

**The Bruce Trail Conservancy**

**Financial Statements**

**Year Ended June 30, 2014**



T 905 522 6555 F 905 522 6574 6th Floor, One James Street South Hamilton ON L8P 4R5

September 5, 2014

## **Independent Auditors' Report**

To the Directors of The Bruce Trail Conservancy

We have audited the accompanying financial statements of The Bruce Trail Conservancy, which comprise the balance sheet as at June 30, 2014 and the statements of revenue and expenses and fund balance of the Conservation Fund, Capacity Fund, Endowment Fund, Life Membership Fund and the Land Stewardship Reserve Fund, and the statement of cash flows and combined schedule of revenue and expenses and fund balances 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 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.

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

### **Basis for qualified opinion**

In common with many not-for-profit organizations, The Bruce Trail Conservancy derives revenue from donations and fundraising, the completeness of which is not susceptible to 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 revenues, excess of revenue over expenses for the year and accumulated fund balances.



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**Qualified opinion**

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Bruce Trail Conservancy as at June 30, 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.

*Pettinelli Macchiorini LLP*

Chartered Accountants  
Licensed Public Accountants

Hamilton, Ontario

**THE BRUCE TRAIL CONSERVANCY – HAMILTON, ONTARIO**  
**FINANCIAL STATEMENTS – YEAR ENDED JUNE 30, 2014**

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# The Bruce Trail Conservancy

## Balance Sheet

## STATEMENT A

	June 30	
	2014	2013
<b>Assets</b>		
Current assets		
Cash	\$ 320,766	\$ 165,251
Accounts receivable	23,416	8,366
Inventory	65,742	34,433
Prepays and deposits	<u>12,356</u>	<u>15,189</u>
	422,280	223,239
Furniture, fixtures and equipment (Note 4)	16,832	23,526
Restricted assets - Endowment Fund		
Cash	50,707	48,072
Marketable securities	<u>1,832,265</u>	<u>1,594,090</u>
	<u>1,882,972</u>	<u>1,642,162</u>
Restricted assets - Life Membership Fund		
Cash	32,724	19,510
Marketable securities	<u>125,689</u>	<u>109,314</u>
	<u>158,413</u>	<u>128,824</u>
Restricted assets - Land Stewardship Reserve Fund		
Cash	220,995	136,830
Marketable securities	<u>343,587</u>	<u>298,824</u>
	<u>564,582</u>	<u>435,654</u>
Restricted assets - Conservation Fund		
Cash	96,560	-
Land, buildings and bridge (Note 5)	<u>11,061,185</u>	<u>10,479,342</u>
	<u>11,157,745</u>	<u>10,479,342</u>
Cash surrender value of life insurance (Note 7)	<u>102,000</u>	<u>113,136</u>
	<u>\$14,304,824</u>	<u>\$13,045,883</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 210,504	\$ 179,702
Deferred revenue - Grants	55,471	5,678
- Memberships (Note 8)	<u>64,542</u>	<u>59,538</u>
	330,517	244,918
Deferred revenue - Memberships (Note 8)	27,166	30,776
<b>Fund Balances</b>		
Conservation Fund (Statement B)	11,136,996	10,528,528
Capacity Fund (Statement C)	204,178	35,021
Endowment Fund (Statement D)	1,882,972	1,642,162
Life Membership Fund (Statement E)	158,413	128,824
Land Stewardship Reserve Fund (Statement F)	<u>564,582</u>	<u>435,654</u>
	<u>13,947,141</u>	<u>12,770,189</u>
	<u>\$ 14,304,824</u>	<u>\$ 13,045,883</u>

Contingencies - see note 11

APPROVED BY THE BOARD:

*Janie McCalland* Director  
*Roger Beacle* Director

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Conservation Fund

### STATEMENT B

	Year ended June 30	
	2014	2013
<b>Revenue</b>		
Donations and bequests - cash	\$ 1,562,150	\$ 2,055,503
Donations - property	239,700	638,000
Gain on sale of land assets	224,901	-
Grants	110,152	16,486
Sponsorships	48,150	47,500
Sundry income	9,612	5,270
Interest and investment income	58	1,903
	<u>2,194,723</u>	<u>2,764,662</u>
<b>Expenses</b>		
Fundraising	279,875	270,519
Member and public outreach	203,445	204,375
Land securement	196,856	225,814
Land stewardship	169,863	175,572
Marketing	110,520	97,307
Trail development and maintenance	104,109	58,870
Bruce Trail Magazine	95,617	85,675
Volunteer management	71,815	62,109
Other committee and meeting expenses	54,129	44,537
Land management and property taxes	38,500	54,170
Land disposal costs	29,264	-
Amortization	23,463	23,463
Annual general meeting	20,644	15,389
Life insurance	11,136	10,807
Landowner relations	5,222	7,231
	<u>1,414,458</u>	<u>1,335,838</u>
Excess of revenue over expenses for the year	780,265	1,428,824
Fund balance at beginning of the year (Note 2)	<u>10,528,528</u>	<u>9,411,588</u>
	<u>11,308,793</u>	<u>10,840,412</u>
Property transfers to other agencies (Note 6)	-	(248,000)
Transfer to Land Stewardship Reserve Fund	(82,060)	(63,884)
Transfer to Capacity Fund	(89,737)	-
	<u>(171,797)</u>	<u>(311,884)</u>
Fund balance at end of the year	<u>\$ 11,136,996</u>	<u>\$ 10,528,528</u>
<b>Fund balance comprises:</b>		
Land and structure assets (Note 5)	\$ 11,061,185	\$ 10,479,342
Cash surrender value of life insurance	102,000	113,136
Cash and short term investments	96,560	-
Receivables and other non-cash assets	3,666	7,503
Payables and other liabilities	(126,415)	(51,069)
Interfund payable - Capacity Fund	-	(20,384)
	<u>\$ 11,136,996</u>	<u>\$ 10,528,528</u>

