

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

FINANCIAL STATEMENTS

MARCH 31, 2018

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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 March 31, 2018, 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 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 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 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 qualified 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 March 31, 2018 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
June 7, 2018



Chartered Professional Accountants
Licensed Public Accountants



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

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	2018	2017
ASSETS		
CURRENT		
Bank	\$ 48,343	\$ 80,613
Accounts receivable	69,150	39,332
GST/HST receivable	5,364	3,581
Investments, note 2	<u>66,284</u>	<u>65,930</u>
	<u>\$ 189,141</u>	<u>\$ 189,456</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,729	\$ 3,971
Government remittances payable	4,180	4,180
Deferred revenue	<u>25,000</u>	<u>56,333</u>
	33,909	64,484
GENERAL FUND BALANCE	<u>155,232</u>	<u>124,972</u>
	<u>\$ 189,141</u>	<u>\$ 189,456</u>

On behalf of the Board of Directors

Director 
 Director 

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

STATEMENT OF GENERAL FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
General fund balance, beginning of year	\$ 124,972	\$ 104,822
Excess of revenues over expenses for the year	<u>30,260</u>	<u>20,150</u>
GENERAL FUND BALANCE, END OF YEAR	<u>\$ 155,232</u>	<u>\$ 124,972</u>

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

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUE		
Environment Canada	\$ 95,000	\$ 80,000
Ontario Trillium Foundation	91,350	90,800
Ontario Ministry of the Environment and Climate Change	50,000	42,304
Corporate donations	38,033	30,443
Contracts	16,950	7,463
Winter event	8,185	6,678
Grants	3,379	7,025
Dragonboat event	1,861	8,278
Donations	1,749	2,084
Other revenue	<u>1,319</u>	<u>552</u>
	<u>307,826</u>	<u>275,627</u>
GENERAL EXPENSES		
Office, Schedule 1	21,536	18,655
Payroll, benefits and WSIB	199,505	199,103
Projects, Schedule 2	<u>56,525</u>	<u>37,719</u>
	<u>277,566</u>	<u>255,477</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u><u>\$ 30,260</u></u>	<u><u>\$ 20,150</u></u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH PROVIDED BY (USED FOR) OPERATIONS		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 30,260	\$ 20,150
Change in non-cash operating working capital items		
Accounts receivable	(29,818)	(14,857)
GST/HST receivable	(1,783)	(607)
Accounts payable and accrued liabilities	758	16
Government remittances payable	-	(474)
Deferred revenue	<u>(31,333)</u>	<u>294</u>
	(31,916)	4,522
INVESTING ACTIVITY		
Purchase of GIC investments	<u>(354)</u>	<u>(30,302)</u>
CHANGE IN CASH POSITION	(32,270)	(25,780)
CASH POSITION, BEGINNING OF YEAR	<u>80,613</u>	<u>106,393</u>
CASH POSITION, END OF YEAR	<u>\$ 48,343</u>	<u>\$ 80,613</u>

BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

PURPOSE OF THE ORGANIZATION

Bay Area Restoration Council of Hamilton and Halton Inc. is a registered 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.

I. 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 future fiscal years.

Deferred revenue consists of amounts from the following contributors:

	<u>2018</u>	<u>2017</u>
Arcelor Mittal Dofasco	\$ -	\$ 3,333
Hamilton Port Authority	-	2,500
McLean Foundation	-	4,000
Ontario Trillium Foundation	22,500	45,800
Turtle Crossing	<u>2,500</u>	<u>700</u>
	<u>\$ 25,000</u>	<u>\$ 56,333</u>

BAY AREA RESTORATION COUNCIL OF HAMILTON AND HALTON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

I. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Capital Assets

Capital assets are recorded as expenses in the year they are acquired. There were no capital asset acquisitions in 2018 or 2017.

(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.

(f) 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.

2. INVESTMENTS

	<u>2018</u>	<u>2017</u>
Guaranteed Investment Certificates	<u>\$ 66,284</u>	<u>\$ 65,930</u>

The investments are comprised of three Guaranteed Investment Certificates (GIC's) issued by TD Canada Trust with maturity dates of May 2018 and June 2018. These GIC's carry interest rates of 0.60% per annum.

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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, other 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. FINANCIAL INSTRUMENTS

It is the Board of Directors' opinion that the organization is not exposed to significant risks relating to its financial instruments. The risk assessment is consistent with the prior year.

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

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Audit fee	\$ 3,856	\$ 3,514
Information technology	1,597	1,116
Insurance	1,806	2,107
Office	9,919	8,138
Telephone	1,816	1,643
Travel and parking	<u>2,542</u>	<u>2,137</u>
	<u>\$ 21,536</u>	<u>\$ 18,655</u>

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

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Educational programs	\$ 41,755	\$ 27,199
Fundraising events	5,817	4,139
Website and social media	8,953	6,367
Interactive harbour explorer	-	14
	<u>\$ 56,525</u>	<u>\$ 37,719</u>