

**MCILWRAITH FIELD NATURALISTS OF
LONDON ONTARIO INCORPORATED
O/A NATURE LONDON**

FINANCIAL STATEMENTS

AUGUST 31, 2016



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, 2016 and the statements of changes in net assets, operations and cash flow for the year ended August 31, 2016 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, 2016 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 10, 2017


MICHAEL A. KING, CPA, CA
Licensed Public Accountant

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**


Statement of Financial Position

As at August 31

	2016	2015
Assets		
Current assets:		
Cash	\$ 19,698	\$ 16,397
Amounts receivable	739	1,530
HST recoverable	3,650	2,226
Inventory	2,513	6,886
Prepaid expenses	1,353	747
	27,953	27,786
Capital assets, at cost (note 3)		
Real estate - Cedarcroft property	23,125	23,125
Investments (note 4)	55,401	59,201
	\$ 106,479	\$ 110,112
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,034	\$ 5,339
Deferred revenue	2,378	1,530
	6,412	6,869
Net Assets:		
Invested in capital assets	23,125	23,125
Unrestricted - General fund	68,070	69,902
Internally restricted - Cedarcroft (note 5)	6,199	7,543
Internally restricted - Westminster Ponds (note 5)	2,673	2,673
	100,067	103,243
	\$ 106,479	\$ 110,112

Approved on Behalf of the Board:

 Director

 Director

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

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INCORPORATED
O/A NATURE LONDON**

Statement of Changes in Net Assets

Year ended August 31

	Invested in Capital Assets	Unrestricted General	Internally Restricted	2016 Total
Balance, beginning of year	\$ 23,125	\$ 69,902	\$ 10,216	\$ 103,243
Excess revenues over expenses	-	(1,832)	(1,344)	(3,176)
Balance, end of year	\$ 23,125	\$ 68,070	\$ 8,872	\$ 100,067

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

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

	2016	2015
Revenues:		
Charitable donations - general	\$ 13,244	\$ 14,975
General membership fees	11,995	10,840
Sales of books, guides, cards, etc.	11,164	3,468
Banquet sales	4,814	4,911
Interest on term deposits	1,367	1,443
Long Point Birdathon	808	700
Charitable donations - Conservation	250	-
	43,642	36,337
Operating Expenses:		
Cost of cards, publications, etc.	5,070	1,426
Cardinal expenses	4,446	5,490
Banquet expenses	4,273	4,851
Office expense and printing	3,830	3,145
Audit fees	3,430	3,326
Insurance	786	738
W.E. Saunders award	100	100
	21,935	19,076
Other expenses:		
Donations (page 6)	16,000	3,700
Project expenses (page 7)	5,506	3,600
Cedarcroft property expenses (page 7)	1,344	1,985
Indoor meetings (page 7)	1,187	1,715
Affiliation fees (page 6)	523	523
Bird and Butterfly count expenses	166	186
Children's bird count	157	100
	24,883	11,809
Total expenses	46,818	30,885
Excess (deficiency) of revenues over expenses for the year	\$ (3,176)	\$ 5,452

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

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**

Schedule of Expenses

Year ended August 31

	2016	2015
Donations:		
Thames Talbot Land Trust	\$ 15,000	\$ 2,500
W.E. Saunders Library	600	600
W.E. Saunders Children's Library	400	400
Other	-	200
	\$ 16,000	\$ 3,700
Affiliation fees:		
Ontario Nature	\$ 248	\$ 248
Thames Talbot Land Trust	100	100
Nature Canada	75	75
Urban League	50	50
Carolinian Canada	50	50
	\$ 523	\$ 523

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

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**

Schedule of Expenses (continued)

Year ended August 31

	2016	2015
Cedarcroft Property Expenses:		
Grounds maintenance	\$ 708	\$ 1,064
Structures maintenance	621	903
Property tax	15	14
Insurance	-	4
	\$ 1,344	\$ 1,985
Indoor Meetings:		
Room rental	\$ 667	\$ 556
Speaker	520	1,159
	\$ 1,187	\$ 1,715
Project expenses:		
Upper Thames River Conservation	\$ 5,000	\$ 3,600
Conservation awards	182	-
Nature in the City	162	-
Go Wild Grow Wild	150	-
150th Anniversary	12	-
	\$ 5,506	\$ 3,600

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

	2016	2015
Cash from operating activities:		
Excess of revenue over expenses	\$ (3,176)	\$ 5,452
Net changes in non-cash working capital:		
Investments	3,800	4,086
Accounts receivable	792	(913)
HST recoverable	(1,425)	1,138
Inventory	4,373	(6,886)
Prepaid expenses	(606)	(30)
Accounts payable and accrued liabilities	(1,305)	1,950
Deferred revenue	848	1,530
Increase in cash position during the year	3,301	6,327
Cash position, beginning of year	16,397	10,070
Cash position, end of year	\$ 19,698	\$ 16,397

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

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**

Notes to the Financial Statements

August 31, 2016

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.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**

Notes to the Financial Statements - continued

August 31, 2016

Revenue recognition:

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, 2016 there were no external restrictions.

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
INCORPORATED
O/A NATURE LONDON**

Notes to the Financial Statements - continued

August 31, 2016

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, 2016 and 2015, the following guaranteed investment certificates, were held for general purposes.

	2016	2015
Term Deposits:		
2.25%, maturing May 22, 2017	\$ 16,769	\$ 16,399
2.50%, maturing May 22, 2018	15,403	15,027
1.60%, maturing January 17, 2019	12,500	12,210
1.05%, maturing November 18, 2016	10,000	-
1.95%, maturing May 22, 2016	-	6,116
3.25%, maturing April 1, 2016	-	5,683
1.95%, maturing May 22, 2016	-	3,058
Shares in Libro Financial	729	708
	\$ 55,401	\$ 59,201

**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO
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O/A NATURE LONDON**

Notes to the Financial Statements - continued

August 31, 2016

5. Internal Restrictions

As of August 31, 2016, the board of directors had the following internally restricted funds:

	Cedarcroft	Westminster	Total
Beginning balance	\$ 7,543	\$ 2,673	\$ 10,216
Revenues (expenses)	(1,344)	-	(1,344)
Ending balance	\$ 6,199	\$ 2,673	8,872

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.