



Financial Statements
For the year ended February 28, 2017



Canadian Wildlife Foundation
Financial Statements
For the year ended February 28, 2017

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Independent Auditor's Report

To the Members of the Canadian Wildlife Foundation

We have audited the accompanying financial statements of the Canadian Wildlife Foundation, which comprise the balance sheet as at February 28, 2017, and the statement of operations and changes in fund balances, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Wildlife Foundation as at February 28, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
June 23, 2017
Ottawa, Ontario

Canadian Wildlife Foundation

Balance Sheet

February 28, 2017

(With corresponding amounts as at February 29, 2016)

	Restricted and Endowment Funds (Schedule)				2017	2016
	General Fund	Restricted Funds	Endowment Funds	Total	Total Funds	Total Funds
Assets						
Current						
Cash (Note 1)	\$ 122,324	\$ 15,585	\$ 10,256	\$ 25,841	\$ 148,165	\$ 133,907
Short-term investments (Note 2)	3,350	23,488	70,817	94,305	97,655	94,220
Accounts receivable	1,581	118	-	118	1,699	4,342
Prepaid expenses (Note 3)	3,405	-	-	-	3,405	83,188
	130,660	39,191	81,073	120,264	250,924	315,657
Non-current						
Investments (Note 2)	2,025,572	227,480	156,221	383,701	2,409,273	2,084,703
Prints - at cost	1,250	-	-	-	1,250	1,250
	2,026,822	227,480	156,221	383,701	2,410,523	2,085,953
	\$ 2,157,482	\$ 266,671	\$ 237,294	\$ 503,965	\$ 2,661,447	\$ 2,401,610
Liabilities and Fund Balances						
Current						
Accounts payable and accrued liabilities	\$ 22,499	\$ 498	\$ -	\$ 498	\$ 22,997	\$ 27,012
Due to the Canadian Wildlife Federation (Note 9)	31,452	-	-	-	31,452	62,605
Deferred revenue (Note 3)	2,000	-	-	-	2,000	51,000
Deferred contributions (Note 4)	17,328	-	-	-	17,328	17,328
	73,279	498	-	498	73,777	157,945
Fund balances (Note 5)						
Externally restricted (Notes 6 and 7)						
Income and endowment capital	-	218,516	237,294	455,810	455,810	446,130
Net unrealized gain on investments	-	47,657	-	47,657	47,657	3,485
Internally restricted (Note 8)	1,251,534	-	-	-	1,251,534	1,187,085
Unrestricted (Note 8)						
Operating	556,705	-	-	-	556,705	556,705
Net unrealized gain on investments	275,964	-	-	-	275,964	50,260
	2,084,203	266,173	237,294	503,467	2,587,670	2,243,665
	\$ 2,157,482	\$ 266,671	\$ 237,294	\$ 503,965	\$ 2,661,447	\$ 2,401,610

On behalf of the Board: Bob Barton, President

Roland Michaud, Treasurer

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

Canadian Wildlife Foundation

Statement of Operations and Changes in Fund Balances

For the year ended February 28, 2017

(With corresponding amounts for the year ended February 29, 2016)

