

**INTERNATIONAL CONSERVATION FUND OF CANADA**  
**Financial Statements**  
**Year Ended December 31, 2014**



**Belliveau Veinotte Inc.**  
*CHARTERED ACCOUNTANTS*

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

	Page
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11



---

## 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, 2014 and the statements of revenues and expenditures, changes in net assets and cash flows 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.

Independent Auditor's Report to the Members of International Conservation Fund of Canada *(continued)*

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, 2014 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.

Halifax, Nova Scotia  
May 7, 2015

*Belliveau Veinotte Inc.*

CHARTERED ACCOUNTANTS

## Statement of Financial Position

December 31, 2014

	2014	2013
<b>ASSETS</b>		
Current		
Cash (Note 2)	\$ 417,210	\$ 70,801
Accounts receivable	24,749	2,618
Loans receivable	63,806	-
HST recoverable	4,842	4,662
Prepaid expenses	709	-
Project advances	236,114	292,334
	<b>747,430</b>	<b>370,415</b>
Property and equipment (Note 3)	175,279	175,321
Unrestricted investments (Note 4)	245,115	889,510
Restricted assets (Note 5)	3,122,464	2,205,236
	<b>\$ 4,290,288</b>	<b>\$ 3,640,482</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 49,814	\$ 100,707
<b>NET ASSETS</b>		
Accumulated surplus	1,118,010	1,334,539
Los Amigos Trust Fund	1,396,521	1,282,846
ACG Parataxonomist Trust Fund	1,725,943	922,390
	<b>4,240,474</b>	<b>3,539,775</b>
	<b>\$ 4,290,288</b>	<b>\$ 3,640,482</b>

## ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements

**INTERNATIONAL CONSERVATION FUND OF CANADA**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2014**

	2014	2013
<b>REVENUE</b>		
Donations - General	\$ 1,141,289	\$ 1,529,655
Donations - Designated	707,844	71,365
Donations - Restricted	-	1,462
	<b>1,849,133</b>	<b>1,602,482</b>
<b>PROJECT EXPENSES</b>		
Argentina: Hooded Grebe	20,675	23,637
Argentina: Pino Parana	6,834	3,408
Bolivia: Barba Azul Nature Reserve	17,681	-
Bolivia: Tacana Ancestral Lands	-	75,248
Bolivia: Tacana Nut Project	1,547	-
Brazil: Abrolhos MPA	-	4,630
Brazil: Kayapo AFP	390,742	275,108
Brazil: Kayapo Congress	-	11,654
Brazil: Kayapo IK	157,347	170,377
Brazil: Kayapo Raoni	56,508	-
Colombia: Parija Land Acquisition	101,340	-
Costa Rica: ACG Guanacaste Conservation Area	-	11,093
Costa Rica: ACG Guanacaste Marine	9,033	11,086
Costa Rica: ACG Parataxonomists	9,792	6,223
Ecuador: Buenaventura Reserve	375	-
Guatemala: Laguna Grande Reserve	75	410
Guatemala: Sierra Caral Reserve	115	410
Guatemala: Tapon Creek Reserve	5,254	-
Indonesia: Tompotika	109,369	77,814
Mali: Desert Elephants	431,572	293,482
Peru/Ecuador/Bolivia: Andean Amazon Infrastructure	50,463	-
Peru: Los Amigos Conservation Concession	58,277	56,144
	<b>1,426,999</b>	<b>1,020,724</b>
	<b>422,134</b>	<b>581,758</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising and message promotion	31,140	36,916
Amortization	1,806	1,305
Interest and bank charges	1,766	2,203
Office and administration	20,734	24,848
Rent	5,100	5,100
Salaries and wages	106,088	60,408
Investigating Prospective Work	8,262	-
Travel and conferences	5,231	18,500
Utilities	6,239	6,431
	<b>186,366</b>	<b>155,711</b>
<b>NET OPERATING SURPLUS FOR THE YEAR</b>	<b>235,768</b>	<b>426,047</b>
<b>OTHER INCOME (Note 6)</b>	<b>464,931</b>	<b>232,621</b>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 700,699</b>	<b>\$ 658,668</b>

