

**MCILWRAITH FIELD NATURALISTS OF  
LONDON ONTARIO INCORPORATED**

**O/A NATURE LONDON**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2015**



**Michael A. King**

CHARTERED ACCOUNTANT

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
**McIlwraith Field Naturalists of London Ontario Incorporated:**

I have audited the statement of financial position of **McIlwraith Field Naturalists of London Ontario Incorporated o/a Nature London** as at August 31, 2015 and the statements of changes in net assets, operations and cash flow for the year ended August 31, 2015 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

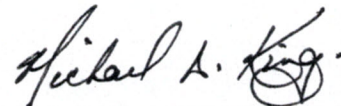
### **Basis for Qualification**

In common with many charitable organizations, the organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to membership and donation revenues, excess of revenues over expenses, assets and fund balances.

### **Qualified Opinion**

In my opinion, except for the effects of the matter described in the Basis for Qualification paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2015 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario  
January 5, 2016



MICHAEL A. KING, CPA, CA  
Licensed Public Accountant

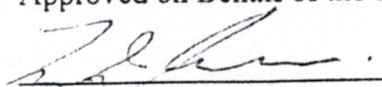
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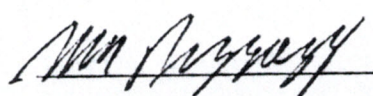
Statement of Financial Position

As at August 31

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>Assets</b>                                      |                   |                   |
| Current assets:                                    |                   |                   |
| Cash   | \$ 16,397         | \$ 10,070         |
| Amounts receivable                                 | 1,530             | 616               |
| HST recoverable                                    | 2,226             | 3,365             |
| Inventory  | 6,886             | -                 |
| Prepaid expenses                                   | 747               | 717               |
|  | <b>27,786</b>     | <b>14,768</b>     |
| Capital assets, at cost (note 3)                   |                   |                   |
| Real estate - Cedarcroft property                  | 23,125            | 23,125            |
| Investments (note 4)                               | 59,201            | 63,287            |
|  | <b>\$ 110,112</b> | <b>\$ 101,180</b> |
| <b>Liabilities and Net Assets</b>                  |                   |                   |
| Current liabilities:                               |                   |                   |
| Accounts payable and accrued liabilities           | \$ 5,339          | \$ 3,389          |
| Deferred revenue                                   | 1,530             | -                 |
|  | <b>6,869</b>      | <b>3,389</b>      |
| Net Assets:  |                   |                   |
| Invested in capital assets                         | 23,125            | 23,125            |
| Unrestricted - General fund                        | 69,902            | 74,666            |
| Internally restricted - Cedarcroft (note 5)        | 7,543             | -                 |
| Internally restricted - Westminster Ponds (note 5) | 2,673             | -                 |
|  | <b>103,243</b>    | <b>97,791</b>     |
|  | <b>\$ 110,112</b> | <b>\$ 101,180</b> |

Approved on Behalf of the Board:

 Director

 Director

See the accompanying notes which are an integral part of these financial statements.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
INCORPORATED  
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Statement of Changes in Net Assets

Year ended August 31

|                               | <b>Invested in<br/>Capital Assets</b> | <b>Unrestricted<br/>General</b> | <b>Internally<br/>Restricted</b> | <b>2015<br/>Total</b> |
|-------------------------------|---------------------------------------|---------------------------------|----------------------------------|-----------------------|
| Balance, beginning of year    | \$ 23,125                             | \$ 74,666                       | \$ -                             | \$ 97,791             |
| Excess revenues over expenses | -                                     | 7,437                           | (1,985)                          | 5,452                 |
| Transfer funds (note 5)       | -                                     | (12,201)                        | 12,201                           | -                     |
| Balance, end of year          | \$ 23,125                             | \$ 69,902                       | \$ 10,216                        | \$ 103,243            |

|                               | <b>Invested in<br/>Capital Assets</b> | <b>Unrestricted<br/>General</b> | <b>Internally<br/>Restricted</b> | <b>2014<br/>Total</b> |
|-------------------------------|---------------------------------------|---------------------------------|----------------------------------|-----------------------|
| Balance, beginning of year    | \$ 23,125                             | \$ 77,228                       | \$ -                             | \$ 100,353            |
| Excess revenues over expenses | -                                     | (2,562)                         | -                                | (2,562)               |
| Balance, end of year          | \$ 23,125                             | \$ 74,666                       | \$ -                             | \$ 97,791             |

See the accompanying notes which are an integral part of these financial statements.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Statement of Operations