	Restricted and Endowment Funds (Schedule)							
	General Fund		Restricted Funds		Endowment Funds		Total	Total
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue								
Grants (Note 9)	\$ 300,893	\$ 253,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Memorial donations (Note 9)	64,449	35,941	-	-	-	-	-	-
Other donations and bequests	206,255	49,739	-	-	2,151	4,150	2,151	4,150
Interest and dividends	76,357	67,447	17,108	15,823	-	-	17,108	15,823
Net realized gain on sale of investments	9,339	116,866	414	17,324	-	-	414	17,324
Fundraising events	268,814	271,841	-	-	-	-	-	-
	926,107	795,534	17,522	33,147	2,151	4,150	19,673	37,297
Expenses (Note 9)								
Professional fees	33,143	49,996	1,893	1,869	-	-	1,893	1,869
Strategy implementation	1,730	10,114	-	-	-	-	-	-
Scholarships, grants and programs (Note 9)	330,304	301,800	8,100	10,000	-	-	8,100	10,000
Salaries and benefits	83,149	96,027	-	-	-	-	-	-
Trustees expense	-	1,218	-	-	-	-	-	-
Market development	2,027	5,163	-	-	-	-	-	-
Travel, office and other	3,824	5,280	-	-	-	-	-	-
Fundraising events	224,653	197,106	-	-	-	-	-	-
	678,830	666,704	9,993	11,869	-	-	9,993	11,869
Excess of revenue over expenses for the year before undernoted items	247,277	128,830	7,529	21,278	2,151	4,150	9,680	25,428
Transfer from (to) the Canadian Wildlife Federation (Note 9)	(182,828)	212,547	-	-	-	-	-	-
Net change in unrealized gain (loss) on investments (Notes 6 and 8)	225,704	(450,830)	44,172	(76,354)	-	-	44,172	(76,354)
Excess (deficiency) of revenue over expenses for the year	290,153	(109,453)	51,701	(55,076)	2,151	4,150	53,852	(50,926)
Fund balances, beginning of year	1,794,050	1,903,503	214,472	269,548	235,143	230,993	449,615	500,541
Fund balances, end of year	\$ 2,084,203	\$ 1,794,050	\$ 266,173	\$ 214,472	\$ 237,294	\$ 235,143	\$ 503,467	\$ 449,615

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

Canadian Wildlife Foundation Statement of Cash Flows

For the year ended February 29 **2017** **2016**

(With corresponding amounts for the year ended February 29, 2016)

Cash flows from (used in) operating activities

Excess (deficiency) of revenue over expenses
for the year

General Fund	\$	290,153	\$	(109,453)
Restricted and Endowment Funds		53,852		(50,926)
Less: Endowment Funds donations received - added to the capital of the funds		(2,151)		(4,150)

		341,854		(164,529)
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Adjustments for

Net realized gain on sale of investments		(9,753)		(134,190)
Net change in unrealized (gain) loss on investments		(269,876)		527,184

		62,225		228,465
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Changes in non-cash working capital items

Accounts receivable		2,643		(495)
Prepaid expenses		79,783		(32,746)
Accounts payable and accrued liabilities		(4,015)		8,866
Due to the Canadian Wildlife Federation		(31,153)		(77,692)
Deferred revenue		(49,000)		(23,800)

		60,483		102,598
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Cash flows from (used in) investing activities

Net increase in investments

		(48,376)		(70,457)
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Cash flows from (used in) financing activities

Endowment Funds donations
received - added to the capital of the funds

		2,151		4,150
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Net increase in cash for the year

		14,258		36,291
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Cash, beginning of year

		133,907		97,616
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Cash, end of year

	\$	148,165	\$	133,907
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Canadian Wildlife Foundation

Summary of Significant Accounting Policies

February 28, 2017

Nature of Organization	<p>The Canadian Wildlife Foundation (the "Foundation") was 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 main purpose is to receive and maintain funds for the use and benefit of the Canadian Wildlife Federation (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's Articles establish one class of members and its general operating bylaw 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 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).</p> <p>The Foundation is a registered charity and as such, is exempt from income taxes and may issue income tax receipts to donors.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>The preparation of 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 financial statements, and the reported amounts of revenue 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.</p> <p>Significant estimates include assumptions used in estimating the fair value of investments and related investment income, in estimating provisions for accrued liabilities and in estimating expense allocations.</p>
Financial Instruments	<p>Financial instruments are financial assets or financial liabilities of the Foundation where, in general, the Foundation has the right to receive cash or another financial asset from another party or the Foundation has the obligation to pay another party cash or other financial assets.</p>

Canadian Wildlife Foundation

Summary of Significant Accounting Policies

February 28, 2017

Financial Instruments (continued)

Measurement of financial instruments

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

The Foundation 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 investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and amounts due to the Canadian Wildlife Federation. Financial assets measured at fair value include certain investments. There are no financial liabilities measured at fair value.

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 Foundation 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.

