

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

**FINANCIAL STATEMENTS**

31 MARCH 2016

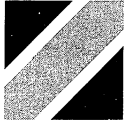
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## INDEPENDENT AUDITOR'S REPORT

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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 2016, 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.

### *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.

### *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 generally accepted 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 management, 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.

## INDEPENDENT AUDITOR'S REPORT, continued

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### *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 2016 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.

*Beckett London Lead, LLP.*

Waterdown, Ontario  
27 May 2016

Chartered Professional Accountants  
Licensed Public Accountants

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

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2016

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Bank	\$ 106,393	\$ -
Accounts receivable	24,475	64,423
GST/HST receivable	2,974	5,045
GIC investments, note 2	35,628	35,384
Prepaid expenses	<u>-</u>	<u>3,367</u>
	<u>\$ 169,470</u>	<u>\$ 108,219</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ -	\$ 1,719
Accounts payable and accrued liabilities	3,955	4,995
Government remittances payable	4,654	4,802
Deferred revenue	<u>56,039</u>	<u>5,000</u>
	64,648	16,516
<b>GENERAL FUND BALANCE</b>	<u>104,822</u>	<u>91,703</u>
	<u>\$ 169,470</u>	<u>\$ 108,219</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 2016

	<u>2016</u>	<u>2015</u>
<b>General fund balance, beginning of year</b>	<b>\$ 91,703</b>	<b>\$ 109,625</b>
Excess (deficiency) of revenues over expenses for the year	<u>13,119</u>	<u>(17,922)</u>
<b>GENERAL FUND BALANCE, END OF YEAR</b>	<b><u>\$ 104,822</u></b>	<b><u>\$ 91,703</u></b>

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

**STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED 31 MARCH 2016

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Ontario Ministry of the Environment and Climate Change	\$ 30,000	\$ 124,254
Ontario Trillium Foundation	44,200	-
Environment Canada	80,000	74,579
Contracts	12,437	27,350
Corporate donations	36,550	14,987
Dragonboat event	3,630	3,440
Winter event	7,970	5,731
Donations	2,488	3,335
Grants	20,640	4,500
Other revenue	4,697	1,053
	<u>242,612</u>	<u>259,229</u>
<b>GENERAL EXPENSES</b>		
Office, Schedule 1	16,472	22,931
Payroll, benefits and WSIB	184,665	206,512
Projects, Schedule 2	28,356	47,708
	<u>229,493</u>	<u>277,151</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<u>\$ 13,119</u>	<u>\$ (17,922)</u>

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

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2016

	<u>2016</u>	<u>2015</u>
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 13,119	\$ (17,922)
Change in non-cash operating working capital items		
Accounts receivable	39,948	(30,921)
GST/HST receivable	2,071	863
Prepaid expenses	3,367	(3,032)
Accounts payable and accrued liabilities	(1,040)	1,041
Government remittances payable	(148)	4,802
Deferred revenue	<u>51,039</u>	<u>(84,837)</u>
	108,356	(130,006)
 <b>INVESTING ACTIVITY</b>		
Sale (reinvested interest) of GIC investments	<u>(244)</u>	<u>14,993</u>
 <b>CHANGE IN CASH POSITION</b>	108,112	(115,013)
 <b>CASH POSITION, BEGINNING OF YEAR</b>	<u>(1,719)</u>	<u>113,294</u>
 <b>CASH POSITION, END OF YEAR</b>	<u>\$ 106,393</u>	<u>\$ (1,719)</u>

# BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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### 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>2016</u>	<u>2015</u>
Arcelor Mittal Dofasco	\$ 5,000	\$ -
Echo Foundation	-	5,000
TD Friends of the Environment	2,776	-
Ontario Trillium Foundation	40,800	-
City of Hamilton	7,463	-
	<u>56,039</u>	<u>5,000</u>

#### (c) Capital Assets

Capital assets are recorded as expenses in the year they are acquired (nil for 2016; nil for 2015).



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

**NOTES TO THE FINANCIAL STATEMENTS**

31 MARCH 2016

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1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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. Estimates are used in allowance for doubtful accounts, accrued interest, accrued liabilities, deferred revenue useful lives of capital assets and contingent liabilities. 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>2016</u>	<u>2015</u>
Guaranteed investment certificates	<u>\$ 35,628</u>	<u>\$ 35,384</u>

The investments are comprised of two Guaranteed Investment Certificates (GIC's) issued by TD Canada Trust with maturity dates of 24 June 2016. These GIC's carry interest rates of 0.55% per annum.

3. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

31 MARCH 2016

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4. 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, and 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.

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.**

**SCHEDULES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2016

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<b>SCHEDULE OF OFFICE</b>	<b>Schedule 1</b>	
	<b>2016</b>	<b>2015</b>
Audit fee	\$ 3,750	\$ 3,550
Information technology	1,482	1,181
Insurance	3,367	2,971
Office	4,401	11,697
Telephone	1,633	1,864
Travel and parking	<u>1,839</u>	<u>1,668</u>
	<u>\$ 16,472</u>	<u>\$ 22,931</u>

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<b>SCHEDULE OF PROJECTS</b>	<b>Schedule 2</b>	
	<b>2016</b>	<b>2015</b>
Educational programs	\$ 16,303	\$ 19,292
Fundraising events	4,946	3,705
Interactive harbour explorer	816	12,503
Website and social media	<u>6,291</u>	<u>12,208</u>
	<u>\$ 28,356</u>	<u>\$ 47,708</u>