Year ended August 31

|   | 2015            | 2014              |
|---|-----------------|-------------------|
| <b>Revenues:</b>  |                 |                   |
| Charitable donations - general                                    | \$ 14,975       | \$ 8,160          |
| General membership fees   | 10,840          | 10,240            |
| Banquet sales   | 4,911           | 5,030             |
| Sales of books, guides, cards, etc.                               | 3,468           | 1,265             |
| Interest on term deposits   | 1,443           | 1,687             |
| Long Point Birdathon  | 700             | 833               |
| Charitable donations - Conservation                               | -               | 843               |
|   | <b>36,337</b>   | <b>28,058</b>     |
| <b>Operating Expenses:</b>  |                 |                   |
| Cardinal expenses   | 5,490           | 4,270             |
| Banquet expenses  | 4,851           | 4,178             |
| Audit fees  | 3,326           | 3,222             |
| Office expense and printing                                       | 3,145           | 4,794             |
| Cost of cards, publications, etc.                                 | 1,426           | 230               |
| Insurance   | 738             | 739               |
| W.E. Saunders award   | 100             | 100               |
|   | <b>19,076</b>   | <b>17,533</b>     |
| <b>Other expenses:</b>  |                 |                   |
| Donations (page 6)  | 3,700           | 6,300             |
| Project expenses (page 7)   | 3,600           | 2,178             |
| Cedarcroft property expenses (page 7)                             | 1,985           | 2,077             |
| Indoor meetings (page 7)  | 1,715           | 1,755             |
| Affiliation fees (page 6)   | 523             | 622               |
| Bird and Butterfly count expenses                                 | 186             | 155               |
| Children's bird count   | 100             | -                 |
|   | <b>11,809</b>   | <b>13,087</b>     |
| <b>Total expenses</b>   | <b>30,885</b>   | <b>30,620</b>     |
| <b>Excess (deficiency) of revenues over expenses for the year</b> | <b>\$ 5,452</b> | <b>\$ (2,562)</b> |

See the accompanying notes which are an integral part of these financial statements.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Schedule of Expenses

Year ended August 31

|                                  | 2015            | 2014            |
|----------------------------------|-----------------|-----------------|
| Donations:                       |                 |                 |
| Thames Talbot Land Trust         | \$ 2,500        | \$ -            |
| W.E. Saunders Library            | 600             | 600             |
| W.E. Saunders Children's Library | 400             | 400             |
| Other                            | 200             | 100             |
| Ontario Nature                   | -               | 5,000           |
| Wildlife Preservation Canada     | -               | 100             |
| Bird Studies Canada              | -               | 100             |
|                                  | <b>\$ 3,700</b> | <b>\$ 6,300</b> |
| Affiliation fees:                |                 |                 |
| Ontario Nature                   | \$ 248          | \$ 347          |
| Thames Talbot Land Trust         | 100             | 100             |
| Nature Canada                    | 75              | 75              |
| Urban League                     | 50              | 50              |
| Carolinian Canada                | 50              | 50              |
|                                  | <b>\$ 523</b>   | <b>\$ 622</b>   |

See the accompanying notes which are an integral part of these financial statements.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Schedule of Expenses (continued)

Year ended August 31

|                                      | 2015            | 2014            |
|--------------------------------------|-----------------|-----------------|
| <b>Cedarcroft Property Expenses:</b> |                 |                 |
| Grounds maintenance                  | \$ 1,064        | \$ 1,535        |
| Structures maintenance               | 903             | 483             |
| Property tax                         | 14              | 13              |
| Insurance                            | 4               | 46              |
|                                      | <b>\$ 1,985</b> | <b>\$ 2,077</b> |
| <b>Indoor Meetings:</b>              |                 |                 |
| Speaker                              | \$ 1,159        | \$ 1,199        |
| Room rental                          | 556             | 556             |
|                                      | <b>\$ 1,715</b> | <b>\$ 1,755</b> |
| <b>Project expenses:</b>             |                 |                 |
| Upper Thames River Conservation      | \$ 3,600        | \$ -            |
| 150th Anniversary                    | -               | 2,103           |
| Leaders fee for field trips          | -               | 75              |
|                                      | <b>\$ 3,600</b> | <b>\$ 2,178</b> |

See the accompanying notes which are an integral part of these financial statements.



