



Non-Consolidated Financial Statements

For the year ended February 28, 2015



Canadian Wildlife Federation
Non-Consolidated Financial Statements
For the year ended February 28, 2015

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Independent Auditor's Report

To the Members of the Canadian Wildlife Federation

We have audited the accompanying non-consolidated financial statements of the Canadian Wildlife Federation, which comprise the non-consolidated balance sheet as at February 28, 2015, and the non-consolidated statements of operations, 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Canadian Wildlife Federation as at February 28, 2015, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Other Matter

The Canadian Wildlife Federation has also prepared consolidated financial statements for the years ended February 28, 2015 and 2014 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the permitted consolidation in lieu of non-consolidation with alternative financial statement note disclosure option, on which we issued an unmodified opinion in our report dated June 24, 2015.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
June 24, 2015
Ottawa, Ontario

Canadian Wildlife Federation Non-Consolidated Balance Sheet

(Tabular amounts expressed in thousands of dollars)

February 28 **2015** **2014**

Assets

Current

Cash and cash equivalents (Note 1)	\$	3,490	\$	2,342
Accounts receivable (Note 2)		497		436
Prepaid expenses		332		342

4,319 **3,120**

Investments (Note 3) **2,986** **3,314**

Restricted investment (Note 4) **200** **200**

Tangible capital assets (Note 5) **1,885** **1,987**

Deferred donor acquisition costs (Note 6) **748** **777**

\$ 10,138 **\$ 9,398**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 7)	\$	1,411	\$	929
Current portion of magazine publications obligations		207		216
Deferred program revenue		300		216

1,918 **1,361**

Magazine publications obligations **95** **107**

2,013 **1,468**

Net assets

Restricted for endowment purposes (Notes 4 and 9) **200** **200**

Internally restricted reserves (Note 9)

Invested in tangible capital assets **1,885** **1,987**

Invested in deferred donor acquisition costs **748** **777**

Capital assets replacement **250** **250**

Working capital **3,594** **3,480**

Programs **1,380** **1,232**

Net unrealized gain on investments (Note 3) **68** **4**

8,125 **7,930**

\$ 10,138 **\$ 9,398**

On behalf of the Board:

Lloyd Lintott
Director

Guy Vézina
Director

Canadian Wildlife Federation
Non-Consolidated Statement of Changes in Net Assets

(Tabular amounts expressed in thousands of dollars)

For the year ended February 28, 2015

	Internally Restricted Reserves									Total
	Restricted for Endowment Purposes	Invested in Tangible Capital Assets	Invested in Deferred Donor Acquisition Costs	Capital Assets Replace- ment	Working Capital	Programs	Net Unrealized Gain on Investments	Unrestricted		
Balance , beginning of year	\$ 200	\$ 1,987	\$ 777	\$ 250	\$ 3,480	\$ 1,232	\$ 4	\$ -	\$ 7,930	
Excess (deficiency) of revenue over expenses for the year	-	(163)	(1,155)	-	-	-	64	1,449	195	
Investment in tangible capital assets	-	61	-	-	-	-	-	(61)	-	
Investment in donor acquisition costs	-	-	1,126	-	-	-	-	(1,126)	-	
Transfers to reflect internally imposed restrictions	-	-	-	-	114	148	-	(262)	-	
Balance , end of year	\$ 200	\$ 1,885	\$ 748	\$ 250	\$ 3,594	\$ 1,380	\$ 68	\$ -	\$ 8,125	

Canadian Wildlife Federation
Non-Consolidated Statement of Changes in Net Assets (continued)

(Tabular amounts expressed in thousands of dollars)

For the year ended February 28, 2014

	Internally Restricted Reserves									Total
	Restricted for Endowment Purposes	Invested in Tangible Capital Assets	Invested in Deferred Donor Acquisition Costs	Capital Assets Replacement	Working Capital	Programs	Net Unrealized Gain on Investments	Unrestricted		
Balance, beginning of year	\$ 200	\$ 2,133	\$ 771	\$ 250	\$ 3,260	\$ 2,103	\$ 102	\$ -	\$ 8,819	
Excess (deficiency) of revenue over expenses for the year	-	(199)	(1,116)	-	-	-	(98)	524	(889)	
Investment in tangible capital assets	-	53	-	-	-	-	-	(53)	-	
Investment in donor acquisition costs	-	-	1,122	-	-	-	-	(1,122)	-	
Transfers to reflect internally imposed restrictions	-	-	-	-	220	(871)	-	651	-	
Balance, end of year	\$ 200	\$ 1,987	\$ 777	\$ 250	\$ 3,480	\$ 1,232	\$ 4	\$ -	\$ 7,930	

