

THE FRIENDS OF PRESQU'ILE PARK

FINANCIAL STATEMENTS

December 31, 2017

To the Directors of
THE FRIENDS OF PRESQU'ILE PARK

We have reviewed the accompanying financial statements of **THE FRIENDS OF PRESQU'ILE PARK**, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in net assets 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **THE FRIENDS OF PRESQU'ILE PARK** 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.



CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Trenton, Ontario
May 26, 2018

THE FRIENDS OF PRESQU'ILE PARK
(Incorporated without share capital under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 51,848	\$ 96,872
Accounts receivable	113	1,817
Inventory	5,465	4,403
Prepaid expenses	3,511	3,261
Government remittances recoverable	-	1,968
	60,937	108,321
INVESTMENTS - note 4	<u>200,991</u>	<u>140,639</u>
	\$ 261,928	\$ 248,960

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,027	\$ 8,643
Government remittances payable	480	-
Deferred contributions - 25th Anniversary Environmental Fund - note 5	52,486	52,629
	56,993	61,272
NET ASSETS		
Internally restricted - note 6	144,000	146,000
Unrestricted	60,935	41,688
	204,935	187,688
	\$ 261,928	\$ 248,960

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, 2017

	<u>2017</u>	<u>2016</u>
REVENUES		
Fund Raising Events and Operations - gross profit - Schedule A	\$ 50,349	\$ 51,905
Donations	11,035	5,085
Memberships	2,680	2,815
Investment	5,437	5,268
Other	1,039	1,914
Total Revenues	<u>70,540</u>	<u>66,987</u>
 PROGRAM EXPENSES - net - Schedule B		
Natural Heritage Education and Kids 'N Nature Program	31,868	35,160
Park Improvements - Hiking Trail Improvements	4,353	5,260
Environmental Initiatives	8,516	7,115
Subtotal Program Expenses	<u>44,737</u>	<u>47,535</u>
 OPERATING EXPENSES		
Promotion	980	-
Bank charges and credit card costs	3,905	3,254
Equipment purchase	-	811
Insurance	3,780	4,567
Meetings	535	138
Miscellaneous	1,000	171
Postage and office	3,826	3,431
Professional fees	3,750	4,250
Subtotal Operating Expenses	<u>17,776</u>	<u>16,622</u>
 Total Expenses	<u>62,513</u>	<u>64,157</u>
 Excess of revenue over expenses before item below	8,027	2,830
Adjustment to fair market value of investments	9,220	14,467
EXCESS OF REVENUE OVER EXPENSES	<u>17,247</u>	<u>17,297</u>
 NET ASSETS, beginning of year	<u>187,688</u>	<u>170,391</u>
NET ASSETS, end of year	<u>\$ 204,935</u>	<u>\$ 187,688</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF FUND RAISING EVENTS AND OPERATIONS - GROSS PROFIT
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>SCHEDULE A</u> <u>2016</u>
Lighthouse Gift Shop		
Lighthouse Gift Shop sales	\$ 46,580	\$ 52,336
Cost of sales	(30,933)	(32,205)
Employment Grants	3,578	3,809
Wages	<u>(8,435)</u>	<u>(7,773)</u>
Gross profit (loss)	<u>\$ 10,790</u>	<u>\$ 16,167</u>
Cost of Sales		
Inventory at beginning of year	\$ 4,403	\$ 5,658
Purchases	31,995	30,950
Inventory at end of year	<u>5,465</u>	<u>4,403</u>
	<u>\$ 30,933</u>	<u>\$ 32,205</u>
Christmas at Presqu'ile		
Arts and crafts sales	\$ 103,873	\$ 90,608
Tea room sales	8,817	7,249
Raffle ticket sales	<u>5,773</u>	<u>4,108</u>
Total sales	<u>118,463</u>	<u>101,965</u>
Arts and crafts purchases	80,464	68,354
Tea room supplies purchases	1,878	2,859
Advertising and promotion	2,773	4,021
Supplies and decorations	<u>3,585</u>	<u>3,731</u>
Total purchases	<u>88,700</u>	<u>78,965</u>
Gross profit	<u>\$ 29,763</u>	<u>\$ 23,000</u>
BBQs		
Sales	\$ 7,442	\$ 9,663
Supplies purchases	<u>2,508</u>	<u>3,411</u>
Gross profit	<u>\$ 4,934</u>	<u>\$ 6,252</u>
Raffles and Other Events		
Sales	\$ 5,067	\$ 6,691
Supplies purchases	<u>205</u>	<u>205</u>
Gross profit	<u>\$ 4,862</u>	<u>\$ 6,486</u>
Total Fundraisers Gross Profit	<u>\$ 50,349</u>	<u>\$ 51,905</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF CHARITABLE PROGRAMS - GROSS EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>SCHEDULE B</u> <u>2016</u>
Kids 'n Nature		
Summer Camp Participation Fee	\$ 10,790	\$ 12,250
Employment Grants	<u>2,951</u>	<u>3,140</u>
Total Revenues	<u>13,741</u>	<u>15,390</u>
Wages	23,880	29,249
School Program Expenses	599	1,309
Summer Camp Expenses	<u>5,732</u>	<u>5,435</u>
Gross Expenses	<u>30,211</u>	<u>35,993</u>
Natural Heritage Education Program		
Employment Grants	<u>10,468</u>	<u>11,143</u>
Total Revenues	<u>10,468</u>	<u>11,143</u>
Wages	22,866	25,700
Bursaries	<u>3,000</u>	<u>-</u>
Gross Expenses	<u>25,866</u>	<u>25,700</u>
NATURAL HERITAGE EDUCATION PROGRAMS	<u>\$ 31,868</u>	<u>\$ 35,160</u>
PARK IMPROVEMENTS	4,353	5,760
Less grant	<u>-</u>	<u>500</u>
	<u>\$ 4,353</u>	<u>\$ 5,260</u>
Environmental Initiatives		
25th Anniversary Base Contribution and donations	\$ 1,678	\$ 1,747
Provincial grant - Habitat reconnectedivity	-	30,000
Donation - Habitat reconnectedivity	<u>-</u>	<u>25,000</u>
	<u>1,678</u>	<u>56,747</u>
Invasive Species - Park Expenses	2,500	-
Species at Risk	4,775	60,946
Tern Research Study - Tern research	2,500	2,500
Birding Program - Seed expenses	<u>419</u>	<u>416</u>
Gross expenses	<u>10,194</u>	<u>63,862</u>
ENVIRONMENTAL INITIATIVES	<u>\$ 8,516</u>	<u>\$ 7,115</u>
Total Funded Programs Expenses	<u>\$ 44,737</u>	<u>\$ 47,535</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 17,247	\$ 17,297
Adjustment to fair market value of investments	(9,220)	(14,467)
Adjustment for donated shares	(5,166)	-
	<u>2,861</u>	<u>2,830</u>
Changes in non-cash working capital components:		
Accounts receivable	1,704	(840)
Inventory	(1,062)	1,255
Prepaid expenses	(250)	537
Accounts payable and accrued liabilities	(4,616)	4,392
Government remittances	2,448	(18,668)
Deferred contributions - 25th Anniversary Environmental Fund	(143)	10,933
	<u>942</u>	<u>439</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on maturity of investments	28,566	28,000
Purchases of investments	(74,532)	(4,373)
	<u>(45,966)</u>	<u>23,627</u>
INCREASE (DECREASE) IN CASH	(45,024)	24,066
CASH, beginning of year	<u>96,872</u>	<u>72,806</u>
CASH, end of year	<u>\$ 51,848</u>	<u>\$ 96,872</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible 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, tangible 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, management believes that all accounts receivable 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, 2017