See accompanying notes to the financial statements

## Statement of Changes in Net Assets

Year Ended December 31, 2014

	General Fund	Los Amigos Fund	ACG Parataxonomist Fund	2014	2013
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,334,539	\$ 1,282,846	\$ 922,390	\$ 3,539,775	\$ 2,881,107
Excess (deficiency) of revenue over expenses	(216,529)	113,675	803,553	700,699	658,668
<b>NET ASSETS - END OF YEAR</b>	\$ 1,118,010	\$ 1,396,521	\$ 1,725,943	\$ 4,240,474	\$ 3,539,775

Net assets include internally restricted funds of \$3,122,464 (2013 - \$2,205,236) related to the ACG Parataxonomist Trust Fund and Los Amigos Conservation Concession Trust Fund as disclosed in Note 5.

See accompanying notes to the financial statements

## Statement of Cash Flows

Year Ended December 31, 2014

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 700,699	\$ 658,668
Items not affecting cash:		
Amortization	1,806	1,305
Donated asset	-	(79,000)
	<b>702,505</b>	<b>580,973</b>
Changes in non-cash working capital:		
Accounts receivable	(22,131)	4,299
Loans receivable	(63,806)	-
GST receivable	(180)	-
Accounts payable	(50,892)	91,240
Prepaid expenses	(709)	-
Project advances	56,220	(288,939)
	<b>(81,498)</b>	<b>(193,400)</b>
Cash flow from operating activities	<b>621,007</b>	<b>387,573</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,765)	(91,867)
Net decrease (increase) in market value of unrestricted investments	644,395	(66,875)
Net decrease (increase) in market value of restricted assets	(917,228)	(256,415)
Cash flow used by investing activities	<b>(274,598)</b>	<b>(415,157)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>346,409</b>	<b>(27,584)</b>
Cash - beginning of year	70,801	98,385
<b>CASH - END OF YEAR</b>	<b>\$ 417,210</b>	<b>\$ 70,801</b>

See accompanying notes to the financial statements



## Notes to Financial Statements

Year Ended December 31, 2014

---

## 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.

(continues)

---

## Notes to Financial Statements

Year Ended December 31, 2014

---

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

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. Payments made after the initial payment are dependent on satisfactory project and financial reports being received from agents.

HST

Under the Excise Tax Act, the organization is entitled to a rebate of 50% of the HST paid annually on qualifying expenditures. The organization records the refundable portion of the HST as a receivable and the other 50% is allocated to the cost of the expenditure to which it relates.

---

## Notes to Financial Statements

Year Ended December 31, 2014

## 3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Interest in land	\$ 92,199	\$ -	\$ 92,199	\$ 92,199
Equipment	3,175	2,185	990	1,034
Computer equipment	5,857	2,767	3,090	3,088
Donated asset	79,000	-	79,000	79,000
	<b>\$ 180,231</b>	<b>\$ 4,952</b>	<b>\$ 175,279</b>	<b>\$ 175,321</b>

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 the previous year. The vessel was valued at fair market value on the date of donation and is listed for sale.

## 4. UNRESTRICTED INVESTMENTS

	2014	2013
TD Waterhouse investment account	\$ 42,180	\$ 689,018
TD Waterhouse cash account	202,945	200,492
	<b>\$ 245,125</b>	<b>\$ 889,510</b>

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

	2014	2013
ACG Parataxonomist Trust Fund	\$ 1,725,943	\$ 922,390
Los Amigos Conservation Concession Trust Fund	1,396,521	1,282,846
Total Restricted Assets	<b>\$ 3,122,464</b>	<b>\$ 2,205,236</b>

The organization has established two restricted trust 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 above funds are invested in various Canadian and US equities and mutual funds held through TD Waterhouse and professionally managed by the Private Investment Council 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.

## Notes to Financial Statements

Year Ended December 31, 2014

## 6. OTHER INCOME (EXPENSE)

	2014	2013
Gains (losses) on disposal of investments	\$ 117,080	\$ 71,035
Unrealized gain (loss) on investments	151,941	137,558
Gain (loss) on foreign currency exchange	140,529	(14,636)
Investment income	55,381	38,664
	<b>\$ 464,931</b>	<b>\$ 232,621</b>

## 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, 2014.

## 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 mainly exposed to currency rate risk and interest rate risk.

## 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.

## 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.