Canadian Wildlife Federation Non-Consolidated Statement of Operations

(Tabular amounts expressed in thousands of dollars)

For the year ended February 28	2015	2014
Revenue		
Magazine publications	\$ 474	\$ 429
Donations	11,979	11,335
Bequests	1,086	792
Contributed services (Note 14)	3,449	699
Royalties and commissions	14	20
Programs (Note 4)	1,182	788
Investment income realized	90	159
Other	257	211
	18,531	14,433
Expenses (Schedule)		
Programs		
Conservation / education programs (Notes 13 and 14)	12,124	9,401
Magazine publications	599	615
Support services		
Fundraising (Note 13)	4,018	3,808
General and administrative	1,389	1,368
Magazine publications	59	32
	18,189	15,224
Excess (deficiency) of revenue over expenses for the year before undernoted items	342	(791)
Transfer to the Canadian Wildlife Foundation (Note 11)	(211)	-
Unrealized gain (loss) on investments (Note 3)	64	(98)
Excess (deficiency) of revenue over expenses for the year	\$ 195	\$ (889)

Canadian Wildlife Federation Non-Consolidated Statement of Cash Flows

(Tabular amounts expressed in thousands of dollars)

For the year ended February 28	2015	2014
Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 195	\$ (889)
Adjustments for		
Amortization of tangible capital assets	163	199
Amortization of donor acquisition costs	1,155	1,116
Net realized (gain) loss on sale of investments	(1)	64
Net change in unrealized (gain) loss on investments (Note 3)	(64)	98
	1,448	588
Changes in non-cash working capital balances (Note 10)	494	(198)
	1,942	390
Cash flows from (used in) investing activities		
Acquisition of tangible capital assets	(61)	(53)
Donor acquisition costs capitalized	(1,126)	(1,122)
Net proceeds on sale of investments	393	13
	(794)	(1,162)
Increase (decrease) in cash and cash equivalents during the year	1,148	(772)
Cash and cash equivalents, beginning of year (Note 1)	2,342	3,114
Cash and cash equivalents, end of year (Note 1)	\$ 3,490	\$ 2,342

Canadian Wildlife Federation

Summary of Significant Accounting Policies

February 28, 2015

Nature of Organization

The Canadian Wildlife Federation (the "Federation") was incorporated without share capital under Part II of the Canada Corporations Act until August 21, 2014. The Federation continued under the Canada Not-for-profit Corporations Act (the "Act") effective August 21, 2014 as Canadian Wildlife Federation Fédération canadienne de la faune. In accordance with the Federation's Articles of Continuance ("Articles") under the Act, the purposes of the Federation are:

- To perpetuate sustainable populations of wildlife so that they may be readily available for the use and enjoyment of current and future generations;
- To conduct, organize and participate in conservation projects designed to conserve wildlife and its habitat;
- To provide information, educate and increase the public's understanding of wildlife conservation through various activities, including healthful outdoor recreation, in order to enhance the public's ability to conserve wildlife and its habitat; and
- To conduct research relating to wildlife, its habitat and the environment and to disseminate the results of such research.

The Federation's Articles establish one class of members. The Articles also require that any property remaining on liquidation of the Federation, after the discharge of its liabilities, shall be distributed to one or more qualified donees within the meaning of the Income Tax Act (Canada).

The Federation is a registered charity and as such is exempt from income taxes and may issue official receipts for income tax purposes to donors.

The Federation derives its funding from a broad base of supporters. The Federation publishes and distributes magazines focusing on wildlife issues which comprise a major part of its education program. It also publishes other educational and information material and sells nature materials designed to foster an awareness and understanding of conservation generally. In addition, the Federation undertakes research on specific conservation issues of the day as well as fulfilling an advocacy role on behalf of Canadians concerned about wildlife and the environment.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO") which are part of Canadian generally accepted accounting principles and include the following significant accounting policies. As a permitted option under ASNPO, these financial statements are prepared on a non-consolidated basis (see Note 11 to these financial statements).

