

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

FINANCIAL STATEMENTS

31 MARCH 2015

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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 2015, 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 the 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

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 2015 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 Zander Read, CMA

Waterdown, Ontario
12 June 2015

Chartered Professional Accountants
Licensed Public Accountants

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Bank	\$ -	\$ 113,294
Accounts receivable	64,423	33,502
GST/HST receivable	5,045	5,908
GIC investments, note 2	35,384	50,377
Prepaid expenses	<u>3,367</u>	<u>335</u>
	<u>\$ 108,219</u>	<u>\$ 203,416</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 1,719	\$ -
Accounts payable and accrued liabilities	4,995	3,954
Government remittances payable	4,802	-
Deferred revenue	<u>5,000</u>	<u>89,837</u>
	<u>16,516</u>	<u>93,791</u>
General fund balance	<u>91,703</u>	<u>109,625</u>
	<u>\$ 108,219</u>	<u>\$ 203,416</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 2015

	2015	2014
General fund balance, beginning of year	\$ 109,625	\$ 78,484
(Deficiency) excess of revenues over expenses for the year	<u>(17,922)</u>	<u>31,141</u>
GENERAL FUND BALANCE, END OF YEAR	<u>\$ 91,703</u>	<u>\$ 109,625</u>

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

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 MARCH 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Ontario Ministry of the Environment	\$ 128,754	\$ 109,470
Environment Canada	74,579	115,120
Contracts	27,350	35,600
Corporate donations	14,987	29,071
Fundraising events	9,191	14,379
Donations	3,335	4,315
Other revenue	<u>1,033</u>	<u>303</u>
	<u>259,229</u>	<u>308,258</u>
GENERAL EXPENSES, Schedule		
Office	22,931	30,983
Payroll	206,512	190,263
Projects	<u>47,708</u>	<u>55,871</u>
	<u>277,151</u>	<u>277,117</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ (17,922)</u>	<u>\$ 31,141</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	<u>2015</u>	<u>2014</u>
CASH PROVIDED BY (USED FOR) OPERATIONS		
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	<u>\$ (17,922)</u>	<u>\$ 31,141</u>
	(17,922)	31,141
Change in non-cash operating working capital items		
Accounts receivable	(30,921)	(14,552)
GST/HST receivable	863	(638)
Prepaid expenses	(3,032)	-
Accounts payable and accrued liabilities	1,041	(4,088)
Government remittances payable	4,802	-
Deferred revenue	<u>(84,837)</u>	<u>83,667</u>
	(130,006)	95,530
INVESTING ACTIVITY		
Sale of GIC investments	<u>14,993</u>	<u>1,382</u>
CHANGE IN CASH POSITION	(115,013)	96,912
CASH POSITION, BEGINNING OF YEAR	<u>113,294</u>	<u>16,382</u>
CASH POSITION, END OF YEAR	<u>\$ (1,719)</u>	<u>\$ 113,294</u>

BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

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>2015</u>	<u>2014</u>
Burlington Community Foundation	\$ -	\$ 2,500
City of Hamilton	-	12,950
Echo Foundation	5,000	-
Green Venture	-	6,487
Hamilton Industrial Environmental	-	3,500
Hamilton Future Fund	-	14,400
Ministry of the Environment	-	50,000
	<u>\$ 5,000</u>	<u>\$ 89,837</u>

BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Capital Assets

Capital assets are recorded as expenses in the year they are acquired (nil for 2015; nil for 2014).

(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>2015</u>	<u>2014</u>
Guaranteed investment certificates	<u>\$ 35,384</u>	<u>\$ 50,377</u>

The investments are comprised of two Guaranteed Investment Certificates (GIC's) issued by TD Canada Trust with maturity dates of 17 May 15. These GIC's carry interest rates of 0.85% per annum.

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

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, 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.

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 2015

SCHEDULE OF GENERAL EXPENSES

	2015	2014
OFFICE		
Accounting	\$ 3,550	\$ 4,753
Bank charges	123	117
Diversity program	9	2,986
Information technology	1,181	2,798
Insurance	2,971	2,664
Newsletter	-	180
Office	9,915	12,351
Subscriptions and memberships	1,650	561
Telephone	1,864	2,998
Travel and accommodation	1,668	1,575
	<u>\$ 22,931</u>	<u>\$ 30,983</u>
PAYROLL		
Group benefits	\$ 11,234	\$ 9,498
Salaries and wages	194,581	180,113
Workplace Safety Insurance	697	652
	<u>\$ 206,512</u>	<u>\$ 190,263</u>
PROJECTS		
Adopt-a-Creek	\$ -	\$ 876
BayLinks	9	-
Education	12,390	14,956
Fundraising	3,705	5,280
Interactive harbour explorer	12,503	5,000
Newsletter and communications	184	981
Public awareness	475	-
Randle Reef website	4,545	2,768
Stream of Dreams	1,247	1,459
Virtual community forum	7,004	18,730
Waterfront kiosk	3,472	2,908
Workshops	351	1,464
Yellow Fish Road	1,823	1,449
	<u>\$ 47,708</u>	<u>\$ 55,871</u>