

**INTERNATIONAL CONSERVATION FUND OF CANADA**  
**Financial Statements**  
**Year Ended December 31, 2023**



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

Member of The AC Group of Independent Accounting Firms

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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, 2023, 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, 2023, 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.

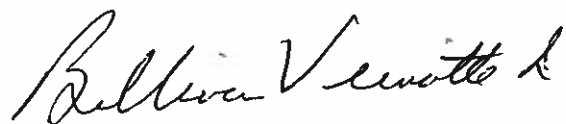
Those charged with governance are responsible for overseeing ICFC's financial reporting process.

*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  
June 19, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

## Statement of Financial Position

December 31, 2023

	2023	2022
<b>ASSETS</b>		
Current		
Cash	\$ -	\$ 302,685
Accounts receivable	348,459	1,647
HST recoverable	15,716	16,130
Project advances	1,664,247	1,994,097
	2,028,422	2,314,559
Unrestricted investments (Note 3)	49,126	2,212,778
Capital assets (Note 4)	95,592	96,737
Internally restricted cash and investments (Notes 5, 8)	7,004,197	6,438,434
	<b>\$ 9,177,337</b>	<b>\$ 11,062,508</b>
<b>LIABILITIES</b>		
Current		
Bank indebtedness (Note 6)	\$ 763,421	\$ -
Accounts payable	148,168	66,340
Deferred income	500	138,826
	912,089	205,166
<b>NET ASSETS</b>		
General fund	1,261,051	4,418,908
Restricted fund (Note 8)	7,004,197	6,438,434
	8,265,248	10,857,342
	<b>\$ 9,177,337</b>	<b>\$ 11,062,508</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements

## Statement of Revenues and Expenditures

Year Ended December 31, 2023

	2023	2022
<b>REVENUE</b>		
Donations - General	\$ 5,756,248	\$ 6,267,178
Donations - Designated	3,835,766	4,002,802
	<b>9,592,014</b>	<b>10,269,980</b>
<b>OTHER INCOME (EXPENSES)</b>		
Investment income	205,767	212,850
Gains (losses) on disposal of investments	(1,290,504)	(215,044)
Unrealized gain (loss) on investments	(93,680)	(1,414,514)
Gain (loss) on foreign currency exchange	(167,815)	358,616
	<b>(1,346,232)</b>	<b>(1,058,092)</b>
<b>TOTAL REVENUE</b>	<b>8,245,782</b>	<b>9,211,888</b>
<b>PROJECT EXPENDITURES (Schedule 1)</b>	<b>10,158,168</b>	<b>8,236,686</b>
<b>GENERAL AND ADMINISTRATIVE EXPENDITURES</b>		
Advertising and message promotion	7,423	8,654
Amortization	3,855	2,274
Interest and bank charges	20,485	10,734
Investigating prospective work	37,700	19,318
Office and administration	55,319	32,895
Rent	5,805	5,818
Salaries and wages	413,844	348,821
Travel and conferences	14,942	23,087
Utilities	10,487	8,940
	<b>569,860</b>	<b>460,541</b>
<b>FUNDRAISING EXPENDITURES</b>		
Advertising and promotion	21,151	21,035
Consultants	-	22,911
Office and administration	443	-
Salaries and wages	85,817	70,206
Transportation and travel	2,437	896
	<b>109,848</b>	<b>115,048</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR (Note 7)</b>	<b>\$ (2,592,094)</b>	<b>\$ 399,613</b>

See accompanying notes to the financial statements

## Statement of Changes in Net Assets

Year Ended December 31, 2023

	General Fund	Restricted Fund	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 4,418,908	\$ 6,438,434	\$ 10,857,342	\$ 10,457,729
Excess (deficiency) of revenue over expenditures for the year <i>(Note 7)</i>	(3,296,552)	704,458	<b>(2,592,094)</b>	399,613
Internal transfer <i>(Note 8)</i>	138,695	(138,695)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 1,261,051	\$ 7,004,197	\$ 8,265,248	\$ 10,857,342

See accompanying notes to the financial statements

## Statement of Cash Flow

Year Ended December 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ (2,592,094)	\$ 399,613
Items not affecting cash:		
Amortization of capital assets	3,855	2,274
Loss on disposal of investments	1,290,504	215,044
Unrealized gain (loss) on investments	93,680	1,414,514
	<b>(1,204,055)</b>	<b>2,031,445</b>
Changes in non-cash working capital:		
Accounts receivable	(346,812)	11,499
HST recoverable	414	(1,177)
Project advances	329,850	(1,132,254)
Prepaid expenses	-	825
Accounts payable	81,826	(13,083)
Deferred income	(138,326)	138,826
	<b>(73,048)</b>	<b>(995,364)</b>
Cash flow from (used by) operating activities	<b>(1,277,103)</b>	<b>1,036,081</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(2,710)	(2,500)
<b>FINANCING ACTIVITIES</b>		
Proceeds on sale of investments	1,930,236	1,215,146
Purchase of investments	(1,716,529)	(2,580,070)
Cash flow from (used by) financing activities	<b>213,707</b>	<b>(1,364,924)</b>
<b>DECREASE IN CASH FLOW</b>	<b>(1,066,106)</b>	<b>(331,343)</b>
Cash - beginning of year	302,685	634,028
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<b>\$ (763,421)</b>	<b>\$ 302,685</b>

See accompanying notes to the financial statements



## Notes to Financial Statements

Year Ended December 31, 2023

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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 bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash.

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, 2023

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, bank indebtedness and deferred income.