Foreign Currency

Transactions during the year in a foreign currency, if any, have been converted in the accounts to Canadian dollars at the exchange rate in effect on the transaction date. All monetary assets in a foreign currency, if any, have been converted to Canadian dollars at the exchange rate in effect at the respective year end date. Gains or losses, if any, resulting therefrom are included in the determination of excess (deficiency) of revenue over expenses for the respective year.

Revenue Recognition and Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations or restricted purposes for which a restricted fund has not been established are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are

Canadian Wildlife Foundation

Summary of Significant Accounting Policies

February 28, 2017

Revenue Recognition and Fund Accounting (continued)

recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions for endowment are recognized as revenue in the Endowment Funds.

Realized investment income is recognized as revenue when received or receivable. Fair value changes for investments are recognized in the statement of operations and changes in fund balances as a component of the General Fund, or as a component of the applicable restricted fund if they are related to an investment of a restricted fund, as appropriate. Investment income realized and fair value changes on Endowment Funds resources are recognized in the related restricted fund.

Revenue from fundraising events is recognized as revenue in the fiscal year that the event is held.

General Fund

The General Fund accounts for the Foundation's program delivery, fundraising activities and administrative activities. The fund reports unrestricted resources and internally restricted amounts representing permanent capital, and externally restricted resources and related expenditures for which a restricted fund has not been established.

Restricted Funds

The Restricted Funds report:

- Externally restricted resources that are to be used for funding of specific projects for which a restricted fund has been established; and
- Investment income realized and fair value changes on the capital of the Endowment Funds which are to be used in accordance with the nature of any restrictions imposed by the contributors of the Endowment Funds.

In addition to the unexpended investment income of the Endowment Funds, the Foundation has the following Restricted Fund:

Canadian Wildlife Fund

The Canadian Wildlife Fund was established by the Canadian Wildlife Federation to fund various conservation programs.

Endowment Funds

The Endowment Funds accumulate capital contributed for endowment purposes. The nature of each Endowment Fund is as follows:

Canadian Wildlife Foundation Summary of Significant Accounting Policies

February 28, 2017

Revenue Recognition and Fund Accounting (continued)

Endowment Funds (continued)

Orville Erickson Memorial Fund

All investment income generated from the capital of this fund is part of the Restricted Funds to be used to provide scholarships to students who have demonstrated commitment and enthusiasm for wildlife.

Captain Richard Lloyd Memorial Fund

All investment income generated from the capital of this fund is part of the Restricted Funds to be used to provide funding for raptor research.

Neil Maurer Memorial Scholarship Fund

All investment income generated from the capital of this fund is part of the Restricted Funds to be used to provide funding for projects relating to forestry.

Frances Elizabeth Hilder Scholarship Fund

All investment income generated from the capital of this fund is part of the Restricted Funds to be used to provide scholarships to students for the purpose of study and research in the area of forest conservation.

Other Funds

These funds consist of the Past President's Fund and the Laurie Planck Memorial Fund. All investment income generated from the capital of these funds is part of the Restricted Funds to be used to provide funding for school groups in the grade six to nine range for the purpose of promoting outdoor environmental awareness and to provide funding for students to perform habitat projects in their communities, respectively.

Net Unrealized Gain (Loss) on Investments

All changes in the fair value of investments 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 the General or Restricted Fund balances, as appropriate.

Contributed Services

The Board of Trustees volunteer their time to assist the Foundation in carrying out its service delivery activities. The Board of Trustees and other volunteers also assist with fundraising activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

In addition, as set out in Note 9 to these financial statements, the Canadian Wildlife Federation contributes services to the Foundation which are not recognized in these financial statements.

Canadian Wildlife Foundation

Summary of Significant Accounting Policies

February 28, 2017

Expense Allocations

At times the Foundation undertakes projects and/or provides funding to meet its objectives as outlined in the previously set out "Nature of Organization" disclosure. In addition, the Foundation undertakes fundraising activities. The costs of the Foundation's activities include expenses that are directly related to their provision. The Foundation's salaries and benefits are not allocated to activities. Therefore, the Foundation's general and administrative support, and fundraising expenses are not allocated to other activities.

