

NATURESERVE CANADA

AUDITED FINANCIAL STATEMENTS

AT MARCH 31, 2016

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
NatureServe Canada**

Report on the Financial Statements

I have audited the accompanying financial statements of the NatureServe Canada which comprises the statement of financial position as at March 31, 2016 and the statements of operations, 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 generally accepted accounting standards for not-for-profit entities, 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

My responsibility is to express an opinion on these financial statements based upon my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the NatureServe Canada as at March 31, 2016, and of its financial performance and its cash flows for the year ended in accordance with Canadian generally accepted accounting standards for not-for-profit entities.

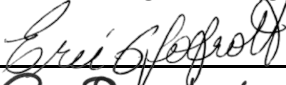
Peterborough, Ontario
June 3, 2016


J dnR ubie
John F. Rubie, C.A.
Licensed Public Accountant

NATURESERVE CANADA**STATEMENT OF FINANCIAL POSITION**
As at March 31, 2016

	2016 \$	2015 \$
ASSETS		
Current		
Cash	184,752	187,109
Accounts receivable - Note 3	277,574	320,162
Prepaid expense	1,489	3,614
	463,815	510,885
Capital Assets - Note 4	1,525	-
Total Assets	465,340	510,885
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities - Note 5	331,753	343,248
Net Assets	133,587	167,637
Total Liabilities and Net Assets	465,340	510,885

ON BEHALF OF THE BOARD OF DIRECTORS


_____, Director


_____, Director

The accompanying notes are an integral part of this financial statement.

NATURESERVE CANADA**STATEMENT OF CHANGES IN NET ASSETS**
For The Year Ending March 31, 2016

	2016 \$	2015 \$
NET ASSETS		
Balance, beginning of year	167,637	137,629
Excess (deficiency) of revenue over expenditures	(34,050)	30,008
Balance, end of year	133,587	167,637

The accompanying notes are an integral part of this financial statement.

NATURESERVE CANADA**STATEMENT OF OPERATIONS**

For The Year Ending March 31, 2016

	2016 \$	2015 \$
Revenue		
Dues	13,500	12,000
Interest	510	1,018
Government funding	853,440	833,303
Charitable organization / foundation funding	72,300	85,000
Direct Public Support - Corporate and Individual	535	231
Other	1,893	2,224
Total Revenue	942,178	933,776
Expenditures		
Advertising and promotion	2,708	-
Amortization	762	-
Bookkeeping and accounting	10,914	10,602
Consulting fees	904,117	848,082
Computer expenses	4,013	3,821
Dues and memberships	439	391
Insurance	2,295	2,310
Interest and bank charges	350	307
Office, telephone and general	3,772	4,229
Professional fees	5,112	3,244
Rent	9,169	10,460
Sponsorship	13,061	10,000
Travel, meals, accommodation, annual meeting, workshops and seminars	19,516	10,322
Total Expenditures	976,228	903,768
Excess (Deficiency) of Revenue Over Expenditures	(34,050)	30,008

The accompanying notes are an integral part of this financial statement.

NATURESERVE CANADA**STATEMENT OF CASH FLOWS**
For The Year Ending March 31, 2016

	2016 \$	2015 \$
CASH PROVIDED BY (USED IN)		
Amortization		
Operating Activities		
Excess (deficiency) of revenue over expenditure for the year	(34,050)	30,008
Charges (credits) to income not using (providing) cash:		
Amortization	762	-
Changes in non-cash working capital accounts		
Accounts receivable	42,588	(98,919)
Prepaid expense	2,125	(2,329)
Accounts payable	(11,495)	112,056
	(70)	40,816
Investing Activities		
Purchase of capital assets	(2,287)	-
Increase (Decrease) In Cash	(2,357)	40,816
Cash, Beginning of Year	187,109	146,293
Cash, End of Year	184,752	187,109

The accompanying notes are an integral part of this financial statement.

NATURESERVE CANADA

NOTES TO THE FINANCIAL STATEMENTS For The Year Ending March 31, 2016

NOTE 1: PURPOSE OF THE ORGANIZATION

NatureServe Canada is a not-for-profit organization whose goal is to be the authoritative source for accessible, current and reliable information on the distribution and abundance of Canada's biodiversity by building dynamic, accurate and comprehensive national, international and ecoregional databases on the distribution, character and conservation status of species and communities at risk in Canada and North America. NatureServe Canada is incorporated under the Canada Corporations Act as a not-for-profit organization.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO").

NatureServe Canada uses the deferral method of accounting.

Realization of Revenues and Expenses

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including investment income, are recorded as received.

Capital Assets

Capital assets are recorded at cost. Amortization is provided for on a straight-line basis over the assets' estimated useful life. Computer equipment is amortized over three years.

Income Taxes

The organization qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal or Provincial income taxes.

Donated Materials and Services

No amounts have been recorded in the current year financial statements for donated materials and services.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

NATURESERVE CANADA**NOTES TO THE FINANCIAL STATEMENTS**
For The Year Ending March 31, 2016**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****Financial Instruments***

The organization's financial instruments are classified by management as either held for trading, held to maturity, available for sale, loans and receivables or other liabilities. Financial instruments classified as held for trading are stated at fair value and changes in fair value are recognized in the statement of operations as revenue or expenditure for the year. Financial instruments classified as available for sale are stated at fair value and changes in fair value are recognized in the statement of changes in fund balances as an increase or decrease in net assets for the year. Financial instruments classified as held to maturity, loans and receivables or other liabilities are stated at cost or amortized cost and any interest income or expense arising from these financial instruments is recorded using the effective interest method.

The organization's financial instruments consist of cash, accounts receivable and accounts payable. Management has classified its cash as available for sale. As the fair value of the cash approximates the cost, there is no effect on net assets for the year. Management has classified its accounts receivable as loans and receivables which have been stated at cost due to their short term maturity. Management has classified its accounts payable as other liabilities which have been stated at cost due to their short term maturities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to any significant interest, currency, or credit risk arising from its financial instruments.

NOTE 3: ACCOUNTS RECEIVABLE

The accounts receivable is shown net of an allowance for doubtful accounts of \$nil (2014 - \$nil).

NOTE 4: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2016 \$	2015 \$
Computer equipment	2,287	762	1,525	-
	2,287	762	1,525	-

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities includes payroll and sales tax remittances of \$nil (2014 - \$nil).