

**INTERNATIONAL CONSERVATION FUND OF CANADA**  
**Financial Statements**  
**Year Ended December 31, 2016**

## Index to Financial Statements

Year Ended December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

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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, 2016 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.

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, 2016 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  
June 23, 2017

*Belliveau Veinotte Inc.*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants



## Statement of Financial Position

December 31, 2016

	2016	2015
<b>ASSETS</b>		
Current		
Cash	\$ 89,857	\$ 516,224
Accounts receivable	1,105	198
HST recoverable	4,480	482
Prepaid expenses	-	2,361
Project advances	343,774	199,705
Current portion of loan receivable	26,850	-
	<b>466,066</b>	<b>718,970</b>
Property and equipment (Note 3)	98,062	98,990
Loan receivable	46,988	76,120
Unrestricted investments (Note 4)	337,398	30,755
Restricted assets (Note 5)	3,549,881	3,453,296
	<b>\$ 4,498,395</b>	<b>\$ 4,378,131</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 24,523	\$ 29,738
<b>NET ASSETS</b>	<b>4,473,872</b>	<b>4,348,393</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>\$ 4,498,395</b>	<b>\$ 4,378,131</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

See accompanying notes to the financial statements

## Statement of Revenues and Expenditures

Year Ended December 31, 2016

	2016	2015
<b>REVENUE</b>		
Donations - General	\$ 2,184,925	\$ 1,856,980
Donations - Designated	131,707	87,625
	<b>2,316,632</b>	<b>1,944,605</b>
<b>PROJECT EXPENDITURES</b>		
Argentina: Bahia San Antonio	104,281	63,922
Argentina: Hooded Grebe	76,566	76,452
Argentina: Pino Parana	5,268	9,809
Argentina: Rincon Santa Maria	14,273	16,216
Argentina: Rio Gellegos	87,781	28,039
Bahamas - Pipping Plover Habitat	49,159	-
Bangladesh/Myanmar - Spoon-filled sandpiper	257	-
Bolivia: Barba Azul Nature Reserve	20,251	58,039
Brazil: Kayapo AFP	424,264	413,539
Brazil: Kayapo IK	171,243	228,101
Brazil: Kayapo Raoni	-	20,198
Cambodia - Marine Conservation Kep	50,233	-
Chile: Maullin Shorebirds	101,107	44
Cost Rica - ACG Marine Education	19,100	-
Costa Rica: ACG Guanacaste Marine	-	13,444
Costa Rica: ACG Parataxonomists	10,267	10,643
Ecuador - Antisanilla & Yanacocha Reserves	16,064	-
Ecuador: Buenaventura Reserve	13,359	-
Guatemala: San Insidro Amphibian Reserve	128	103,636
Indonesia - Maleo, Turtles & Bats	137,063	-
Indonesia: Tompotika	-	126,191
Land acquisition fund	160	-
Mali: Desert Elephants	340,645	408,537
Nicaragua - El Rosario Turtle Project	11,282	-
Other conservation work	61,591	-
Panama - Cerro Chucanti Land	91,750	-
Peru/Ecuador/Bolivia: Andean Amazon Infrastructure	68,995	97,860
Peru: Los Amigos Conservation Concession	67,694	81,851
South America: Shorebird Coordinator	52,682	43,628
Vietnam - Sarus Cranes	7,328	-
	<b>2,002,791</b>	<b>1,800,149</b>
<b>NET SURPLUS BEFORE OPERATIONAL EXPENDITURES</b>	<b>313,841</b>	<b>144,456</b>

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See accompanying notes to the financial statements

Statement of Revenues and Expenditures *(continued)*

Year Ended December 31, 2016

	2016	2015
<b>GENERAL AND ADMINISTRATIVE EXPENDITURES</b>		
Advertising and message promotion	17,531	3,905
Amortization	1,953	2,590
Consultants	65,046	2,464
Interest and bank charges	3,484	4,440
Investigating Prospective Work	19,388	631
Office and administration	26,249	15,675
Rent	5,244	5,232
Salaries and wages	83,939	182,761
Tools & equipment	562	-
Travel and conferences	14,810	25,088
Utilities	5,990	5,688
	<b>244,196</b>	<b>248,474</b>
<b>FUNDRAISING EXPENDITURES</b>		
Advertising and message promo	6,873	15,584
Office and administration	321	937
Salaries and wages	93,358	110,753
Transportation and travel	410	2,244
Utilities	1,322	1,496
	<b>102,284</b>	<b>131,014</b>
<b>NET LOSS FOR THE YEAR FROM OPERATIONS</b>	<b>(32,639)</b>	<b>(235,032)</b>
<b>OTHER INCOME (Note 6)</b>	<b>158,118</b>	<b>342,951</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 125,479</b>	<b>\$ 107,919</b>

