

AUSABLE BAYFIELD CONSERVATION FOUNDATION
Financial Statements
Year Ended December 31, 2016

AUSABLE BAYFIELD CONSERVATION FOUNDATION
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Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ausable Bayfield Conservation Foundation

We have audited the accompanying financial statements of Ausable Bayfield Conservation Foundation, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures, changes in 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 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 for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenditures, current assets and net assets.

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James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT (continued)

Qualified Opinion

In our 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 Ausable Bayfield Conservation Foundation as at December 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario
May 30, 2017

MacNeill Edmundson
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Statement of Financial Position

December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 132,524	\$ 147,350
Marketable securities (Note 7)	75,283	-
Accounts receivable	1,218	2,458
Inventory	1,162	1,710
	<u>210,187</u>	151,518
CAPITAL ASSETS (Note 3)	<u>169,075</u>	107,316
	<u>\$ 379,262</u>	<u>\$ 258,834</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 2,091	\$ 666
Due to related party (Note 4)	3,573	15,058
	<u>5,664</u>	15,724
DEFERRED REVENUE (Note 5)	<u>85,768</u>	20,186
	<u>91,432</u>	35,910
NET ASSETS		
General fund	212,830	211,714
Reserve fund (Note 6)	75,000	11,210
	<u>287,830</u>	222,924
	<u>\$ 379,262</u>	<u>\$ 258,834</u>

ON BEHALF OF THE BOARD

Director

Director

AUSABLE BAYFIELD CONSERVATION FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2016

	General Fund	Reserve Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 211,714	\$ 11,210	\$ 222,924	\$ 208,401
Excess of revenue over expenses	64,906	-	64,906	14,523
Interfund transfer	(63,790)	63,790	-	-
NET ASSETS - END OF YEAR	\$ 212,830	\$ 75,000	\$ 287,830	\$ 222,924

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Statement of Revenues and Expenditures

Year Ended December 31, 2016

	2016	2015
REVENUE		
Donations	\$ 152,523	\$ 15,021
Dinner	90,133	90,113
Deferred revenue - prior year	20,186	29,305
Commemorative Woods	14,521	9,537
Golf tournament	7,642	6,581
Partnership Programs	5,057	11,279
Interest	1,310	965
Deferred revenue - current year	(85,768)	(20,186)
	<u>205,604</u>	<u>142,615</u>
EXPENSES		
Partnership Programs	66,102	51,265
Dinner	58,473	57,767
Commemorative Woods	4,441	8,994
Golf tournament	3,353	2,795
Professional fees	2,845	4,618
Administration	2,533	1,940
Donations	2,100	-
Amortization	713	713
Land trust costs	138	-
	<u>140,698</u>	<u>128,092</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 64,906	\$ 14,523

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Statement of Cash Flow

Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 64,906	\$ 14,523
Item not affecting cash:		
Amortization of capital assets	713	713
	<u>65,619</u>	<u>15,236</u>
Changes in non-cash working capital:		
Accounts receivable	1,240	(125)
Inventory	548	(1,015)
Accounts payable	1,426	(1,926)
Deferred revenue	65,582	(9,119)
	<u>68,796</u>	<u>(12,185)</u>
Cash flow from operating activities	<u>134,415</u>	<u>3,051</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(62,472)	-
Purchase of marketable securities	(75,284)	-
Cash flow used by investing activities	<u>(137,756)</u>	<u>-</u>
FINANCING ACTIVITY		
Advances from (to) related parties	(11,485)	12,563
INCREASE (DECREASE) IN CASH FLOW	<u>(14,826)</u>	<u>15,614</u>
Cash - beginning of year	<u>147,350</u>	<u>131,736</u>
CASH - END OF YEAR	<u>\$ 132,524</u>	<u>\$ 147,350</u>

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2016

DESCRIPTION OF FOUNDATION

The Ausable Bayfield Conservation Foundation was incorporated without share capital on June 1, 1974. The Foundation is a registered charity under the *Income Tax Act*. The Foundation aids the Conservation Authority in the cultivation and advancements of conservation in the province of Ontario by providing funding for conservation projects that would otherwise not be undertaken by the Conservation Authority because of insufficient funding.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

Ausable Bayfield Conservation Foundation follows the deferral method of accounting for contributions.