Canadian Wildlife Federation

Summary of Significant Accounting Policies

February 28, 2015

Basis of Presentation
(continued)

The Federation has also prepared consolidated financial statements for the years ended February 28, 2015 and 2014 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the permitted consolidation in lieu of non-consolidation with alternative financial statement note disclosure option. These consolidated financial statements are available on request.

Use of Estimates

The preparation of non-consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Significant estimates include assumptions used in estimating the fair value of financial instruments; in establishing the useful lives and related amortization of tangible capital assets; in estimating the amount, amortization period and future benefit of deferred donor acquisition costs; in estimating provisions for accrued liabilities; in estimating the value of contributed services; and in estimating expense allocations.

Financial Instruments

Financial instruments are financial assets or financial liabilities of the Federation where, in general, the Federation has the right to receive cash or another financial asset from another party or the Federation has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments

The Federation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Federation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and other instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash, certain cash equivalents, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair value include certain cash equivalents and investments. There are no financial liabilities measured at fair value.

Canadian Wildlife Federation Summary of Significant Accounting Policies

February 28, 2015

Financial Instruments (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Federation recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Revenue Recognition

The Federation follows the deferral method of accounting for contributions. Restricted contributions, including government contributions, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including donations, bequests, royalties and commissions, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Magazine publications fees are initially recorded as magazine publications obligations in the non-consolidated balance sheet and the revenue derived therefrom is recognized over the term of the related magazine subscription.

Fair value changes for investments are recorded as investment income and recognized as revenue in the non-consolidated statement of operations, or as a component of deferred contributions if the investment income is restricted, as appropriate.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. The balance of investment income is unrestricted and recognized as revenue.

Foreign Currency

Transactions during the year in U.S. dollars have been converted in the accounts to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets in U.S. dollars have been converted to Canadian dollars at the exchange rates in effect at the year end. Gains or losses resulting therefrom are included in the determination of the excess (deficiency) of revenue over expenses for the year.

Canadian Wildlife Federation Summary of Significant Accounting Policies

February 28, 2015

Contributed Services

Contributed services which are used in the normal course of the Federation's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if their fair value can be reasonably estimated. Certain contributed services are recognized in these non-consolidated financial statements.

The Federation recognizes contributed services in relation to public service announcement ("PSA") distribution services received.

In addition, the Board of Directors volunteer their time to assist the Federation in carrying out its service delivery activities. Because of the difficulty of determining the fair value of these services, they are not recognized in these non-consolidated financial statements.

Cash and Cash Equivalents

For purposes of the Federation's non-consolidated statement of cash flows, cash and cash equivalents are defined as bank balances; demand deposits; and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Normally only non-equity investments with a maturity of 90 days or less from their date of acquisition would be considered a cash equivalent, otherwise they would be considered an investing activity. In addition, bank overdrafts would only be considered a cash equivalent if they are repayable on demand and form an integral part of the Federation's cash management, whereby the bank balance fluctuates frequently from positive to overdrawn, otherwise they would be considered a financing activity.

Capital Assets

Tangible capital assets are recorded at cost. Donated tangible capital assets are recorded at fair value on the date of the contribution, when it can be reasonably determined. Amortization is based on the estimated useful life of the asset and is provided as follows:

Building and building improvements	40 years straight-line basis
Computer equipment	3 years straight-line basis
Office equipment	5 years straight-line basis
Office furniture	10 years straight-line basis

The Federation reviews the useful life of its tangible capital assets on an ongoing basis considering events or changes in circumstances.

When a tangible capital asset no longer has any long-term potential to the Federation, the write down being the excess of its net carrying amount over any residual value is recognized as an expense in the non-consolidated statement of operations. A write-down is not reversed in subsequent years.

Intangible capital assets being computer software are charged to the non-consolidated statement of operations as an expense in the year of acquisition.

Canadian Wildlife Federation Summary of Significant Accounting Policies

February 28, 2015

**Donor Acquisition
Costs**

Donor acquisition costs are an intangible asset. Costs to acquire new donors are amortized over a three year period, which represents the expected future benefits of these costs, using the sum of the years' digits method.

Deferred donor acquisition costs are tested for impairment when events or changes in circumstances indicate that its carrying value may not be recoverable. The write-down is recognized as an expense in the non-consolidated statement of operations. A write-down is not reversed in subsequent years.