See accompanying notes to the financial statements



## Statement of Changes in Net Assets

Year Ended December 31, 2016

	2015 Balance	Excess of revenue over fundraising expenditures	2016 Balance
General Fund	\$ 895,097	\$ 28,894	\$ 923,991
Los Amigos Fund	1,482,701	4,377	1,487,078
ACG Parataxonomist Fund	1,949,345	89,951	2,039,296
Land Acquisition Fund	21,250	2,257	23,507
	\$ 4,348,393	\$ 125,479	\$ 4,473,872

	2014 Balance	Excess (deficiency) of revenue over fundraising expenditures	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

Net assets include internally restricted funds of \$3,549,881 (2015 - \$3,453,296) 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, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for the year	\$ 125,479	\$ 107,919
Item not affecting cash:		
Amortization of property and equipment	1,953	2,590
	<b>127,432</b>	<b>110,509</b>
Changes in non-cash working capital:		
Accounts receivable	(907)	24,551
Prepaid expenses	2,361	(1,652)
Accounts payable	(5,217)	(20,074)
HST payable	(3,998)	4,360
Project advances	(144,069)	36,409
	<b>(151,830)</b>	<b>43,594</b>
Cash flow from (used by) operating activities	<b>(24,398)</b>	<b>154,103</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(1,024)	(5,643)
Proceeds on disposal of equipment	-	29,086
Foreign exchange adjustment on loans receivable	2,283	(12,314)
Net decrease (increase) in market value of unrestricted investments	(306,643)	214,360
Net decrease (increase) in market value of restricted assets	(96,585)	(330,832)
Loss on disposal of donated asset	-	50,254
Cash flow used by investing activities	<b>(401,969)</b>	<b>(55,089)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(426,367)</b>	<b>99,014</b>
Cash - beginning of year	<b>516,224</b>	<b>417,210</b>
<b>CASH - END OF YEAR</b>	<b>\$ 89,857</b>	<b>\$ 516,224</b>

See accompanying notes to the financial statements

## Notes to Financial Statements

Year Ended December 31, 2016

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## 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.

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## 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, 2016

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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.

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## Notes to Financial Statements

Year Ended December 31, 2016

## 3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Interest in land	\$ 93,152	\$ -	\$ 93,152	\$ 93,152
Equipment	3,175	2,939	236	354
Computer equipment	11,231	6,557	4,674	5,484
	\$ 107,558	\$ 9,496	\$ 98,062	\$ 98,990

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

## 4. UNRESTRICTED INVESTMENTS

	2016	2015
TD Waterhouse Canadian Investment accounts	\$ 422	\$ 8,352
TD Waterhouse USD investment account (\$US251,006)	336,976	22,403
	\$ 337,398	\$ 30,755

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

	2016	2015
ACG Parataxonomist Trust Fund	\$ 2,039,296	\$ 1,949,345
Los Amigos Conservation Concession Trust Fund	1,487,078	1,482,701
Land Acquisition Fund	23,507	21,250
Total Restricted Assets	\$ 3,549,881	\$ 3,453,296

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.



## Notes to Financial Statements

Year Ended December 31, 2016

## 6. OTHER INCOME

	2016	2015
Gains (losses) on disposal of investments	\$ 144,650	\$ 146,773
Unrealized gain (loss) on investments	49,742	(177,720)
Gain (loss) on foreign currency exchange	(93,696)	363,582
Investment income	57,422	60,570
Gains (losses) on disposal of donated assets	-	(50,254)
	<b>\$ 158,118</b>	<b>\$ 342,951</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, 2016.

## 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, Pesos 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.