

INTERNATIONAL CONSERVATION FUND OF CANADA
Financial Statements
Year Ended December 31, 2015



Belliveau Veinotte Inc.
CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

	Page
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4 - 5
Statement of Changes in Net Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 12



INDEPENDENT AUDITOR'S REPORT

To the Members of International Conservation Fund of Canada

We have audited the accompanying financial statements of International Conservation Fund of Canada, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Conservation Fund of Canada as at December 31, 2015 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.

Halifax, Nova Scotia
May 17, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

Statement of Financial Position

December 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 516,224	\$ 417,210
Accounts receivable	198	24,749
HST recoverable	482	4,842
Loans receivable	76,120	63,806
Prepaid expenses	2,361	709
Project advances	199,705	236,114
	795,090	747,430
Property and equipment (Note 3)	98,990	175,279
Unrestricted investments (Note 4)	30,755	245,115
Restricted Assets (Note 5)	3,453,296	3,122,464
	\$ 4,378,131	\$ 4,290,288
LIABILITIES		
Current		
Accounts payable	\$ 29,738	\$ 49,814
NET ASSETS	4,348,393	4,240,474
LIABILITIES AND NET ASSETS	\$ 4,378,131	\$ 4,290,288

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes to the financial statements

Statement of Revenues and Expenditures

Year Ended December 31, 2015

	2015	2014
REVENUE		
Donations - General	\$ 1,856,981	\$ 1,141,289
Donations - Designated	87,625	707,844
	1,944,606	1,849,133
PROJECT EXPENSES		
Argentina: Bahia San Antonio	63,922	-
Argentina: Hooded Grebe	76,452	20,675
Argentina: Pino Parana	9,809	6,834
Argentina: Rincon Santa Maria	16,216	-
Argentina: Rio Gellegos	28,039	-
Bolivia: Barba Azul Nature Reserve	58,039	17,681
Bolivia: Tacana Brazil Nut Project	-	1,547
Brazil: Kayapo AFP	413,539	390,742
Brazil: Kayapo IK	228,101	157,347
Brazil: Kayapo Raoni	20,198	56,508
Chile: Maullin Shorebirds	44	-
Colombia: Parija Land Acquisition	-	101,340
Costa Rica: ACG Guanacaste Marine	13,444	9,033
Costa Rica: ACG Parataxonomists	10,643	9,792
Ecuador: Buenaventura Reserve	-	375
Guatemala: Laguna Grande Reserve	-	75
Guatemala: San Insidro Amphibian Reserve	103,636	-
Guatemala: Sierra Caral Reserve	-	115
Guatemala: Tapon Creek Reserve	-	5,254
Indonesia: Tompotika	126,191	109,369
Mali: Desert Elephants	408,537	431,572
Peru/Ecuador/Bolivia: Andean Amazon Infrastructure	97,860	50,463
Peru: Los Amigos Conservation Concession	81,851	58,277
South America: Shorebird Coordinator	43,628	-
	1,800,149	1,426,999
NET SURPLUS BEFORE OPERATIONAL EXPENSES	144,457	422,134
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising and message promotion	6,370	19,576
Amortization	2,590	1,806
Interest and bank charges	4,440	1,766
Office and administration	15,675	17,845
Rent	5,232	5,100
Salaries and wages	182,761	86,788
Investigating Prospective Work	631	8,262
Travel and conferences	25,088	5,146
Utilities	5,688	6,239
	248,475	152,528

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See accompanying notes to the financial statements

Statement of Revenues and Expenditures *(continued)*Expenses *(continued)*

Year Ended December 31, 2015

	2015	2014
FUNDRAISING EXPENSES		
Advertising and message promo	15,584	11,564
Office and administration	937	2,889
Salaries and wages	110,753	19,299
Transportation and travel	2,244	86
Utilities	1,496	-
	131,014	33,838
	379,489	186,366
NET SURPLUS (LOSS) FOR THE YEAR FROM OPERATIONS	(235,032)	235,768
OTHER INCOME <i>(Note 6)</i>	342,951	464,931
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 107,919	\$ 700,699

See accompanying notes to the financial statements

Statement of Changes in Net Assets

Year Ended December 31, 2015

	2014 Balance	Excess (deficiency) of revenue over expenses	2015 Balance
General Fund	\$ 1,118,010	\$ (222,913)	\$ 895,097
Los Amigos Fund	1,396,521	86,180	1,482,701
ACG Parataxonomist Fund	1,725,943	223,402	1,949,345
Land Acquisition Fund	-	21,250	21,250
	\$ 4,240,474	\$ 107,919	\$ 4,348,393

	2013 Balance	Excess (deficiency) of revenue over expenses	2014 Balance
General Fund	\$ 1,334,539	\$ (216,529)	\$ 1,118,010
Los Amigos Fund	1,282,846	113,675	1,396,521
ACG Parataxonomist Fund	922,390	803,553	1,725,943
	\$ 3,539,775	\$ 700,699	\$ 4,240,474

Net assets include internally restricted funds of \$3,453,296 (2014 - \$3,122,464) related to the ACG Parataxonomist Trust Fund, Los Amigos Conservation Concession Trust Fund, and Land Acquisition Fund, as disclosed in Note 5.