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

1. Cash

The Foundation's bank accounts are held at a Canadian chartered bank. Cash amounts presented in these financial statements in the Foundation's General, Restricted and Endowment Funds are an allocation of the Foundation's General Fund bank accounts. Since cash funds are held temporarily they are held on a consolidated basis and generally do not bear interest.

2. Investments

The Foundation's investments consist of interest-bearing financial instruments and non-interest bearing equity and convertible securities. The interest-bearing financial instruments earn interest as follows:

- The cash accounts bear interest at nominal rates; and
- Provincial and Canadian government bonds, corporate bonds and other fixed income securities have an effective weighted average interest rate of 3.09% (2016 - 3.16%).

Short-Term Investments

	2017		2016	
	Carrying Value	Cost	Carrying Value	Cost
Cash	\$ 1,965	\$ 1,965	\$ 1,176	\$ 1,176
Provincial and Canadian government bonds, corporate bonds and guaranteed investment certificates, at fair value (see below)	95,690	95,690	93,044	93,044
	\$ 97,655	\$ 97,655	\$ 94,220	\$ 94,220

The carrying value of the short-term investments are allocated as \$3,350 (2016 - \$3,948) for the General Fund and \$94,305 (2016 - \$90,272) for the Restricted and Endowment Funds.

The short-term investments can be readily liquidated if necessary. The value of the short-term investments carried at amortized cost approximates their current market value. The change in the net amount of these investments is a result of maturities, redemptions, reinvestments and purchases.

Canadian Wildlife Foundation Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

2. Investments (continued)

General Fund Non-Current Investments

	2017		2016	
	Carrying Value	Cost	Carrying Value	Cost
Canadian and U.S. equities and convertible securities, at fair value	\$1,637,374	\$1,375,137	\$1,335,201	\$1,369,297
Provincial and Canadian government and corporate bonds, and fixed income securities, at fair value	388,198	375,720	412,743	399,296
	\$2,025,572	\$1,750,857	\$1,747,944	\$1,768,593

U.S. equities are stated in Canadian dollars and total \$270,121 U.S. (2016 - \$226,514 U.S.).

The carrying value of the General Fund non-current investments reflects their current market value. The change in the net amount of investments is a result of maturities, redemptions, reinvestments, purchases and fair value changes.

The 2016 corresponding amounts have been reclassified to the same basis of allocation used for the 2017 amounts between types of investments. The totals are unchanged.

Restricted and Endowment Funds Non-Current Investments

	2017		2016	
	Carrying Value	Cost	Carrying Value	Cost
Canadian and U.S. equities and convertible securities, at fair value	\$ 287,835	\$ 244,081	\$ 237,690	\$ 246,403
Provincial and Canadian government and corporate bonds, and fixed income securities, at fair value	95,866	91,972	99,069	95,225
	\$ 383,701	\$ 336,053	\$ 336,759	\$ 341,628

U.S. equities are stated in Canadian dollars and total \$45,964 U.S. (2016 - \$27,319 U.S.).

The carrying value of the Restricted and Endowment Funds non-current investments reflects their current market value. The change in the net amount of these investments is a result of maturities, redemptions, reinvestments, purchases and fair value changes.

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

3. **Prepaid Expenses, Deferred Revenue and Fundraising Events**

In connection with a fundraising event to be held subsequent to February 28, 2017, the Foundation incurred direct costs and made deposits for the event totalling \$3,405 which have been included in prepaid expenses in the Foundation's balance sheet. In addition, fundraising revenue of \$2,000 was received on or before February 28, 2017 which has been included in deferred revenue in the Foundation's balance sheet.

4. **Deferred Contributions**

In a prior fiscal year, the Foundation had received a bequest of \$117,328 to be used in a future project, as agreed with the Executrix of an Estate. Since a specific restricted fund was not established for this bequest at that time, it was deferred and therefore not included in revenue of the General Fund until the appropriate project was agreed upon and related expenditures were incurred. A project was agreed upon and associated expenditures of \$100,000 were incurred.

