

NIAGARA PENINSULA CONSERVATION FOUNDATION

Financial Statements
December 31, 2018

NIAGARA PENINSULA CONSERVATION FOUNDATION
Financial Statements
Year ended December 31, 2018

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

Independent Auditor's Report

To the Directors of Niagara Peninsula Conservation Foundation

Opinion

We have audited the financial statements of Niagara Peninsula Conservation Foundation, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organization (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities 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 the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of expenditures over revenues, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent Auditor's Report — continued

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Root Bissonnette Walker LLP

Root Bissonnette Walker LLP
Licensed Public Accountants
Fonthill, Ontario
July 10, 2019


NIAGARA PENINSULA CONSERVATION FOUNDATION

Statement of Financial Position

As at December 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$ 127,881	\$ 162,416
Restricted investments	86,826	91,342
Accounts receivable (note 4)	10,173	51,324
	<u>\$ 224,880</u>	<u>\$ 305,082</u>
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,937	\$ 7,688
Due to Niagara Peninsula Conservation Authority	-	47,419
	6,937	55,107
Fund balances	<u>217,943</u>	<u>249,975</u>
	<u>\$ 224,880</u>	<u>\$ 305,082</u>

On behalf of the Board



Member



Member

NIAGARA PENINSULA CONSERVATION FOUNDATION

Statement of Operations and Fund Balances

Year ended December 31, 2018

	Endowment Fund	Externally Restricted Fund	Unrestricted Fund	Total 2018	Total 2017
Revenue					
Donations	\$ -	\$ -	\$ 7,916	\$ 7,916	\$ 4,776
Fundraising and special events	-	-	70,718	70,718	197,839
Investment income(loss)	(4,516)	-	2,534	(1,982)	9,363
	<u>(4,516)</u>	<u>-</u>	<u>81,168</u>	<u>76,652</u>	<u>211,978</u>
Expenses					
Administration, general and miscellaneous	-	-	49,797	49,797	75,087
Fundraising and special events	-	-	58,887	58,887	147,281
	<u>-</u>	<u>-</u>	<u>108,684</u>	<u>108,684</u>	<u>222,368</u>
Excess of revenue over expenses (expenses over revenue)	(4,516)	-	(27,516)	(32,032)	(10,390)
Fund balance, beginning of year	91,341	65,527	93,107	249,975	260,365
Fund balance, end of year	<u>\$ 86,825</u>	<u>\$ 65,527</u>	<u>\$ 65,591</u>	<u>\$ 217,943</u>	<u>\$ 249,975</u>

NIAGARA PENINSULA CONSERVATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
Operating activities		
Excess of expenses over revenues	\$ (32,032)	\$ (10,390)
Net change in non-cash working capital items		
Accounts receivable	41,151	(33,136)
Accounts payable and accrued liabilities	(751)	4,515
Due from Niagara Peninsula Conservation Authority	<u>(47,419)</u>	<u>42,171</u>
Net change in cash during the year	(39,051)	3,160
Cash and cash equivalents, beginning of year	<u>253,758</u>	<u>250,598</u>
Cash and cash equivalents, end of year	<u>\$ 214,707</u>	<u>\$ 253,758</u>
Cash and cash equivalents consist of:		
Cash	\$ 127,881	\$ 162,416
Restricted investments	<u>86,826</u>	<u>91,342</u>
	<u>\$ 214,707</u>	<u>\$ 253,758</u>

NIAGARA PENINSULA CONSERVATION FOUNDATION

Notes to Financial Statements
Year ended December 31, 2018

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 (ASNPO).

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.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments in mutual funds for the endowment fund, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

NIAGARA PENINSULA CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2018

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 excess of revenues over expenses.

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.

NIAGARA PENINSULA CONSERVATION FOUNDATION

Notes to Financial Statements
Year ended December 31, 2018

4. Accounts receivable

	<u>2018</u>		<u>2017</u>
Fundraising	\$ 5,000	\$	11,175
HST receivable	5,173		8,149
Government funding	-		32,000
	<u>\$ 10,173</u>	<u>\$</u>	<u>51,324</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.