See accompanying notes to the financial statements

Statement of Cash Flow

Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 107,919	\$ 700,699
Item not affecting cash:		
Amortization of property and equipment	2,590	1,806
	110,509	702,505
Changes in non-cash working capital:		
Accounts receivable	24,551	(22,131)
Loans receivable	(12,314)	(63,806)
Prepaid expenses	(1,652)	(709)
Accounts payable	(20,074)	(50,892)
HST receivable	4,360	(180)
Project advances	36,409	56,220
	31,280	(81,498)
Cash flow from operating activities	141,789	621,007
INVESTING ACTIVITIES		
Purchase of equipment	(5,643)	(1,765)
Proceeds on disposal of equipment	29,086	-
Net decrease (increase) in market value of unrestricted investments	214,360	644,395
Net decrease (increase) in market value of restricted assets	(330,832)	(917,228)
Loss on disposal of donated asset	50,254	-
Cash flow used by investing activities	(42,775)	(274,598)
INCREASE IN CASH FLOW	99,014	346,409
Cash - beginning of year	417,210	70,801
CASH - END OF YEAR	\$ 516,224	\$ 417,210

See accompanying notes to the financial statements

Notes to Financial Statements

Year Ended December 31, 2015

1. DESCRIPTION OF OPERATIONS

The International Conservation Fund of Canada (ICFC), is a registered Canadian charity founded in May, 2007, and accordingly is exempt from income taxes. The organization'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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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.

Cash

Cash includes amounts on deposit with financial institutions.

Fund accounting

International Conservation Fund of Canada follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Revenue recognition

Restricted and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

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Notes to Financial Statements

Year Ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*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 are expensed when incurred.

Financial instruments include cash, accounts receivable, long term investments, restricted fund assets and accounts payable.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Equipment	5 years
Computer equipment	5 years
Computer software	5 years

Property and equipment 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. Amortization is not recorded on donated assets.

Project advances

The International Conservation Fund of Canada (ICFC) works with field partners (agents) who carry out program activities. Advances of funds are made to agents, 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 agents. Project expenses are recorded upon receipt of financial reports from the field agent.

Notes to Financial Statements

Year Ended December 31, 2015

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Interest in land	\$ 93,152	\$ -	\$ 93,152	\$ 92,199
Equipment	3,175	2,821	354	990
Computer equipment	10,206	4,722	5,484	3,090
Donated asset	-	-	-	79,000
	\$ 106,533	\$ 7,543	\$ 98,990	\$ 175,279

Interest in land represents 3 hectares and conservation easements over 2576 hectares of land in Guatemala, and mortgages in Ecuador & Bolivia with conservation covenants.

The donated asset represents a 28 ft sailboat which was donated to the organization in 2013. The vessel was sold during the year, resulting in a loss on disposal of \$50,254.

4. UNRESTRICTED INVESTMENTS

	2015	2014
TD Waterhouse Canadian Investment accounts	\$ 8,352	\$ 245,115
TD Waterhouse USD investment account (\$US16,187)	22,403	-
	\$ 30,755	\$ 245,115

The TD Waterhouse Investment account consists of various Canadian and foreign equity investments and both investment accounts are recorded at market value.

5. RESTRICTED ASSETS

	2015	2014
ACG Parataxonomist Trust Fund	\$ 1,949,345	\$ 1,725,943
Los Amigos Conservation Concession Trust Fund	1,482,701	1,396,521
Land Acquisition Fund	21,250	-
Total Restricted Assets	\$ 3,453,296	\$ 3,122,464

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Notes to Financial Statements

Year Ended December 31, 2015

5. RESTRICTED ASSETS *(continued)*

2015

2014

The organization has established three restricted funds. The Parataxonomist Trust Fund is restricted for the purposes of supporting and implementing conservation in the Area de Conservacion Guancaste, Costa Rica. The Los Amigos Trust Fund is restricted for the purpose of funding activities and staff positions to provide conservation stewardship of the Los Amigos Conservation Concession, Peru. The Land Acquisition Fund is restricted for the purpose of purchasing land for various conservation activities.

The Los Amigos and Parataxonomist funds are invested in various Canadian and US equities and mutual funds held through TD Waterhouse and professionally managed by the Private Investment Counsel and are recorded at market value. Income from these funds is included in the statement of operations and applicable expenditures are included in the project expenses to which they relate. The Land Acquisition funds are held as cash.

6. OTHER INCOME

2015

2014

Gains (losses) on disposal of investments	\$ 146,773	\$ 117,080
Unrealized gain (loss) on investments	(177,720)	151,941
Gain (loss) on foreign currency exchange	363,582	140,529
Investment income	60,570	55,381
Gains (losses) on disposal of donated assets	(50,254)	-
	\$ 342,951	\$ 464,931

7. FINANCIAL INSTRUMENTS

The organization 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 the organization's risk exposure and concentration as of December 31, 2015.

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. The organization is exposed to market risk from all three sources.

Currency risk

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

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Notes to Financial Statements

Year Ended December 31, 2015

7. FINANCIAL INSTRUMENTS *(continued)*

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, the organization manages exposure through its normal operating activities. The organization has no external bank debt and risk of exposure to interest rate fluctuations is minimal.

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. The organization is exposed to other price risk through its investments in quoted shares and mutual funds with TD Waterhouse.
