

SOCIETY OF CANADIAN  
ORNITHOLOGISTS/  
SOCIÉTÉ DES ORNITHOLOGISTES  
DU CANADA  
FINANCIAL ANNUAL REPORT  
DECEMBER 31, 2010



SOCIETY OF CANADIAN ORNITHOLOGISTS/  
SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA

DECEMBER 31, 2010

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## INDEPENDENT AUDITOR'S REPORT

To the members of  
SOCIETY OF CANADIAN ORNITHOLOGISTS/  
SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA

I have audited the accompanying financial statements of the SOCIETY OF CANADIAN ORNITHOLOGISTS/ SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA which comprise the balance sheet as at December 31, 2010, and the statements of earnings, net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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 on my audit. I conducted the 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 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.

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

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## INDEPENDENT AUDITOR'S REPORT (cont'd)

### Basis for Qualified Opinion

As it is the case for a number of non-profit organizations, the Corporation receives earnings from memberships, contributions, gifts, activities and other sources for which it is not possible to verify the accounting in a satisfactory manner. Therefore, my audit of the revenue was limited to the amounts recorded in the Corporation's book of account and did not determine if some adjustments should have been brought to the revenue, to the expenditures' revenue surplus, to the assets or net assets.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the SOCIETY OF CANADIAN ORNITHOLOGISTS/ SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Francine Nadeau CA auditor*

Francine Nadeau C A auditor

Trois-Rivières, Québec, June 10, 2011

SOCIETY OF CANADIAN ORNITHOLOGISTS/  
SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA

EARNINGS  
Year ended December 31, 2010

	2010		2009	
REVENUES				
Memberships	6 076	\$	6 498	\$
Gifts	1 625		1 960	
Contribution agreement	-		10 000	
Promotional articles	-		2 366	
Interest	31		424	
	7 732		21 248	
	7 732		21 248	
EXPENDITURES				
Annual general meeting	489		10 876	
Best student paper Award	400		-	
Fred Cooke Award	500		500	
Newsletter Picoïdes	324		366	
Postal fees, office supplies and expenses	153		62	
Memberships	262		295	
Bank charges	56		56	
Taxes, other than income taxes	30		30	
Audit fees	570		564	
	2 784		12 749	
	2 784		12 749	
NET EARNINGS	4 948	\$	8 499	\$



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CHANGES IN NET ASSETS  
Year ended December 31, 2010

	2010		2009	
NET ASSETS				
Net assets at beginning of year	46 055	\$	39 586	\$
	-----		-----	
Net earnings	4 948		8 499	
	-----		-----	
Earmark assignment				
Doris Huestis Speirs fund	(76)		(18)	
Jamie Smith fund	(2 996)		(76)	
Taverner fund	-		(1 936)	
	-----		-----	
	(3 072)		(2 030)	
	-----		-----	
Net assets at end of year	47 931	\$	46 055	\$
	-----		-----	



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CHANGES IN NET ASSETS  
Year ended December 31, 2010

ASSIGNMENT NETS ASSETS

				2010	2009
	Doris Huestis Speirs	Taverner	Jamie Smith	Total	Total
Net assets at beginning of year	3 493	6 002	1 974	11 469	11 239
	\$	\$	\$	\$	\$
ACCUMULATION OF CAPITAL					
Gifts	-	45	140	185	230
ACCRETION					
Transfer Net assets	76	2 996	-	3 072	2 030
Interest	2	4	1	7	120
	78	3 000	1	3 079	2 150
DECREASE					
Award	78	3 000	-	3 078	2 150
Net assets at end of year	3 493	6 047	2 115	11 655	11 469
	\$	\$	\$	\$	\$



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BALANCE SHEETS  
as at December 31, 2010

	2010		2009	
<b>ASSETS</b>				
Cash	16 045	\$	17 525	\$
Term deposits (note 4)	45 000		41 601	
Receivables (note 5)	-		3 578	
	61 045	\$	62 704	\$
 <b>LIABILITIES</b>				
Accounts payable (note 6)	1 459	\$	5 180	\$
 <b>NETS ASSETS</b>				
Nets assets	47 931		46 055	
Assignment nets assets	11 655		11 469	
	59 586		57 524	
	61 045	\$	62 704	\$