The remaining \$17,328 (2016 - \$17,328) of the bequest is deferred until such time as further appropriate expenditures are agreed upon.

5. **Capital Disclosures**

Overall

The Foundation's capital is comprised of its General, Restricted and Endowment Funds as set out in Notes 6, 7 and 8 to these financial statements. The purpose of each component of the General, Restricted and Endowment Funds as well as details on the externally imposed requirements on the Foundation's capital are as set out in the summary of significant accounting policies accompanying these financial statements.

Objectives

The Foundation's objectives when managing its capital are to maintain its ability to:

- Operate efficiently;
- Provide sufficient liquidity;
- Generate predictable cash flows in order to promote the objective of the Canadian Wildlife Federation, to foster understanding of natural processes so that people may live in harmony with the land, using and husbanding its renewable natural resources in a manner that maintains its productivity and its beauty for the long-term benefit and enrichment of society;
- Generate predictable cash flows in order to maximize funding for worthwhile conservation projects, consistent with the fundamental role of the Foundation to distribute funds in support of a wide range of causes involving Canadian wildlife and the environment;
- Meet its disbursement quota requirement as determined by the Canada Revenue Agency; and
- Have funds available for unexpected increases in expenditures or decreases in revenue.

Canadian Wildlife Foundation Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

5. **Capital Disclosures** (continued)

Other Amounts

The Foundation also has a deferred bequest related to a future project, as set out in Note 4 to these financial statements which is available to fund a future Foundation project.

Other Information

Further, the Foundation's financial risk management policies, as set out in Note 10 to these financial statements, have been established to assist the Foundation in meeting the objectives set out herein. The Board of Trustees of the Foundation does not establish quantitative return on capital criteria other than as set out in these financial risk management policies.

6. **Restricted Funds**

The externally restricted funds are comprised of income earned on the capital held for endowment purposes less expenses incurred in accordance with the nature of any restrictions imposed by the contributors of the funds as well as a donation which is restricted by the Canadian Wildlife Federation.

	<u>2017</u>	<u>2016</u>
Externally restricted income balance, beginning of year	\$ 210,987	\$ 189,709
Interest, dividends and net gain realized on sale of investments of Endowment Funds	17,522	33,147
Scholarships and grants disbursed	(8,100)	(10,000)
Other expenses	(1,893)	(1,869)
Externally restricted income balance, end of year	<u>\$ 218,516</u>	<u>\$ 210,987</u>
Net unrealized gain on investments balance, beginning of year	\$ 3,485	\$ 79,839
Net change in unrealized gain (loss) on investments for the year	44,172	(76,354)
Net unrealized gain on investments balance, end of year	<u>\$ 47,657</u>	<u>\$ 3,485</u>
Total Restricted Funds balance, end of year	<u>\$ 266,173</u>	<u>\$ 214,472</u>

Throughout the 2017 fiscal year, the change in unrealized gains and losses amounted to a net unrealized gain of \$44,172 (2016 - loss of \$76,354). The gain or loss is recorded in the Restricted Funds in the statement of operations and changes in fund balances.

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

6. Restricted Funds (continued)

The externally restricted funds are related to the following Restricted and Endowment Funds:

	2017	2016
Canadian Wildlife Fund	\$ 220	\$ 220
Orville Erickson Memorial Fund	192,043	158,251
Captain Richard Lloyd Memorial Fund	30,139	18,528
Neil Maurer Memorial Scholarship Fund	3,617	3,032
Frances Elizabeth Hilder Scholarship Fund	39,090	33,407
Other funds	1,064	1,034
	<u>\$ 266,173</u>	<u>\$ 214,472</u>

7. Endowment Funds

The Endowment Funds capital consists of:

	2017	2016
Orville Erickson Memorial Fund	\$ 112,929	\$ 112,929
Captain Richard Lloyd Memorial Fund	72,420	70,269
Neil Maurer Memorial Forest Fund	20,100	20,100
Frances Elizabeth Hilder Scholarship Fund	30,000	30,000
Other funds	1,845	1,845
	<u>\$ 237,294</u>	<u>\$ 235,143</u>

The Endowment Funds capital increased by \$2,151 of donations for the 2017 fiscal year (2016 - \$4,150).