**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Statement of Cash Flow

Year ended August 31

|  | 2015      | 2014       |
|--|-----------|------------|
| Cash from operating activities:                      |           |            |
| Excess of revenue over expenses                      | \$ 5,452  | \$ (2,562) |
| Net changes in non-cash working capital:             |           |            |
| Investments  | 4,086     | (1,495)    |
| Accounts receivable                                  | (913)     | (91)       |
| HST recoverable                                      | 1,138     | (1,686)    |
| Inventory  | (6,886)   | -          |
| Prepaid expenses                                     | (30)      | 33         |
| Accounts payable and accrued liabilities             | 1,950     | 5          |
| Deferred revenue                                     | 1,530     | -          |
| Cash flows from operating activities                 | 6,327     | (5,796)    |
| Increase (decrease) in cash position during the year | 6,327     | (5,796)    |
| Cash position, beginning of year                     | 10,070    | 15,866     |
| Cash position, end of year                           | \$ 16,397 | \$ 10,070  |

See the accompanying notes which are an integral part of these financial statements.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Notes to the Financial Statements

August 31, 2015

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**1. Purpose of the Organization**

The McIlwraith Field Naturalists of London Ontario Incorporated was created to acquire and disseminate knowledge of natural history, to conserve wildlife and to protect natural habitat, to stimulate public interest in and understanding of nature and its protection and preservation, and, to develop and sponsor special interest groups in the various fields of natural history.

McIlwraith Field Naturalists of London Ontario Incorporated is incorporated under the Ontario Corporations Act as a not-for-profit organization and is exempt from taxes on its income under the provisions of the Income Tax Act. This organization is a registered charity under the Income Tax Act.

**2 Summary of Significant Accounting Policies:**

These financial statements of McIlwraith Field Naturalists of London Ontario Incorporated have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and, in the opinion of management, are within reasonable limits of materiality and within the framework of the accounting policies summarized below:

*Fund Accounting:*

McIlwraith Field Naturalists of London Ontario Incorporated follows the restricted fund method of accounting for contributions.

The General Fund:

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources.

*Contributed Services:*

Volunteers contribute time to assist the corporation in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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Notes to the Financial Statements - continued

August 31, 2015

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*Revenue recognition:*

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the General Fund on the accrual basis as earned.

*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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The most significant estimate in these financial statements is accruals for services rendered but not yet invoiced.

*Cash and Cash Equivalents*

Cash and cash equivalents consists of the bank balances that are available for general use. Restricted cash and investments are excluded. As of August 31, 2015 there were no external restrictions.

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Notes to the Financial Statements - continued

August 31, 2015

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**3. Capital Assets:**

Purchased real estate is recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. The organization does not derive income from its capital assets, specifically land, accordingly amortization is not recorded in the amounts.

**4. Investments:**

As of August 31, 2015 and 2014, the following guaranteed investment certificates, were held for general purposes.

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|                                  | 2015             | 2014             |
|----------------------------------|------------------|------------------|
| Term Deposits:                   |                  |                  |
| 2.25%, maturing May 22, 2017     | \$ 16,399        | \$ 16,038        |
| 2.50%, maturing May 22, 2018     | 15,027           | 14,660           |
| 1.60%, maturing January 17, 2016 | 12,210           | 12,019           |
| 1.95%, maturing May 22, 2016     | 6,116            | 5,999            |
| 3.25%, maturing April 1, 2016    | 5,683            | 5,504            |
| 1.95%, maturing May 22, 2016     | 3,058            | 2,999            |
| 2.85%, maturing April 1, 2015    | -                | 5,440            |
| Shares in Libro Financial        | 708              | 628              |
|                                  | <b>\$ 59,201</b> | <b>\$ 63,287</b> |

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**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
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Notes to the Financial Statements - continued

August 31, 2015

**5. Internal Restrictions**

As of August 31, 2015, the board of directors had the following internally restricted funds:

|                     | Cedarcroft | Westminster | Total   |
|---------------------|------------|-------------|---------|
| Beginning balance   | \$ -       | \$ -        | \$ -    |
| Transfers to (from) | 9,528      | 2,673       | 12,201  |
| Revenues (expenses) | (1,985)    | -           | (1,985) |
| Ending balance      | \$ 7,543   | \$ 2,673    | 10,216  |

**6. Financial instruments:**

The fair values of the organization's financial current assets and liabilities, including cash, accounts receivable and accounts payable are approximately equal to their carrying value due to their short-term maturity dates.

Financial instruments classified as held-to-maturity are financial assets with fixed or determinable payments and fixed maturities that the organization's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at fair value which equals cost. In these financial statements, Guaranteed Investment Certificates have been classified as held-to-maturity.

Unless otherwise noted, the organization's financial instruments do not expose the organization to significant interest, currency or credit risk.