Expense Allocations

The Federation engages in conservation / education, magazine publications and fundraising programs. The costs of each program include expenses that are directly related to providing the programs as well as indirect costs allocated among specific programs. The Federation also incurs general and administrative expenses directly related to the support of these programs. The Federation's general and administrative support expenses are not allocated to programs as an indirect cost.

Both the conservation / education and fundraising programs include the use of the same materials, brochures and mailings. The cost of materials and brochures used directly by the conservation / education programs and the fundraising program is included in each program. Some of the materials and brochures included in fundraising campaigns are also mailed to individuals who have been identified as beneficiaries of the conservation / education programs. A portion of the cost of these specific materials and brochures has been allocated from the fundraising programs to the conservation / education programs based on the estimated percentage of space of print dedicated to conservation / educational information in the specific material mailed.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

1. Cash and Cash Equivalents

	2015	2014
Cash	\$ 483	\$ 461
Cash - savings account	2,222	1,713
Money market funds	785	168
	\$ 3,490	\$ 2,342

Cash accounts are held in one financial institution and bear interest. The savings account bears interest on an escalating tiered basis in the range of 0.05% to 0.9% (2014 - 0.10% to 1.20%) which at year end was an average of 0.78% (2014 - 1.02%). At year end, money market funds bear interest at 1.16% (2014 - 1.14%). The investments in money market funds can be readily liquidated if necessary and are therefore considered to be a cash equivalent. The carrying value of money market funds reflects their current market value.

As at February 28, 2015 the Federation has available an undrawn operating line of credit with its bank in the amount of \$500,000 (2014 - \$500,000) at an interest rate of bank prime plus 0.75% (2014 - bank prime plus 0.75%). In addition the Federation has credit facilities in the form of corporate credit cards which total \$184,000 (2014 - \$184,000) of which approximately \$45,000 (2014 - \$27,000) was utilized and is included in accounts payable and accrued liabilities.

2. Accounts Receivable

	2015	2014
Operating	\$ 173	\$ 174
Government remittances receivable	184	98
Due from the Canadian Wildlife Foundation (Note 11)	140	164
	\$ 497	\$ 436

3. Investments

Investments are comprised of fixed income Canadian government, provincial and corporate bonds, other fixed income securities and Canadian preferred shares. Investments include U.S. fixed income investments of \$361,000 (2014 - \$301,000) denominated in U.S. dollars. The effective weighted interest rate of all of the investments at year end is 1.72% (2014 - 2.18%). These investments are marketable securities and can be readily liquidated if necessary. However the investments are presented in the non-consolidated balance sheet as non-current assets to more appropriately present the Federation's financial risk management policies as set out in Note 15 to these non-consolidated financial statements. The carrying value of investments reflects their current market value.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

3. Investments (continued)

Throughout the 2015 fiscal year, net unrealized gains and losses resulting from the application of the financial instruments standards described in the summary of significant accounting policies amounted to a net unrealized gain of \$64,000 (2014 - \$98,000 loss) which is recorded in the non-consolidated statement of operations.

The cumulative net unrealized gain at year end is \$68,000 (2014 - \$4,000) which is presented as an internally restricted reserve in the non-consolidated balance sheet and the non-consolidated statement of changes in net assets.

4. Environment Canada Agreement

The Federation has an agreement with Environment Canada whereby both organizations contribute funding to be used towards the development of a wildlife awareness initiative. Included in 2015 programs revenue is \$115,000 (2014 - \$200,000) of contributions from Environment Canada related to this agreement. The agreement expires March 31, 2017.

In 2004, the Federation received a \$100,000 contribution that was required to be set aside along with \$100,000 of the Federation's own funds, to be used at such time that further funding is no longer available. These restricted investments are in money market funds and at year end bear interest at a rate of 1.16% (2014 - 1.14%). The interest earned on these restricted investments can be used as received to further fund this initiative.

5. Tangible Capital Assets

	2015			2014		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 168	\$ -	\$ 168	\$ 168	\$ -	\$ 168
Land held for program development	250	-	250	250	-	250
Building and building improvements	2,065	731	1,334	2,065	680	1,385
Computer equipment	911	857	54	851	786	65
Office equipment	404	368	36	404	338	66
Office furniture	202	159	43	201	148	53
	\$ 4,000	\$ 2,115	\$ 1,885	\$ 3,939	\$ 1,952	\$ 1,987

Several years ago, land was donated to the Federation for which fair value was not reasonably determinable. Therefore no value is included with respect to this donated land.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

6. **Deferred Donor Acquisition Costs**

	2015	2014
Cost	\$ 3,552	\$ 3,145
Less: Accumulated amortization	2,804	2,368
Net book value	\$ 748	\$ 777

Each year the cost and accumulated amortization of fully amortized acquisitions are removed from the Federation's records which for 2015 was \$719,000 (2014 - \$566,000).