Revenues and expenditures related to operations and administrative activities are reported in the General Fund. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the period that the expenses are incurred.

The Reserve Fund is used to report funds internally restricted by the Board of Directors for specific purposes. The details of these funds are outlined in note 6.

Marketable securities

Marketable securities consist of cash and cash equivalents, fixed income and equities and are measured at fair value.

Inventory

Inventory consists of artwork intended to be auctioned off at a future fundraising dinner. It is valued at the lower of cost and the net realizable value with the cost being determined on a first-in, first-out basis.

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AUSABLE BAYFIELD CONSERVATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Amortization is provided for over the estimated useful lives of the assets. The rates used are as follows:

Reflection area	50 years	straight-line method
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Donated Services and Materials

The work of the Foundation is dependent on voluntary service by many of its members. Since these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, due to related parties, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The financial instruments are recorded at cost and their fair value approximates their carrying values, unless otherwise noted.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 136,257	\$ -	\$ 136,257	\$ 73,785
Reflection area	35,670	2,852	32,818	33,531
	<u>\$ 171,927</u>	<u>\$ (2,852)</u>	<u>\$ 169,075</u>	<u>\$ 107,316</u>

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2016

4. RELATED PARTY TRANSACTIONS

The Ausable Bayfield Conservation Authority appoints directors from its own board to serve as directors on the Foundation, and approves the appointment of any member from the community at large.

The Ausable Bayfield Conservation Foundation is treated as a separate entity for financial reporting purposes. The total liabilities include an amount payable to Ausable Bayfield Conservation Authority in the amount of \$3,573 (2015 - \$15,058) for items purchased by the Authority on behalf of the Foundation, as well as contributions for education and barrier-free trails and facilities.

The Foundation expensed a total of \$14,159 (2015 - \$15,842) in the year for contributions made to Ausable Bayfield Conservation Authority programs. They include:

	<u>2016</u>	<u>2015</u>
Administrative costs	\$ 7,442	\$ 9,725
Trail development	3,364	6,117
Golf tournament	3,353	-
	<u>\$ 14,159</u>	<u>\$ 15,842</u>

During the year, the Foundation received amounts totaling \$44,396 (2015 - \$38,522) that were then transferred to the Ausable Bayfield Conservation Authority. This has been recorded as Partnership Programs expense.

5. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Huron Tract Land Trust Conservancy	\$ 58,367	\$ 213
Commemorative Woods	22,130	14,151
Grand Bend Community Foundation Trees	3,000	2,500
Woodland reflection shelter	924	-
Bayfield River Valley Trail Association	776	-
Parkhill scenic lookout	551	-
Camp Sylvan Education program	20	244
Pedestrian Bridge	-	3,078
	<u>\$ 85,768</u>	<u>\$ 20,186</u>

AUSABLE BAYFIELD CONSERVATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2016

6. RESERVE FUND

The following is a summary of the internally restricted reserve fund.

	Opening Balance	Transfer from General Fund	Transfer to General Fund	Ending Balance
Land Acquisition	\$ 11,210	\$ 13,790	\$ -	\$ 25,000
Conservation Education	-	25,000	-	25,000
Accessible Facilities & Trails	-	25,000	-	25,000
	<u>\$ 11,210</u>	<u>\$ 63,790</u>	<u>\$ -</u>	<u>\$ 75,000</u>

Land Acquisition - to be used to acquire conservation lands, wetlands and natural areas;

Accessible Facilities & Trails - to be used for accessible facilities, accessible trails, conservation area improvements and commemorative woods.

7. MARKETABLE SECURITIES

	<u>2016</u>	<u>2015</u>
Cash and equivalents (<i>market value \$25,000</i>)	\$ 25,000	\$ -
Fixed income (<i>market value \$25,096</i>)	25,000	-
Equities (<i>market value \$24,874</i>)	25,000	-
	<u>283</u>	<u>-</u>
Unrealized gain on investments	283	-
	<u>\$ 75,283</u>	<u>\$ -</u>