Financial assets measured at fair value include marketable securities.

## 3. UNRESTRICTED INVESTMENTS

	2023	2022
Canadian Investment portfolio	\$ 48,800	\$ 1,809,284
US Investment portfolio (USD - \$246; 2022 - \$297,913)	326	403,494
	<b>\$ 49,126</b>	<b>\$ 2,212,778</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, 2023

## 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Interest in land	\$ 93,152	\$ -	\$ 93,152	\$ 93,152
Equipment	3,175	3,174	1	1
Computer equipment	23,025	20,586	2,439	3,584
	\$ 119,352	\$ 23,760	\$ 95,592	\$ 96,737

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

	2023	2022
Canadian Investment portfolio	\$ 3,378,970	\$ 3,209,142
US Investment portfolio (USD - \$3,441,144; 2022 - \$2,384,297)	3,625,227	3,229,292
	\$ 7,004,197	\$ 6,438,434

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. BANK INDEBTEDNESS

The International Conservation Fund of Canada secured a \$1,000,000 line of credit secured by the combined margined market value of investments pledged as security and assigned to the bank at an annualized interest rate of prime.

## 7. EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR

In prior years, revenues and expenditures have generally tracked closely with each other. In 2023, revenues fell short of expenditures by \$2,592,094 due to adverse events. A large grant expected from a past donor toward the Kayapo Project did not materialize, and a unique situation with a donation of securities entailed a major loss.

In spite of these events ICFC was able to meet its commitments to their project field partners.

## Notes to Financial Statements

Year Ended December 31, 2023

## 8. INTERNALLY RESTRICTED NET ASSETS

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

	2023	2022
ACG Parataxonomist Fund	\$ 2,622,152	\$ 2,385,594
Los Amigos Conservation Concession Fund	1,657,532	1,577,455
Poon Trust Fund	970,266	726,354
Administration Fund	715,953	868,928
Jocotoco Fund	1,038,294	880,103
	<b>\$ 7,004,197</b>	<b>\$ 6,438,434</b>

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 \$192,500 (2022 - \$191,719) to unrestricted net assets to be used to support the restricted funds intended projects. During the year, ICFC transferred \$53,805 (2022 - \$233,694) from general operations to restricted net assets.

## 9. 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, 2023.

## 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.

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## Notes to Financial Statements

Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS *(continued)*

## 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. ICFC does not use derivative instruments to reduce its exposure to foreign currency risk.

	2023	2022
Cash (bank indebtedness)	\$ (242,542)	\$ 158,939
Accounts receivable	97,919	-
Project advances	1,602,681	1,954,716
Accounts payable	-	-
Investments	3,625,500	3,623,786
	<b>\$ 5,083,558</b>	<b>\$ 5,737,441</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, 2023

	2023	2022
<b>EXPENDITURES</b>		
Argentina: Hooded Grebe & Magellanic Plover	\$ 120,183	\$ 79,515
Bahamas: Salinas Long Island Restoration	320,541	270,604
Bangladesh, Myanmar, China, Taiwan: Spoon-billed sandpiper	94,005	90,534
Bolivia: Blue-throated macaw (Barba Azul Reserve)	133,448	30,174
Brazil: Jurua Aquatic Biodiversity	63,107	-
Brazil: Kayapo Project	3,436,362	3,431,806
Cambodia: Marine Conservation	275,873	224,222
Chile: Maullin coastal wetlands	116,300	132,234
Columbia: Harlequin Frogs	82,246	15,449
Costa Rica: ACG Marine Education & Parataxonomists	117,190	141,094
Costa Rica: Osa Peninsula & Youth Nature Program	591,443	325,734
Democratic Republic of Congo: Grauer's gorilla	241,133	241,159
Ecuador: Choco Land Acquisition	243,956	-
Ecuador: FCAT Reserve management and land purchase	79,198	29,671
Guatemala: Laguna Grande Reserve	92,117	88,080
Indonesia: Papua Forest Conservation	231,644	263,787
Indonesia: Sulawesi Threatened Wildlife	223,114	246,326
Kenya: Kijabe Forest	80,752	95,263
Kenya: Massai Vulture Sanctuary	92,518	39,524
Kenya: Mount Elgon Elephants	53,903	15,453
Kenya: Mount Suswa Bats	57,364	46,683
Kenya: Mukutan Conservancy, aka Laikipia Conservancy	635,143	639,227
Madagascar: Farankaraina Community Forest	90,385	159,912
Malawi: Lake Malawi fish conservation	633,437	367,958
Mali: Desert Elephant Project	249,170	244,772
Mexico: Vaquita Porpoise	137,571	70,965
Nepal: Koshi Tappu Wetlands & Land Acquisition	43,995	63,416
Nepal: Red Panda Project	76,365	19,681
Nicaragua: Sea Turtle Projects	56,498	91,546
Panama: Majé Mountains Indigenous-led conservation	68,256	46,859
Peru: Andean Amazon MAAP	342,382	189,300
Peru: Conservation Graduate Research Fellowship (New Venture Fund)	167,828	61,646
Peru: ICFC Field Training Fellowship	120,026	-
Peru: Los Amigos Conservation Concession	201,239	92,662
Small Projects (Argentina, Belize, Bhutan, Brazil, Ecuador, French Polynesia, Laos, Madagascar, Mexico, Mozambique, Panama, Peru, Philippines)	343,055	324,493
South Africa: Rhino Conservation	107,178	54,413
Rainforest Trust - led common project	139,243	2,524
	<b>\$ 10,158,168</b>	<b>\$ 8,236,686</b>