

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

**FINANCIAL STATEMENTS**

**AUGUST 31, 2018**



**Michael A King**  
CPA Professional Corporation

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, 2018 and the statements of changes in net assets, operations and cash flow for the year ended August 31, 2018 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, 2018 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  
November 13, 2018



**MICHAEL A. KING CPA PROFESSIONAL CORPORATION**  
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

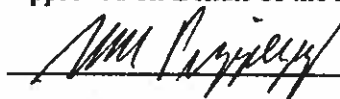
**MCILWRAITH FIELD NATURALISTS OF LONDON ONTARIO  
INCORPORATED  
O/A NATURE LONDON**

Statement of Financial Position

As at August 31

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 29,480	\$ 20,280
Amounts receivable	335	802
HST recoverable	1,584	1,530
Inventory	1,532	3,179
Prepaid expenses	1,989	1,250
	<b>34,920</b>	<b>27,041</b>
Property, at cost (note 3)		
Real estate - Cedarcroft property	23,125	23,125
Investments (note 4)	51,595	66,294
	<b>\$ 109,640</b>	<b>\$ 116,460</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,138	\$ 8,259
Deferred revenue	3,915	690
	<b>10,053</b>	<b>8,949</b>
<b>Net Assets:</b>		
Invested in capital assets	23,125	23,125
Unrestricted - General fund	73,546	76,855
Internally restricted - Cedarcroft (note 5)	2,916	4,858
Internally restricted - Westminster Ponds (note 5)	-	2,673
	<b>99,587</b>	<b>107,511</b>
	<b>\$ 109,640</b>	<b>\$ 116,460</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  
O/A NATURE LONDON**

Statement of Changes in Net Assets

Year ended August 31

	Invested in Capital Assets	Unrestricted General	Internally Restricted	2018 Total
Balance, beginning of year	\$ 23,125	\$ 76,855	\$ 7,531	\$ 107,511
Excess revenues over expenses	-	(5,982)	(1,942)	(7,924)
Transfer funds (note 5)	-	2,673	(2,673)	-
Balance, end of year	\$ 23,125	\$ 73,546	\$ 2,916	\$ 99,587

	Invested in Capital Assets	Unrestricted General	Internally Restricted	2017 Total
Balance, beginning of year	\$ 23,125	\$ 68,070	\$ 8,872	\$ 100,067
Excess revenues over expenses	-	8,785	(1,341)	7,444
Balance, end of year	\$ 23,125	\$ 76,855	\$ 7,531	\$ 107,511

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

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

Statement of Operations

Year ended August 31

	2018	2017
<b>Revenues:</b>		
General membership fees	\$ 14,934	\$ 12,365
Charitable donations - general	10,474	7,667
Banquet sales and bus trip	6,680	5,310
Sales of books, guides, cards, etc.	3,663	5,251
Interest on term deposits	1,569	1,359
Long Point Birdathon	860	753
Bequests	-	17,536
	<b>38,180</b>	<b>50,241</b>
<b>Operating Expenses:</b>		
Cardinal expenses	6,020	4,110
Banquet expenses	4,049	4,428
Office expense and printing	3,538	3,474
Cost of cards, publications, etc.	3,350	3,148
Audit fees	2,988	2,644
Insurance	787	779
W.E. Saunders award	100	100
	<b>20,832</b>	<b>18,683</b>
<b>Other expenses:</b>		
Donations (page 6)	19,522	20,025
Cedarcroft property expenses (page 7)	1,942	1,341
Indoor meetings (page 7)	2,378	1,716
Project expenses (page 7)	748	150
Affiliation fees (page 6)	325	573
Children's bird count	247	203
Bird and Butterfly count expenses	110	106
	<b>25,272</b>	<b>24,114</b>
<b>Total expenses</b>	<b>46,104</b>	<b>42,797</b>
<b>Excess (deficiency) of revenues over expenses for the year</b>	<b>\$ (7,924)</b>	<b>\$ 7,444</b>

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

	2018	2017
<b>Donations:</b>		
Other	\$ 9,908	\$ 1,100
Upper Thames River Conservation	4,132	12,500
Thames Talbot Land Trust	4,132	5,000
W.E. Saunders Library	1,000	1,000
Ontario Nature	350	350
Bird Studies Canada	-	75
	<b>\$ 19,522</b>	<b>\$ 20,025</b>
<b>Affiliation fees:</b>		
Thames Talbot Land Trust	\$ 100	\$ 100
Urban League	100	100
Nature Canada	75	75
Carolinian Canada	50	50
Ontario Nature	-	248
	<b>\$ 325</b>	<b>\$ 573</b>

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

	2018	2017
<b>Cedarcroft Property Expenses:</b>		
Grounds maintenance	\$ 1,678	\$ -
Structures maintenance	255	1,141
Property tax	9	16
Other	-	184
	<b>\$ 1,942</b>	<b>\$ 1,341</b>
<b>Indoor Meetings:</b>		
Speaker	\$ 1,275	\$ 1,049
Room rental	577	667
Nature in the City	526	-
	<b>\$ 2,378</b>	<b>\$ 1,716</b>
<b>Project expenses:</b>		
Other	\$ 498	\$ -
Go Wild Grow Wild	250	150
	<b>\$ 748</b>	<b>\$ 150</b>

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



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

Statement of Cash Flow

Year ended August 31

	2018	2017
Cash from operating activities:		
Excess of revenue over expenses	\$ (7,924)	\$ 7,444
Net changes in non-cash working capital:		
Investments	14,699	(10,893)
Accounts receivable	466	(61)
HST recoverable	(54)	2,119
Inventory	1,647	(666)
Prepaid expenses	(739)	103
Accounts payable and accrued liabilities	(2,120)	4,224
Deferred revenue	3,225	(1,688)
Increase in cash position during the year	9,200	582
Cash position, beginning of year	20,280	19,698
Cash position, end of year	\$ 29,480	\$ 20,280

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, 2018

---

**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, 2018

---

*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, 2018 there were no external restrictions.

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

Notes to the Financial Statements - continued

August 31, 2018

**3. Property:**

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

**4. Investments:**

As of August 31, 2018 and 2017, the following guaranteed investment certificates, were held for general purposes.

	<b>2018</b>	<b>2017</b>
Term Deposits:		
2.10%, maturing August 9, 2021	\$ 20,420	\$ 20,000
1.90%, maturing February 8, 2020	17,323	17,000
1.95%, maturing January 17, 2019	12,993	12,744
2.50%, maturing May 22, 2018	-	15,789
Shares in Libro Financial	859	761
	<b>\$ 51,595</b>	<b>\$ 66,294</b>

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

Notes to the Financial Statements - continued

August 31, 2018

**5. Internal Restrictions**

As of August 31, 2018, the board of directors had the following internally restricted funds:

	<b>Cedarcroft</b>	<b>Westminster</b>	<b>Total</b>
Beginning balance	\$ 4,858	\$ 2,673	\$ 7,531
Transfer to general fund	-	(2,673)	(2,673)
Revenues (expenses) - page 7	(1,942)	-	(1,942)
<b>Ending balance</b>	<b>\$ 2,916</b>	<b>\$ -</b>	<b>2,916</b>

The funds that were transferred to the General fund from the Westminster fund were donated to Reforest London.

**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. There have been no changes in the risk since the prior year.