7. **Accounts Payable and Accrued Liabilities**

As at February 28, 2015 the Federation had government remittances payable of \$nil (2014 - \$nil). Accounts payable and accrued liabilities include \$nil (2014 - \$nil Canadian) denominated in U.S. dollars.

8. **Contractual Obligations**

In connection with its operations, the Federation regularly enters into agreements for the purchase of various supplies and services including the rental of equipment and facilities. Certain of these agreements extend beyond the end of the 2015 fiscal year. In the opinion of management, these agreements are in the normal course of the Federation's operations, are not abnormal in amount or nature and do not include a high degree of speculative risk.

9. **Capital Disclosures**

The Federation's capital is comprised of its net assets which at year end totaled \$8,125,000 (2014 - \$7,930,000). Of the Federation's capital, \$1,885,000 (2014 - \$1,987,000) is internally restricted to fully finance the Federation's investment in its tangible capital assets and \$748,000 (2014 - \$777,000) is internally restricted to fully finance the Federation's investment in its deferred donor acquisition costs. As set out in Note 4 to these non-consolidated financial statements, \$200,000 (2014 - \$200,000) of the Federation's capital is set aside for endowment purposes. At year end the Federation's other internally restricted net assets totaled \$5,224,000 (2014 - \$4,962,000) as presented in the Federation's non-consolidated balance sheet and in accordance with the policy approved by the Federation's Executive Committee as further described herein.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

9. **Capital Disclosures** (continued)

The Federation's objectives when managing its other internally restricted net assets are to maintain its ability to:

- Operate efficiently;
- Meet its disbursement quota requirement as determined by the Canada Revenue Agency;
- Provide liquidity for growth opportunities;
- Have funds available for cyclical expenditures (i.e. expenditures not recurring annually);
- Have funds available for unexpected increases in expenditures or decreases in revenues;
- and
- Provide a constant and predictable fee structure.

The amounts allocated to these other internally restricted net assets is determined in reference to unrestricted net assets otherwise available for allocation. The purpose of each component of the Federation's other internally restricted net assets including the order in which amounts are set aside is as follows:

- The Capital Asset Replacement Reserve is to provide funds, if any, which are available to allow for replacement of capital assets;
- The Working Capital Reserve is to provide funds, if any, which are available should there be unforeseen disruptions in fundraising activities; and
- The Programs Reserve is to provide for funds, if any, which are available to allow for the continuance of conservation programs.

Since the Federation's investments are carried at fair value, all changes in fair value are recognized in operations as they occur. However the Federation segregates the unrealized portion of the fair value changes existing of \$68,000 (2014 - \$4,000) as a separate component of internally restricted net assets entitled net unrealized gain on investments. Therefore the Federation's other internally restricted reserves are not impacted until the net gains or losses are realized.

Further, the Federation has magazine publications obligations related to magazine subscriptions which are deferred revenue at year end totaling \$302,000 (2014 - \$323,000) and deferred program revenue of \$300,000 (2014 - \$216,000) for specific programs. These funds are available to finance the Federation's subsequent years' operations.

The Federation's financial risk management policies, as set out in Note 15 to these non-consolidated financial statements, have been established to assist the Federation in meeting the objectives set out herein by ensuring the Federation's capital invested in financial markets is not at risk and the Federation has sufficient liquidity. The Federation also has an undrawn operating line of credit in the amount of \$500,000 (2014 - \$500,000) and other credit facilities as set out in Note 1 to these non-consolidated financial statements, which is available to provide liquidity. The Federation's Executive Committee does not establish quantitative return on capital criteria other than as set out in these financial risk management policies.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

9. Capital Disclosures (continued)

The Federation is not subject to externally imposed requirements on its capital except as set out in Note 4 to these non-consolidated financial statements with respect to its net assets restricted for endowment purposes.

In addition, as set out in Note 11 to these non-consolidated financial statements, the Federation controls the Canadian Wildlife Foundation (the "Foundation") which has not been consolidated in these financial statements. As such the net assets referred to in this note exclude the Foundation.