Canadian Wildlife Foundation Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

8. General Fund

	For the year ended February 28, 2017			
	Unrestricted			
	Internally Restricted for Permanent Capital	Operating	Net Unrealized Gain on Investments	Total
Balance, beginning of year	\$ 1,187,085	\$ 556,705	\$ 50,260	\$ 1,794,050
Excess of revenue over expenses for the year	-	64,449	225,704	290,153
	1,187,085	621,154	275,964	2,084,203
Internally imposed restrictions consisting of memorial donations for the year (Note 9)	64,449	(64,449)	-	-
Balance, end of year	\$ 1,251,534	\$ 556,705	\$ 275,964	\$ 2,084,203

	For the year ended February 29, 2016			
	Unrestricted			
	Internally Restricted for Permanent Capital	Operating	Net Unrealized Gain on Investments	Total
Balance, beginning of year	\$ 1,151,144	\$ 251,269	\$ 501,090	\$ 1,903,503
Excess (deficiency) of revenue over expenses for the year	-	341,377	(450,830)	(109,453)
	1,151,144	592,646	50,260	1,794,050
Internally imposed restrictions consisting of memorial donations for the year (Note 9)	35,941	(35,941)	-	-
Balance, end of year	\$ 1,187,085	\$ 556,705	\$ 50,260	\$ 1,794,050

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

8. General Fund (continued)

The above accounts were formerly referred to as the Permanent Capital Fund. Since its inception all monies received either as memorial donations or life subscription fees have been placed in this fund to be preserved intact in terms of principal. It was envisaged that monies earned as a result of investing these funds would be available for providing funding for worthwhile conservation projects.

Throughout the 2017 fiscal year, the change in unrealized gains and losses on investments amounted to a net unrealized gain of \$225,704 (2016 - loss of \$450,830). Gains and losses are recorded in the General Fund in the statement of operations and changes in fund balances.

9. Related Party Transactions

Certain expenses of the Foundation are initially paid for by the Canadian Wildlife Federation (the "Federation") on behalf of the Foundation and then reimbursed by the Foundation to the Federation. The Federation also provides general and administrative services which have not been fully charged to the Foundation and are therefore not fully reflected in these financial statements. Charges to the Foundation for administrative services for the year represent recovered costs and total \$92,038 (2016 - \$109,300) and are included expenses in the Foundation's statement of operations and changes in fund balances. 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.

During the 2017 fiscal year the Foundation's General Fund internally restricted amount for permanent capital increased by \$64,449 (2016 - \$35,941) as a result of memorial donations received in conjunction with the Federation.

From time to time, the Federation and Foundation provide funding for each other's programs. During the year the Foundation provided grant funding to Federation in the amount of \$281,804 (2016 - \$253,700) for various programs. In addition the Foundation transferred funds to the Federation in the amount of \$182,828 (2016 - the Federation transferred funds to the Foundation of \$212,547) and reimbursed the Federation for expenses paid on the Foundation's behalf \$106,963 (2016 - \$nil).

General Fund amounts due to the Federation of \$31,452 (2016 - \$62,605) are the result of the net of unremitted amounts related to memorial donations collected, and general and administrative expenses paid by the Federation on behalf of the Foundation. Amounts due to and from the Federation are interest free and due on demand.

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

10. Financial Instruments Risks and Concentrations

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations as at February 28, 2017.

Financial risk management

The Foundation manages its investment portfolio in such a manner that the expectation is that, within available market opportunities, a satisfactory level of growth of capital and income consistent with maximum capital security will be achieved. Investment strategies and securities selected for the investment portfolio must be prudent and in keeping with the overall conservative nature of the investment objectives. The Foundation has established investment funds and specific asset mix guidelines. The asset mix guidelines are determined by factors such as return objectives, risk tolerance, liquidity requirements and investment horizon that apply to the individual funds as well as respecting donor intentions. The investment policy permits the acquisition of Canadian and Foreign equities; bonds and fixed income securities; and cash and short-term investments that can be readily liquidated if necessary.

