

THE FRIENDS OF PRESQU'ILE PARK

FINANCIAL STATEMENTS

December 31, 2014

DRAFT

REVIEW ENGAGEMENT REPORT

To the Directors of
THE FRIENDS OF PRESQU'ILE PARK

We have reviewed the statement of financial position of **THE FRIENDS OF PRESQU'ILE PARK** as at December 31, 2014 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Corporation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Trenton, Ontario
Date

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

THE FRIENDS OF PRESQU'ILE PARK

(Incorporated without share capital under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash	\$ 75,682	\$ 16,001
Accounts receivable	5,462	2,219
Inventory	7,752	8,348
Prepaid expenses	3,635	3,635
	<u>92,531</u>	<u>30,203</u>
INVESTMENTS - note 4	<u>132,785</u>	<u>153,163</u>
	<u>\$ 225,316</u>	<u>\$ 183,366</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 10,000	\$ 5,881
Government remittances payable	10,941	2,947
Deferred contributions - 25th Anniversary Environmental Fund - note 5	29,787	18,945
	<u>50,728</u>	<u>27,773</u>

NET ASSETS

25th Anniversary Environmental Fund - internally restricted - note 6	24,000	25,000
Unrestricted	150,588	130,593
	<u>174,588</u>	<u>155,593</u>
	<u>\$ 225,316</u>	<u>\$ 183,366</u>

Approved by the Board:

_____ Director

_____ Director

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUES		
Fund Raising Events and Operations - gross profit - Schedule A	\$ 54,236	\$ 52,654
Donations	9,507	11,530
Memberships	3,140	3,105
Investment	4,044	2,718
Other	412	190
Total Revenues	<u>71,339</u>	<u>70,197</u>
PROGRAM EXPENSES - net - Schedule B		
Natural Heritage Education and Kids 'N Nature Program	31,649	44,163
Environmental Initiatives	6,389	17,976
Special Park Projects	-	17,251
Subtotal Program Expenses	<u>38,038</u>	<u>79,390</u>
OPERATING EXPENSES		
Advertising and promotion	738	1,034
Bank charges and credit card costs	2,943	2,640
Equipment purchase	-	340
Insurance	4,288	4,286
Meetings	326	585
Miscellaneous	3,534	3,320
Postage and office	3,779	5,958
Professional fees	5,100	6,000
Subtotal Operating Expenses	<u>20,708</u>	<u>24,163</u>
Total Expenses	<u>58,746</u>	<u>103,553</u>
Excess of revenue over expenses (expenses over revenue) before item below	12,593	(33,356)
Adjustment to fair market value of investments	6,402	2,788
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	18,995	(30,568)
NET ASSETS, beginning of year	<u>155,593</u>	<u>186,161</u>
NET ASSETS, end of year	<u>\$ 174,588</u>	<u>\$ 155,593</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF FUND RAISING EVENTS AND OPERATIONS - GROSS PROFIT
YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>SCHEDULE A</u> <u>2013</u>
Lighthouse Gift Shop		
Lighthouse Gift Shop sales	\$ 48,095	\$ 51,654
Cost of sales	(29,631)	(31,952)
Employment Grants	5,641	3,925
Wages	(6,105)	(3,925)
Shop supplies	-	105
Gross profit	<u>\$ 18,000</u>	<u>\$ 19,807</u>
Cost of Sales		
Inventory at beginning of year	\$ 8,348	\$ 9,616
Purchases	29,035	30,684
Inventory at end of year	<u>7,752</u>	<u>8,348</u>
	<u>\$ 29,631</u>	<u>\$ 31,952</u>
Christmas at Presqu'ile		
Arts and crafts sales	\$ 102,266	\$ 89,684
Tea room sales	7,242	6,559
Raffle ticket sales	4,410	3,190
Total sales	<u>113,918</u>	<u>99,433</u>
Arts and crafts purchases	79,093	69,038
Tea room supplies purchases	2,138	1,840
Advertising and promotion	3,503	3,021
Supplies and decorations	<u>2,520</u>	<u>3,329</u>
Total purchases	<u>87,254</u>	<u>77,228</u>
Gross profit	<u>\$ 26,664</u>	<u>\$ 22,205</u>
BBQs		
Sales	\$ 8,892	\$ 7,517
Supplies purchases	<u>2,606</u>	<u>2,482</u>
Gross profit	<u>\$ 6,286</u>	<u>\$ 5,035</u>
Raffles and Other Events		
Sales	\$ 3,606	\$ 5,979
Supplies purchases	<u>320</u>	<u>372</u>
Gross profit	<u>\$ 3,286</u>	<u>\$ 5,607</u>
Total Fundraisers Gross Profit	<u>\$ 54,236</u>	<u>\$ 52,654</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF CHARITABLE PROGRAMS - GROSS EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>SCHEDULE B</u> <u>2013</u>
Kids 'n Nature		
Summer Camp Participation Fee	\$ 9,375	\$ 3,800
Employment Grants	1,111	1,308
Total Revenues	<u>10,486</u>	<u>5,108</u>
Wages	20,069	20,181
School Program Expenses	429	708
Summer Camp Expenses	4,184	3,733
Gross Expenses	<u>24,682</u>	<u>24,622</u>
Natural Heritage Education Program		
Employment Grants	7,615	7,849
Total Revenues	<u>7,615</u>	<u>7,849</u>
Wages	25,068	23,409
History Lighthouse and keepers expense	-	9,089
Gross Expenses	<u>25,068</u>	<u>32,498</u>
NATURAL HERITAGE EDUCATION PROGRAMS	<u>\$ 31,649</u>	<u>\$ 44,163</u>
Environmental Initiatives		
25th Anniversary Base Contribution	\$ 758	\$ -
Federal grant - Panna Wetlands Restoration	4,000	-
	<u>4,758</u>	<u>-</u>
Invasive Species - Park Expenses	\$ 8,822	\$ 13,085
Tern Research Study - Tern research	2,000	1,250
Dune Beach Scrape - Dunes beach	-	3,000
Birding Program - Seed expenses	<u>325</u>	<u>641</u>
Gross expenses	<u>11,147</u>	<u>17,976</u>
ENVIRONMENTAL INITIATIVES	<u>\$ 6,389</u>	<u>\$ 17,976</u>
Trail Restoration Projects		
Project Revenues	\$ -	\$ 64,533
Project Expenses	-	81,784
SPECIAL PARK PROJECTS	<u>\$ -</u>	<u>\$ 17,251</u>
Total Funded Programs Expenses	<u>\$ 38,038</u>	<u>\$ 79,390</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue)	\$ 18,995	\$ (30,568)
Adjustment to fair market value of investments	(6,402)	(2,788)
	12,593	(33,356)
Changes in non-cash working capital components:		
Accounts receivable	(3,243)	207
Inventory	596	1,268
Accounts payable and accrued liabilities	4,119	(4,354)
Government remittances payable	7,994	(9,774)
Deferred contributions	10,842	(46,780)
	32,901	(92,789)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on maturity of investments	28,000	28,000
Purchases of investments	(1,220)	-
Investments contributed	-	(5,720)
	26,780	22,280
INCREASE (DECREASE) IN CASH	59,681	(70,509)
CASH, beginning of year	16,001	86,510
CASH, end of year	\$ 75,682	\$ 16,001

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

1. PURPOSE OF ORGANIZATION

The Friends of Presqu'ile Park is an incorporated organization whose purpose is to encourage and support interpretive, educational, scientific, historical, protection and preservation programs related to the natural and historical resources of Presqu'ile Provincial Park. The Friends of Presqu'ile Park is a not-for-profit organization and as such is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue is recognized at the time goods are shipped or services are supplied to customers. Provision is made for expected collection losses based on the Corporation's past experience.