10. Changes in Non-Cash Working Capital Balances

Changes in non-cash working capital balances consist of changes in the following accounts which represents a source (use) of cash from operating activities.

	2015	2014
Accounts receivable	\$ (61)	\$ (263)
Prepaid expenses	10	(12)
Accounts payable and accrued liabilities	482	(61)
Deferred program revenue	84	196
Magazine publications obligations - Current and non-current	(21)	(58)
	\$ 494	\$ (198)

11. Canadian Wildlife Foundation

Nature of Organization

The main purpose of the Canadian Wildlife Foundation (the "Foundation") is to receive and maintain funds for the use and benefit of the Federation or other qualified donees under the Income Tax Act (Canada). The Foundation also advances education by providing scholarships, bursaries, awards and other forms of financial assistance to students interested in wildlife and habitat conservation. The Foundation was incorporated without share capital under Part II of the Canada Corporations Act until August 21, 2014. The Foundation continued under the Canada Not-for-profit Corporations Act (the "Act") effective August 21, 2014 as Canadian Wildlife Foundation Fondation canadienne de la faune. In accordance with the Foundation's Articles of Continuance ("Articles") under the Act, the Foundation's purposes are as previously set out. The Foundation's Articles establish one class of members and its general operating bylaw number one requires that its members be the Board of Directors of the Federation. The Foundation is therefore controlled by the Federation. The Foundation's Articles also require that any property remaining on liquidation of the Foundation, after the discharge of its liabilities, shall

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

11. Canadian Wildlife Foundation (continued)

Nature of Organization (continued)

be distributed to the Federation, or if the Federation ceases to be a registered charity, to one or more qualified donees within the meaning of the Income Tax Act (Canada).

The Foundation is a registered charity and as such, is exempt from income taxes and may issue income tax receipts to donors.

The Foundation has not been consolidated in these financial statements. Financial statements of the Foundation are available on request as are the Federation's consolidated financial statements.

Basis of Presentation

The Foundation's financial statements are prepared using Canadian Accounting Standards for Not-for-Profit Organizations but it uses the restricted fund method of accounting for contributions whereas the Federation uses the deferral method. Therefore, the Foundation's and Federation's financial statements are not directly comparable. Under the restricted fund method externally restricted amounts may be included in fund balances / net assets and in the respective restricted fund's results of operations. Under the deferral method these restricted amounts are included in liabilities and not included in the results of operations until these funds are expended. A summary of the Foundation's financial statements follow.

Summary Balance Sheet

	As at February 28				
	General Fund	Restricted Funds	Endowment Funds	2015 Total	2014 Total
Assets	\$ 2,154	\$ 270	\$ 231	\$ 2,655	\$ 2,467
Liabilities	\$ 251	\$ -	\$ -	\$ 251	\$ 195
Fund balances					
Externally restricted	-	270	231	501	410
Internally restricted	1,151	-	-	1,151	1,114
Operating	251	-	-	251	184
Net unrealized gain on investments	501	-	-	501	564
	1,903	270	231	2,404	2,272
	\$ 2,154	\$ 270	\$ 231	\$ 2,655	\$ 2,467

Canadian Wildlife Federation Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

11. Canadian Wildlife Foundation (continued)

Summary Statement of Operations and Changes in Fund Balances

	For the year ended February 28			
	General Fund	Restricted Funds	Endowment Funds	2015 Total
Revenue	\$ 584	\$ -	\$ 1	\$ 585
Investment revenue	104	30	-	134
Expenses	(579)	(8)	-	(587)
Excess of revenue over expenses for the year	109	22	1	132
Fund balances, beginning of year	1,794	248	230	2,272
Fund balances, end of year	\$ 1,903	\$ 270	\$ 231	\$ 2,404

	For the year ended February 28			
	General Fund	Restricted Funds	Endowment Funds	2014 Total
Revenue	\$ 215	\$ -	\$ 2	\$ 217
Investment revenue	247	41	-	288
Expenses	(407)	(9)	-	(416)
Excess of revenue over expenses for the year	55	32	2	89
Fund balances, beginning of year	1,739	216	228	2,183
Fund balances, end of year	\$ 1,794	\$ 248	\$ 230	\$ 2,272

Canadian Wildlife Federation Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

11. **Canadian Wildlife Foundation** (continued)

Summary Statement of Cash Flows

	For the year ended February 28	
	2015	2014
Cash flows from (used in) operating activities		
All funds	\$ 84	\$ 9
Cash flows from (used in) investing activities		
Decrease in investments	(12)	(4)
Cash flows from (used in) financing activities		
Increase in Endowment Funds capital	1	2
Increase in cash for the year	73	7
Cash, beginning of year	25	18
Cash, end of year	\$ 98	\$ 25

Other Information

The Foundation's General Fund as at February 28, 2015 includes an internally restricted balance which represents its permanent capital in the amount of \$1,151,000 (2014 - \$1,114,000). The 2015 increase in permanent capital was \$37,000 (2014 - \$36,000) as a result of memorial donations received in conjunction with the Federation.