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_, Director

\_\_\_\_\_, Director





SOCIETY OF CANADIAN ORNITHOLOGISTS/  
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CASH FLOWS  
Year ended December 31, 2010

	2010		2009
OPERATING ACTIVITIES (note 3)			
Net earnings	4 948	\$	8 499
Doris Huestis Speirs	(76)		32
Taverner	(2 951)		(1 911)
Jamie Smith	141		79
	<u>2 062</u>		<u>6 699</u>
Change in non-cash operating working (note 7)	(143)		1 478
	<u>1 919</u>		<u>8 177</u>
ACCRETION IN CASH AND CASH EQUIVALENTS	1 919		8 177
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>59 126</u>		<u>50 949</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>61 045</u>	\$	<u>59 126</u>
Cash at end of year :			
Cash	16 045	\$	17 525
Term deposits	45 000		41 601
	<u>61 045</u>	\$	<u>59 126</u>



SOCIETY OF CANADIAN ORNITHOLOGISTS/  
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NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2010

1. STATUS AND NATURE OF ACTIVITIES

SOCIETY OF CANADIAN ORNITHOLOGISTS/SOCIÉTÉ DES ORNITHOLOGISTES DU CANADA is incorporated under the Canada Business Corporations Act as a registered charity to promote the public understanding and conservation of birds of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies :

Fund accounting

Revenues and expenses accruing to service delivery and to management are presented in nets assets.

Revenues and expenses accruing to Jamie Smith, Doris Huestis Speirs and Taverner are presented in assignment nets assets.

Revenues recognition

The Corporation uses the amount brought forward method in revenues accounting. The allocated revenues are recognized as revenue for the financial period to which related expenses were incurred. Non allocated revenues are recognized as revenue when they are received or to be received if the receivable amount may reasonably be estimated and that its receivability is reasonably ensured. Non allocated incomes are recognized as revenue when they are earned.

Translation of foreign currency

The Corporation's self-sustaining foreign operations are translated using the current rate method. Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. Foreign currency denominated monetary and non-monetary assets and liabilities are translated at exchange rates in effect on the balance sheet date.

Investments

Term deposits are carried at cost.



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NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments

The following methods and hypothesis were used to determine the fair value of each asset and liability.

Cash, receivables and liabilities

The book value of each item of this category is comparable to the fair value because of the coming deadline of these financial instruments.

Term deposit

The fair value of term deposit was determined based on the current value.

3. CASH FLOWS

Cash flows reporting to interest and bank charges are detailed hereby :

	2010	2009
Cash interest receipt	252 \$	1 274 \$
	252 \$	1 274 \$

4. TERM DEPOSITS

Term deposit, appreciation exchange, maturity June 5, 2012, current value 12 000 \$	12 000 \$	12 000 \$
Term deposit, appreciation exchange , maturity March 17, 2013, current value 33 000 \$	33 000	-
Term deposit, 0,85 %, maturity February 26, 2010, current value 28 814 \$	-	29 601
	45 000 \$	41 601 \$



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NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2010

5. RECEIVABLES

	2010		2009	
Contribution agreement-Environment Canada	-	\$	2 000	\$
University of Alberta	-		1 366	
Interest	-		212	
	-	\$	3 578	\$

6. ACCOUNTS PAYABLE

Accounts payable	889	\$	4 616	\$
Accrued liability	570		564	
	1 459	\$	5 180	\$

7. CHANGE IN NON-CASH OPERATING WORKING

Receivables	3 578	\$	(2 635)	\$
Accounts payable	(3 721)		4 113	
	143	\$	1 478	\$

8. FINANCIAL RISK MANAGEMENT

Credit risk

In the ordinary course of business, the Corporation rarely give credit to its members.

Interest rate risk management

The Corporation interest rate risk is limited. A one percent variation in the interest rate would not have important implication on the results or the corporation financial position.

