

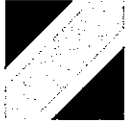
**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

FINANCIAL STATEMENTS

31 MARCH 2014

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Beckett Lowden Read, LLP

CHARTERED ACCOUNTANTS

P.O. Box 1521
20 Main Street North, Unit 4
Waterdown, ON L0R 2H0

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Bay Area Restoration Council of Hamilton and Halton Inc.

We have audited the accompanying financial statements of Bay Area Restoration Council of Hamilton and Halton Inc., which comprise the statement of financial position as at 31 March 2014, and the statements of general fund balance, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors 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 the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Bay Area Restoration Council of Hamilton and Halton Inc. derives revenue from donations, other contributions and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded by the organization. We were not able to determine whether any adjustments might be necessary to accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and accumulated general fund balance.



Beckett Lowden Read, LLP

CHARTERED ACCOUNTANTS

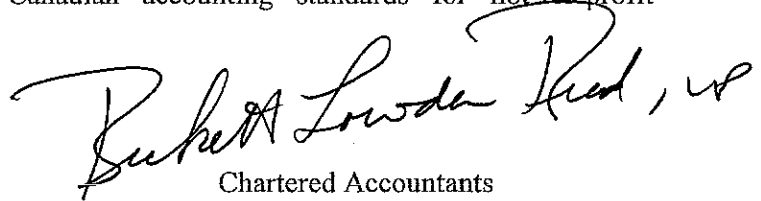
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INDEPENDENT AUDITOR'S REPORT, continued

Qualified Opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at 31 March 2014 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.

Waterdown, Ontario
19 June 2014



Beckett Lowden Read, CPA

Chartered Accountants
Licensed Public Accountants

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	2014	2013
ASSETS		
CURRENT		
Bank	\$ 113,294	\$ 16,382
Accounts receivable	33,502	18,950
GST/HST receivable	5,908	5,270
GIC Investments, note 2	50,377	51,759
Prepaid expenses	<u>335</u>	<u>335</u>
	<u>\$ 203,416</u>	<u>\$ 92,696</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,954	\$ 8,042
Deferred revenue	<u>89,837</u>	<u>6,170</u>
	<u>93,791</u>	<u>14,212</u>
Accumulated general fund balance	<u>109,625</u>	<u>78,484</u>
	<u>109,625</u>	<u>78,484</u>
	<u>\$ 203,416</u>	<u>\$ 92,696</u>

On behalf of the board

Director  _____

Director  _____

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

STATEMENT OF GENERAL FUND BALANCE

FOR THE YEAR ENDED 31 MARCH 2014

	<u>2014</u>	<u>2013</u>
Accumulated general fund balance, beginning of year	\$ 78,484	\$ 100,450
Excess (deficiency) of revenues over expenses for the year	<u>31,141</u>	<u>(21,966)</u>
ACCUMULATED GENERAL FUND BALANCE, END OF YEAR	<u>\$ 109,625</u>	<u>\$ 78,484</u>

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 MARCH 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Environment Canada	\$ 115,120	\$ 64,675
Ontario Ministry of the Environment	109,470	69,729
Contracts	35,600	9,500
Corporate donations	29,071	36,571
Fundraising events	14,379	16,654
Donations	4,315	4,451
Other revenue	303	3,102
Designated grants	-	17,500
	<u>308,258</u>	<u>222,182</u>
GENERAL EXPENSES		
Office	30,983	31,548
Payroll	190,263	171,419
Projects	55,871	41,181
	<u>277,117</u>	<u>244,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 31,141</u>	<u>\$ (21,966)</u>

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
CASH PROVIDED BY (USED FOR) OPERATIONS		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	<u>\$ 31,141</u>	<u>\$ (21,966)</u>
	31,141	(21,966)
Change in non-cash operating working capital items		
Accounts receivable	(14,552)	20,085
GST/HST receivable	(638)	(207)
Prepaid expenses	-	3,719
Accounts payable and accrued liabilities	(4,088)	5,920
Deferred revenue	<u>83,667</u>	<u>(119,264)</u>
	95,530	(111,713)
INVESTING ACTIVITY		
GIC Investments	<u>1,382</u>	<u>(434)</u>
CHANGE IN CASH POSITION	96,912	(112,147)
CASH POSITION, BEGINNING OF YEAR	<u>16,382</u>	<u>128,529</u>
CASH POSITION, END OF YEAR	<u>\$ 113,294</u>	<u>\$ 16,382</u>

BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

PURPOSE OF THE ORGANIZATION

Bay Area Restoration Council of Hamilton and Halton Inc. is a charity and the organization is dedicated to promote, monitor and assess the implementation of plans for the protection and restoration of Hamilton Harbour as outlined in the Hamilton Harbour Remedial Action Plan. The Corporation is exempt from tax under paragraph 149 of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue Recognition

The deferral method of accounting is used for contributions. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be easily estimated.

Investment and other income is recognized as revenue when earned.

(b) Deferred Revenue

This amount represents funds received for activities to be completed during the future fiscal years.

Deferred revenue consists of amounts from the following contributors:

	<u>2014</u>	<u>2013</u>
Burlington Community Foundation	\$ 2,500	\$ -
City of Hamilton	12,950	-
Green Venture	6,487	-
Hamilton Industrial Environmental	3,500	-
Hamilton Future Fund	14,400	-
Ministry of the Environment	50,000	-
Ontario Trillium Foundation	-	6,170
	<u>89,837</u>	<u>6,170</u>

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Capital Assets

Capital assets are recorded as expenses in the year they are acquired (nil for 2014; nil for 2013).

(d) 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 liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(e) Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

2. GIC INVESTMENTS

	<u>2014</u>	<u>2013</u>
Guaranteed investment certificates	<u>\$ 50,377</u>	<u>\$ 51,759</u>

The investments are comprised of five Guaranteed Investment Certificates (GIC's) issued by TD Canada Trust with maturity dates of 2 May 14 and 23 August 14. These GIC's carry interest rates of 1.10% and 0.80% per annum.

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

3. RELATED PARTY TRANSACTIONS

The Organization is related to all members of the Board of Directors based on their control of the management of the organization. Donations and sundry, non-reimbursed services are provided to the organization by individuals and other associations which could be classified as related parties. Monetary donations are recorded at the amounts received. Non-reimbursed services are not recorded in these financial statements. The Board of Directors receives no compensation for their positions on the board.

4. CONTRIBUTED SERVICES

Volunteers contribute time to assist the organization in carrying out its various activities and programs. The fair market value of these volunteer services are not recognized in these financial statements.

5. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. It is the Board of Directors' opinion that the Organization is not exposed to significant risks arising from its financial instruments. The fair value of these financial instruments approximate their carrying values.

**BAY AREA RESTORATION COUNCIL
OF HAMILTON AND HALTON INC.**

SCHEDULE TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

SCHEDULE OF GENERAL EXPENSES

	2014	2013
OFFICE		
Accounting	\$ 4,753	\$ 5,850
Bank charges	117	375
Diversity program	2,986	782
Information technology	2,798	1,755
Insurance	2,664	2,649
Newsletter	180	359
Office	12,351	15,271
Subscriptions and memberships	561	378
Telephone	2,998	2,882
Travel and accommodation	1,575	1,247
	<u>\$ 30,983</u>	<u>\$ 31,548</u>
PAYROLL		
Group benefits	\$ 9,498	\$ 8,520
Salaries and wages	180,113	162,321
Workplace Safety Insurance	652	578
	<u>\$ 190,263</u>	<u>\$ 171,419</u>
PROJECTS		
Adopt-a-Creek	\$ 876	\$ 4,052
BayLinks	-	790
Education	14,956	11,566
Fundraising	5,280	8,914
Interactive harbour explorer	5,000	-
Newsletter and communications	981	315
Public awareness	-	4,946
Randle Reef website	2,768	-
Stream of Dreams	1,459	1,490
Virtual community forum	18,730	-
Waterfront kiosk	2,908	6,915
Workshops	1,464	1,973
Yellow Fish Road	1,449	220
	<u>\$ 55,871</u>	<u>\$ 41,181</u>