Certain of the Foundation's investments are carried at fair value. All changes in fair value are recognized in the Foundation's operations as they occur. The Foundation segregates the unrealized portion of the fair value changes existing at year-end as a separate component of fund balances.

From time to time, the Federation and Foundation provide funding for each other's programs. During the year the Foundation provided funding to Federation in the amount of \$287,000 (2014 - \$213,000) for various programs. In addition, the Federation transferred funds to the Foundation in the amount of \$211,000 (2014 - \$nil).

Certain administrative expenses of the Foundation are paid for by the Federation and charged to the Foundation. These transactions are in the normal course of operations and are measured at the exchange value, which is the actual amount of expenses incurred by the Federation on behalf of the Foundation. The Federation also provides general and administrative services which have not been fully charged to the Foundation.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

11. Canadian Wildlife Foundation (continued)

Other Information (continued)

Balances due to and from the Foundation that result from these transactions are interest free and are payable on demand. As at year end there was a balance of \$140,000 (2014 - \$164,000) owing by the Foundation to the Federation.

12. Employee Benefits

The Federation participates in a defined contribution plan providing pension benefits to eligible employees. The expense for the plan for the 2015 fiscal year is \$163,000 (2014 - \$149,000) which represents the Federation's required current contributions to the plan for the year.

13. Fundraising Expenses

Fundraising expenses reported in the non-consolidated statement of operations of \$4,027,000 (2014 - \$3,718,000) are reported after the allocation of \$566,000 (2014 - \$564,000) to the conservation and education programs representing the cost of materials, brochures and mailings that are co-mailed with the Federation's direct mail campaigns.

14. Contributed Services

The Federation builds and maintains a conservation ethic among Canadians through the development and broadcast of television advertisements ("PSA's"), which are produced in 30 and 60-second formats. These PSA's include information in regards to natural resources (such as wildlife, freshwater, oceans, forests, etc.) and activities people can do to prevent harm to them or to benefit them. Television stations contribute staff time and air time to schedule and play these PSA's, without which, the Federation would otherwise have had to purchase if it chose to provide this information to Canadians in this manner.

To value these contributed services, the Federation contracted a third-party media monitoring company to independently value the fair value of these contributed services at the date of contribution. The fair value of the PSA distribution services provided for the year was \$3,449,000 (2014 - \$699,000), the benefit of which and offsetting corresponding conservation / education programs expense are reflected in the Federation's non-consolidated statement of operations and non-consolidated schedule of expenses.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

15. Financial Instruments Risks and Concentrations

The Federation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Federation's risk exposure and concentrations as at February 28, 2015.

Financial risk management

The Federation manages its investment portfolio based on the levels of its net assets set aside in its Working Capital Reserve and its Programs Reserve. The total of these reserves is known as the 'bench mark'. Typical investments based on this 'bench mark' are described below.

- Cash reserves below the 'bench mark' are invested in short-term instruments. This achieves a balance between maximization of interest and liquidity of cash. A combination of money market and fixed income investments would typically be used in this situation.
- Cash reserves above the 'bench mark' are invested in typically longer-term instruments. These instruments would weigh the permissible level of risk to the Federation's resources in relation to expected returns. At all times, the Federation would invest and manage these funds as would a prudent investor. A combination of income funds and balanced conservative funds would typically be used in this situation.

In addition, the Federation's cash is held in a Canadian chartered bank.

The Federation is not involved in any hedging relationships and does not hold or use any derivative financial instruments for trading purposes.

Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash and cash equivalents in a timely and cost effective manner to meet the Federation's spending requirements and obligations related to its deferred revenue and magazine publications obligations as well as meeting its financial liabilities in respect to its accounts payable and accrued liabilities, and its contractual obligations. The Federation mitigates liquidity risk by limiting its investments to financial instruments that are publicly traded in active markets and thereby readily liquidated if necessary.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Federation's main credit risks relate to its accounts receivable. The accounts receivable are managed and analyzed on an ongoing basis. The Federation is of the opinion that its exposure to bad debts is not significant.

