta Ray Cleaning Station	15,173	-
South Africa: Rhino Conservation	54,413	39,650
Southeast Asia: Spoon-billed sandpiper	90,534	96,940
Small Projects (Argentina, Colombia, Costa Rica, DRC, Ecuador, Guatemala, Kenya, Mexico, Nicaragua, Peru)	160,551	236,056
	<b>\$ 8,236,687</b>	<b>\$ 6,134,092</b>