

NIAGARA PENINSULA CONSERVATION FOUNDATION

Financial Statements
December 31, 2017

NIAGARA PENINSULA CONSERVATION FOUNDATION

Financial Statements
Year ended December 31, 2017

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Independent Auditor's Report

To the Directors of
Niagara Peninsula Conservation Foundation

We have audited the accompanying financial statements of Niagara Peninsula Conservation Foundation, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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 Foundation'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 Foundation'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

As with many non-profit organizations, the Foundation periodically derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Niagara Peninsula Conservation Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ending December 31, 2017, current assets as at December 31, 2017 and fund balances at December 31, 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 is modified accordingly because of the possible effects of this scope limitation.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 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.

Other Matter

The financial statements of Niagara Peninsula Conservation Foundation for the year ended December 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on May 17, 2017.

Root Bissonnette Walker LLP

Root Bissonnette Walker LLP
Licensed Public Accountants
Fonthill, Ontario
May 22, 2018

NIAGARA PENINSULA CONSERVATION FOUNDATION

Statement of Operations and Fund Balances

Year ended December 31, 2017

	Endowment Fund	Externally Restricted Fund	Unrestricted Fund	Total 2017	Total 2016
Revenue					
Donations	\$ -	\$ -	\$ 4,776	\$ 4,776	\$ 12,044
Fundraising and special events	-	-	197,839	197,839	110,122
Investment income	7,264	-	2,099	9,363	8,685
	<u>7,264</u>	<u>-</u>	<u>204,714</u>	<u>211,978</u>	<u>130,851</u>
Expenses					
Administration, general and miscellaneous	-	-	75,088	75,087	58,053
Fundraising and special events	-	-	147,281	147,281	78,947
	<u>-</u>	<u>-</u>	<u>222,369</u>	<u>222,368</u>	<u>137,000</u>
Excess of revenue over expenses (expenses over revenue)	7,264	-	(17,655)	(10,390)	(6,149)
Fund balance, beginning of year	84,077	65,527	110,761	260,365	266,514
Fund balance, end of year	\$ 91,341	\$ 65,527	\$ 93,106	\$ 249,975	\$ 260,365

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Statement of Operations and Fund Balances
Year ended December 31, 2017

	2017	2016
Revenue		
Donations	\$ 4,776	\$ 12,044
Fundraising and special events	197,839	110,122
Investment income	9,363	8,685
	<u>211,978</u>	<u>130,851</u>
Expenditures		
Administration, general and miscellaneous	75,087	58,052
Fundraising and special events	147,281	78,947
	<u>222,368</u>	<u>136,999</u>
Excess of expenses over revenues	(10,390)	(6,148)
Fund balance, beginning of year	<u>260,367</u>	266,515
Fund balance, end of year	<u>\$ 249,977</u>	<u>\$ 260,367</u>

NIAGARA PENINSULA CONSERVATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2017

	2017	2016
Operating activities		
Excess of expenses over revenues	\$ (10,390)	\$ (6,149)
Net change in non-cash working capital items		
Accounts receivable	(33,139)	(9,625)
Accounts payable and accrued liabilities	4,518	170
Due to Niagara Peninsula Conservation Authority	42,171	(94,752)
Net change in cash during the year	3,160	(110,356)
Cash and cash equivalents, beginning of year	250,598	360,954
Cash and cash equivalents, end of year	<u>\$ 253,758</u>	<u>\$ 250,598</u>
Cash and cash equivalents consist of:		
Cash	\$ 162,416	\$ 166,520
Restricted investments	91,342	84,078
	<u>\$ 253,758</u>	<u>\$ 250,598</u>

NIAGARA PENINSULA CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2017

1. Nature of operations

Niagara Peninsula Conservation Foundation is incorporated without share capital under the Ontario Business Corporation Act and assists in the cultivation and advancement of conservation by actively seeking support for conservation projects and programs through fund raising efforts and by serving as the custodian for these donations and gifts. The Foundation is a registered charity and is exempt from tax under Section 149(1)(1) of the Income Tax Act of Canada.

2. Basis of presentation

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

3. Summary of significant accounting policies

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The unrestricted fund reports unrestricted donations, fundraising and other unrestricted revenues. The fund also reports general and administrative and fundraising expenses of the Foundation.

The externally restricted fund reports donations and fundraising where the contributor has made specific restrictions for the use of the funds.

The endowment fund reports resources contributed for conservation bursaries. Investment income earned on assets of the Endowment Fund is reported by the Endowment Fund as are qualifying expenditures of the fund.

Revenue recognition

Externally restricted contributions are recognized as revenue of the restricted fund in the year the contributions are received.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year the contributions are received.

Contributions for education bursaries are recognized as revenue of the endowment fund.

Contributions of real property and equipment are recorded at fair market value when received. Contributed materials and services, which would otherwise be paid for by the Foundation, are recorded at fair market value when received.

Investment income on the endowment fund assets is recognized in this fund when earned. Other investment income is recognized as revenue of the unrestricted fund when earned.

Contributed services

Directors, committee members and staff volunteer their time to assist in the Foundation's activities. While these services benefit the Foundation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

NIAGARA PENINSULA CONSERVATION FOUNDATION

Notes to Financial Statements
Year ended December 31, 2017

3. Summary of significant accounting policies — continued

Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include restricted investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the excess of revenue over expenses. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the excess of revenue over expenses up to the amount of the previously recognized impairment.

Accounting estimates

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates and assumptions are used when accounting for items such as revenue recognition, contingent liabilities and allowances for doubtful accounts.

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4. Accounts receivable

	<u>2017</u>	<u>2016</u>
Fundraising	\$ 11,175	\$ 3,946
HST receivable	8,149	14,239
Government funding	<u>32,000</u>	<u>-</u>
	<u>\$ 51,324</u>	<u>\$ 18,185</u>

5. Financial instruments risks and uncertainties

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation is exposed to market risk on their restricted investments.

It is management's opinion that the Foundation is not exposed to significant credit, currency, interest rate, or liquidity risks.

6. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.