In addition, the Foundation's operating cash account is held in a Canadian chartered bank.

The Foundation 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 that an entity will encounter difficulty in meeting obligations associated with financial liabilities, spending requirements and obligations. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, amounts due to the Canadian Wildlife Federation, and its ability to provide funding for projects. The Foundation mitigates liquidity risk by limiting its investments to financial instruments that can be 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 Foundation's main credit risks relate to its accounts receivable.

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.

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 Foundation is exposed to exchange risk due to the holding of U.S. investments as set out in Note 2 to these financial statements. As at February 28, 2017, \$316,085 U.S. (2016 - \$253,833 U.S.) are included in the Foundation's investments and stated in Canadian dollars.

Canadian Wildlife Foundation

Notes to Financial Statements

February 28, 2017

(With February 29, 2016 corresponding amounts)

10. Financial Instruments Risks and Concentrations (continued)

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 Foundation is exposed to interest rate risk on its fixed and variable interest rate financial instruments. The Provincial and Canadian government and corporate bonds, guaranteed investment certificates and fixed income investments held by the Foundation, as set out in Note 2 to these financial statements, bear interest at fixed rates so the Foundation is exposed to a fair value risk resulting from interest rate fluctuations. The Foundation does not hold significant amounts of variable interest rate financial instruments so the associated cash flow risk is low.

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 carrying value of the investment portfolio, as set out in Note 2 to these financial statements. As at February 28, 2017 the Foundation has \$1,925,209 (2016 - \$1,572,891) invested in equity instruments traded in active markets.

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 Foundation is exposed to investment credit risk through its cash, guaranteed investment certificates, bonds and fixed income securities, as set out in Notes 1 and 2 to these financial statements. Credit risk arising from these investments is generally limited to the carrying value of these investments.

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.

Changes in risks

There have been no significant changes in the Foundation's risk exposures from its 2016 fiscal year.

11. Corresponding Amounts and Financial Disclosures

In certain limited instances 2016 corresponding amounts and financial disclosures presented have been reclassified to conform to the financial statement presentation and financial disclosures adopted for the current year.

Canadian Wildlife Foundation

Schedule of Restricted and Endowment Funds

For the year ended February 28, 2017

	Canadian Wildlife Fund	Orville Erickson Memorial Fund	Captain Richard Lloyd Memorial Fund	Neil Maurer Memorial Scholarship Fund	Frances Elizabeth Hilder Scholarship Fund	Other Funds	Total
Net assets							
Cash (Note 1)	\$ 220	\$ 20,127	\$ 4,554	\$ -	\$ 95	\$ 845	\$ 25,841
Short-term investments (Note 2)	-	915	67,190	23,717	419	2,064	94,305
Accounts receivable	-	95	-	-	23	-	118
Investments (Note 2)	-	284,236	30,815	-	68,650	-	383,701
Accounts payable and accrued liabilities	-	(401)	-	-	(97)	-	(498)
	\$ 220	\$ 304,972	\$ 102,559	\$ 23,717	\$ 69,090	\$ 2,909	\$ 503,467
Revenue							
Donations	\$ -	\$ -	\$ 2,151	\$ -	\$ -	\$ -	\$ 2,151
Interest and dividends	-	11,283	2,699	585	2,511	30	17,108
Net realized gain on sale of investments	-	414	-	-	-	-	414
	-	11,697	4,850	585	2,511	30	19,673
Expenses							
Scholarships and grants	-	8,100	-	-	-	-	8,100
Other	-	1,513	-	-	380	-	1,893
	-	9,613	-	-	380	-	9,993
Excess of revenue over expenses for the year before undernoted item	-	2,084	4,850	585	2,131	30	9,680
Net change in unrealized gain (loss) on investments (Note 6)	-	31,708	8,912	-	3,552	-	44,172
Excess (deficiency) of revenue over expenses for the year	-	33,792	13,762	585	5,683	30	53,852
Balance, beginning of year	220	271,180	88,797	23,132	63,407	2,879	449,615
Balance, end of year	\$ 220	\$ 304,972	\$ 102,559	\$ 23,717	\$ 69,090	\$ 2,909	\$ 503,467
Comprised of:							
Externally restricted income (Note 6)	\$ 220	\$ 152,085	\$ 24,139	\$ 3,617	\$ 37,391	\$ 1,064	\$ 218,516
Net unrealized gain on investments (Note 6)	-	39,958	6,000	-	1,699	-	47,657
Endowment capital (Note 7)	-	112,929	72,420	20,100	30,000	1,845	237,294
	\$ 220	\$ 304,972	\$ 102,559	\$ 23,717	\$ 69,090	\$ 2,909	\$ 503,467