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, 2017**

4. INVESTMENTS

Investments consist of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Canadian equities	\$ 130,991	\$ 108,554	\$ 112,073	\$ 97,605
Guaranteed Investment Certificates				
- 2.25% non-redeemable five in one GIC with annual distribution of \$20,000 March 7, 2013 to March 7, 2017	\$ -	\$ -	\$ 20,000	\$ 20,000
- 2.25% non-redeemable five in one GIC with annual distribution of \$6,000 April 16, 2013 to April 16, 2017	-	-	6,000	6,000
- 1.95% non-redeemable five in one GIC with annual distribution of \$2,000 June 12, 2013 to June 12, 2017	-	-	2,566	2,566
- 0.623% one year cashable GIC matures March 28, 2018	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
	<u>70,000</u>	<u>70,000</u>	<u>28,566</u>	<u>28,566</u>
	<u>\$ 200,991</u>	<u>\$ 178,554</u>	<u>\$ 140,639</u>	<u>\$ 126,171</u>

5. DEFERRED CONTRIBUTIONS - 25TH ANNIVERSARY ENVIRONMENTAL FUND

Deferred contributions consist of amounts received from donors which were designated for specific projects. During 2017, changes were as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 52,629	\$ 41,696
Receipts	1,535	12,680
Recognized as revenue	<u>(1,678)</u>	<u>(1,747)</u>
Balance, end of year	<u>\$ 52,486</u>	<u>\$ 52,629</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, 2017**

6. NET ASSETS - INTERNALLY RESTRICTED

Internally restricted net assets consist of:

	<u>2017</u>	<u>2016</u>
25th Anniversary Environmental Fund	\$ 44,000	\$ 46,000
Contingency Reserve	<u>100,000</u>	<u>100,000</u>
	<u>\$ 144,000</u>	<u>\$ 146,000</u>

Expenses totalling \$2,000 were charged to the 25th Anniversary Environmental Fund during the year.

7. GROSS REVENUE

Gross revenue consists of:

	<u>2017</u>	<u>2016</u>
Sales	\$ 46,580	\$ 52,336
Fundraising and programs	41,974	103,443
Christmas at Presqu'ile	118,463	101,965
Other	<u>20,191</u>	<u>15,082</u>
	<u>\$ 227,208</u>	<u>\$ 272,826</u>