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 risk, interest rate risk and other price risk.

Canadian Wildlife Federation

Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

15. Financial Instruments Risks and Concentrations (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Federation is exposed to exchange risk due to transactions during the year in U.S. dollars. Certain investments, accounts payable and accrued liabilities, are denominated in U.S. dollars as set out in Notes 3 and 7 to these non-consolidated financial statements respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Federation is exposed to interest rate risk on its fixed and variable interest rate financial instruments. The Federation holds floating-rate financial instruments being its cash and cash equivalents, as set out in Note 1 to these non-consolidated financial statements, which would subject the Federation to a cash flow risk.

The Canadian government, provincial and corporate bonds and other fixed income investments held by the Federation, as set out in Note 3 to these non-consolidated financial statements, bear interest at fixed rates so the Federation is exposed to the risk resulting from interest rate fluctuations which is a fair value risk.

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 currency risk or interest rate risk), whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum loss due to price risk is represented by the fair value of certain cash equivalents and the investment portfolio as set out in Notes 1 and 3 to these non-consolidated financial statements respectively.

Investment credit risk

Investment credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Federation is exposed to investment credit risk through its investments in cash and cash equivalents, bonds and fixed income securities, as set out in Notes 1 and 3 to these non-consolidated financial statements respectively. Credit risk arising from these investments is limited to the carrying value of these assets.

Investment concentration risk

Investment concentration risk is the risk that an investment portfolio will have greater exposure due to a concentration in securities with similar characteristics or subject to similar economic, political or other conditions. Investment concentration risk is mitigated by ensuring that the portfolio limits geographic allocations as well as limits individual entity holdings.

Canadian Wildlife Federation
Notes to Non-Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars)

February 28, 2015

15. Financial Instruments Risks and Concentrations (continued)

Changes in risks

There have been no significant changes in the Federation's risk exposures from its 2014 fiscal year.

16. Corresponding Amounts

In certain instances corresponding 2014 amounts and financial disclosures presented have been reclassified to conform to the non-consolidated financial statement presentation adopted for the current year.

Canadian Wildlife Federation Non-Consolidated Schedule of Expenses

(Tabular amounts expressed in thousands of dollars)

For the year ended February 28, 2015

	Programs		Support Services			Total
	Conservation / Education Programs	Magazine Publications	Fund- Raising	General and Adminis- trative	Magazine Publications	
Printing, publication, distribution, reports and websites	\$ 3,330	\$ 414	\$ 2,158	\$ 7	\$ 59	\$ 5,968
Salaries, benefits and related expenses	3,385	156	228	859	-	4,628
Occupancy	149	-	19	21	-	189
Communications and data processing	205	29	254	263	-	751
Conferences, projects and events, annual convention, and other meetings	1,468	-	1	169	-	1,638
Contributed services - PSA distribution (Note 14)	3,449	-	-	-	-	3,449
Amortization of tangible capital assets	95	-	34	34	-	163
Amortization of donor acquisition costs	-	-	1,155	-	-	1,155
Other	43	-	169	36	-	248
	\$ 12,124	\$ 599	\$ 4,018	\$ 1,389	\$ 59	\$ 18,189

For the year ended February 28, 2014

	Programs		Support Services			Total
	Conservation / Education Programs	Magazine Publications	Fund- Raising	General and Adminis- trative	Magazine Publications	
Printing, publication, distribution, reports and websites	\$ 3,405	\$ 422	\$ 1,788	\$ 7	\$ 32	\$ 5,654
Salaries, benefits and related expenses	3,141	151	356	800	-	4,448
Occupancy	153	-	19	19	-	191
Communications and data processing	223	42	320	226	-	811
Conferences, projects and events, annual convention, and other meetings	1,625	-	-	238	-	1,863
Contributed services - PSA distribution (Note 14)	699	-	-	-	-	699
Amortization of tangible capital assets	123	-	38	38	-	199
Amortization of donor acquisition costs	-	-	1,116	-	-	1,116
Other	32	-	171	40	-	243
	\$ 9,401	\$ 615	\$ 3,808	\$ 1,368	\$ 32	\$ 15,224