Canadian Wildlife Foundation

Schedule of Restricted and Endowment Funds (continued)

For the year ended February 29, 2016

	Canadian Wildlife Fund	Orville Erickson Memorial Fund	Captain Richard Lloyd Memorial Fund	Neil Maurer Memorial Scholarship Fund	Frances Elizabeth Hilder Scholarship Fund	Other Funds	Total
Net assets							
Cash (Note 1)	\$ 220	\$ 18,514	\$ 1,236	\$ -	\$ 60	\$ 2,879	\$ 22,909
Short-term investments (Note 2)	-	1,165	65,659	23,132	316	-	90,272
Accounts receivable	-	95	-	-	24	-	119
Investments (Note 2)	-	251,761	21,902	-	63,096	-	336,759
Accounts payable and accrued liabilities	-	(355)	-	-	(89)	-	(444)
	<u>\$ 220</u>	<u>\$ 271,180</u>	<u>\$ 88,797</u>	<u>\$ 23,132</u>	<u>\$ 63,407</u>	<u>\$ 2,879</u>	<u>\$ 449,615</u>
Revenue							
Donations	\$ -	\$ -	\$ 4,150	\$ -	\$ -	\$ -	\$ 4,150
Interest and dividends	-	10,174	2,768	424	2,434	23	15,823
Net realized gain (loss) on sale of investments	-	10,688	6,636	-	-	-	17,324
	<u>-</u>	<u>20,862</u>	<u>13,554</u>	<u>424</u>	<u>2,434</u>	<u>23</u>	<u>37,297</u>
Expenses							
Scholarships and grants	-	-	10,000	-	-	-	10,000
Other	-	1,505	-	-	364	-	1,869
	<u>-</u>	<u>1,505</u>	<u>10,000</u>	<u>-</u>	<u>364</u>	<u>-</u>	<u>11,869</u>
Excess of revenue over expenses for the year before undernoted item	-	19,357	3,554	424	2,070	23	25,428
Net change in unrealized gain (loss) on investments (Note 6)	-	(57,155)	(13,418)	-	(5,781)	-	(76,354)
Excess (deficiency) of revenue over expenses for the year	-	(37,798)	(9,864)	424	(3,711)	23	(50,926)
Balance, beginning of year	220	308,978	98,661	22,708	67,118	2,856	500,541
Balance, end of year	<u>\$ 220</u>	<u>\$ 271,180</u>	<u>\$ 88,797</u>	<u>\$ 23,132</u>	<u>\$ 63,407</u>	<u>\$ 2,879</u>	<u>\$ 449,615</u>
Comprised of:							
Externally restricted income (Note 6)	\$ 220	\$ 150,001	\$ 21,440	\$ 3,032	\$ 35,260	\$ 1,034	\$ 210,987
Net unrealized gain (loss) on investments (Note 6)	-	8,250	(2,912)	-	(1,853)	-	3,485
Endowment capital (Note 7)	-	112,929	70,269	20,100	30,000	1,845	235,143
	<u>\$ 220</u>	<u>\$ 271,180</u>	<u>\$ 88,797</u>	<u>\$ 23,132</u>	<u>\$ 63,407</u>	<u>\$ 2,879</u>	<u>\$ 449,615</u>