Contributed Materials and Services

Contributed materials are recorded at the fair market value of the items contributed on the date of contribution. Due to the difficulty in determining the fair value of volunteer services, contributed services are not recognized in the financial statements.

Inventory

The inventory is valued at the lower of cost and market with cost being determined on a first-in, first-out basis.

Financial Instruments

The Corporation's cash and investments are initially recognized and subsequently measured at fair market value. All other financial instruments are subsequently measured at amortized cost.

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

The Corporation is considered to be a "small organization" for the purposes of the accounting recommendations of Chartered Professional Accountants Canada applicable to not-for-profit organizations. Accordingly, capital assets are expensed at the time of purchase. Proceeds of disposition are shown as revenue when an item is sold.

Use of Estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recording of accrued liabilities. Actual results could differ from those estimates.

3. FINANCIAL INSTRUMENTS

Credit Risk

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Corporation's maximum exposure to credit risk represents the sum of the carrying value of its cash, its guaranteed investment certificates and its accounts receivable. The Corporation's cash and guaranteed investment certificates are deposited with a Chartered bank and as a result management believes the risk of loss on these items to be remote. As accounts receivable includes accrued interest on investments and a government grant, management believes that all accounts receivables at year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its commitments when they become due. The Corporation manages this risk by reviewing future cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted into cash.

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 is comprised of currency risk, interest rate risk and other price risk.

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

3. **FINANCIAL INSTRUMENTS** (continued)

Currency Risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Substantially all of the Corporation's transactions are in Canadian dollars and as a result the Corporation is not subject to significant currency risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk arises from its interest bearing investments. The Corporation manages this risk by having prudent investment policies.

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments 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 the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Corporation is exposed to other price risk on its equity investments.

Change in Risk

There have been no significant changes in the Corporation's risk exposures from the prior year.

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

4. INVESTMENTS

Investments consist of the following:

	<u>2014</u>		<u>2013</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Canadian equities	\$ 48,431	\$ 36,839	\$ 41,163	\$ 35,973
Guaranteed Investment Certificates				
- 2.25% non-redeemable five in one GIC with annual distribution of \$20,000 March 7, 2013 to March 7, 2017	\$ 60,000	\$ 60,000	\$ 80,000	\$ 80,000
- 2.25% non-redeemable five in one GIC with annual distribution of \$6,000 April 16, 2013 to April 16, 2017	18,000	18,000	24,000	24,000
- 1.95% non-redeemable five in one GIC with annual distribution of \$2,000 June 12, 2013 to June 12, 2017	6,354	6,354	8,000	8,000
	<u>84,354</u>	<u>84,354</u>	<u>112,000</u>	<u>112,000</u>
	<u>\$ 132,785</u>	<u>\$ 121,193</u>	<u>\$ 153,163</u>	<u>\$ 147,973</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of amounts received from donors which were designated for specific projects. During 2014, changes were as follows:

	<u>2014</u>	<u>2013</u>
25th Anniversary Environmental Fund		
Balance, beginning of year	\$ 18,945	\$ 415
Receipts	11,600	18,530
Recognized as revenue	(758)	-
Balance, end of year	<u>\$ 29,787</u>	<u>\$ 18,945</u>

The Board must use this fund for the designated purpose.

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

6. NET ASSETS - INTERNALLY RESTRICTED

In 2013, the Board restricted the use of \$25,000 of net assets designated as the 25th Anniversary Environmental Fund. During the year, expenses totalling \$1,000 were charged to this internally restricted amount, leaving a balance of \$24,000 at December 31, 2014.

7. GROSS REVENUE

Gross revenue consists of:

	<u>2014</u>	<u>2013</u>
Sales	\$ 48,095	\$ 51,654
Fundraising and programs	41,688	94,911
Christmas at Presqu'ile	113,918	99,433
Other	17,103	17,543
	<u>\$ 220,804</u>	<u>\$ 263,541</u>

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