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Capacity Fund

### STATEMENT C

	Year ended June 30	
	2014	2013
<b>Revenue</b>		
Membership dues	\$ 294,406	\$ 291,304
Bruce Trail Enterprises	106,212	159,109
Membership dues - clubs	92,741	91,311
Donations - Capacity	27,200	13,700
Donations - clubs	15,745	20,713
Insurance	12,669	12,669
Other sundry income	2,725	2,817
Interest and investment income	64	135
	<u>551,762</u>	<u>591,758</u>
<b>Expenses</b>		
Clubs' share of membership dues	75,879	74,709
Clubs' share of trail dues	16,862	16,602
Donations forwarded to clubs	15,745	20,713
	<u>108,486</u>	<u>112,024</u>
<b>Bruce Trail Enterprises</b>	<u>55,003</u>	<u>72,440</u>
<b>Administration/operations</b>		
Salaries & benefits	227,558	227,630
Bank and credit card service fees	26,593	25,732
Insurance	24,215	23,301
Professional fees	16,194	12,609
Computer and internet	15,918	17,127
Life insurance	12,669	12,669
Rent, utilities and maintenance	9,474	7,417
Office printing, supplies and postage	8,346	9,852
Office equipment rental and maintenance	7,827	7,352
Amortization	6,694	9,433
Staff expense and travel	5,349	3,179
Sundry and miscellaneous	4,322	4,784
Foreign exchange	831	4,818
	<u>365,990</u>	<u>365,903</u>
<b>Total expenses</b>	<u>529,479</u>	<u>550,367</u>
<b>Excess of revenues over expenses for the year</b>	<u>22,283</u>	<u>41,391</u>
<b>Fund balance at beginning of the year (Note 2)</b>	<u>35,021</u>	<u>(6,370)</u>
	<u>57,304</u>	<u>35,021</u>
<b>Transfer from Conservation Fund</b>	89,737	-
<b>Transfer from Endowment Fund</b>	50,106	-
<b>Transfer from Life Membership Fund</b>	7,031	-
	<u>146,874</u>	<u>-</u>
<b>Fund balance at end of the year (Note 3)</b>	<u>\$ 204,178</u>	<u>\$ 35,021</u>
<b>Fund balance comprises:</b>		
Cash and short-term investments	\$ 320,766	\$ 165,251
Inventory	65,742	34,433
Receivables and other non-cash assets	32,106	16,053
Furniture, fixtures and equipment	16,832	23,526
Deferred membership revenue	(91,708)	(90,314)
Payables and other liabilities	(139,560)	(134,312)
Interfund receivable - Conservation Fund	-	20,384
	<u>\$ 204,178</u>	<u>\$ 35,021</u>

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Endowment Fund

### STATEMENT D

	Year ended June 30	
	2014	2013
Revenue		
Interest and investment income	\$ 74,045	\$ 65,903
Expenses		
Management fees	<u>18,930</u>	<u>15,797</u>
Excess of revenue over expenses from operations	55,115	50,106
Other income		
Change in unrealized gains from investment portfolio	<u>185,095</u>	<u>109,590</u>
Excess of revenue over expenses for the year	240,210	159,696
Fund balance at beginning of the year	<u>1,642,162</u>	<u>1,436,356</u>
	1,882,372	1,596,052
Bequests and donations	50,706	46,110
Transfer to Capacity Fund	<u>(50,106)</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 1,882,972</u>	<u>\$ 1,642,162</u>



# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Life Membership Fund

### STATEMENT E

	Year ended June 30	
	2014	2013
Revenue		
Membership fees	\$ 23,066	\$ 22,382
Interest and investment income	<u>5,320</u>	<u>5,283</u>
	28,386	27,665
Expenses		
Management fees	2,323	676
Clubs' share of fees	<u>2,287</u>	<u>2,519</u>
	<u>4,610</u>	<u>3,195</u>
Excess of revenue over expenses from operations	23,776	24,470
Other income		
Change in unrealized gains from investment portfolio	<u>12,844</u>	<u>6,005</u>
Excess of revenue over expenses for the year	36,620	30,475
Fund balance at beginning of the year	<u>128,824</u>	<u>170,332</u>
	165,444	200,807
Transfer to Capacity Fund	(7,031)	-
Transfer to Land Stewardship Fund	<u>-</u>	<u>(71,983)</u>
Fund balance at end of the year	<u>\$ 158,413</u>	<u>\$ 128,824</u>

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Land Stewardship Reserve Fund

### STATEMENT F

	Year ended June 30	
	2014	2013
Revenue		
Interest and investment income	\$ 14,291	\$ 11,855
Expenses		
Management fees	<u>2,534</u>	<u>1,846</u>
Excess of revenue over expenses from operations	11,757	10,009
Other income		
Change in unrealized gains from investment portfolio	<u>35,111</u>	<u>16,415</u>
Excess of revenue over expenses for the year	46,868	26,424
Fund balance at beginning of the year	<u>435,654</u>	<u>273,363</u>
	482,522	299,787
Transfer from Conservation Fund	82,060	63,884
Transfer from Life Membership Fund	<u>-</u>	<u>71,983</u>
	<u>82,060</u>	<u>135,867</u>
Fund balance at end of the year	<u>\$ 564,582</u>	<u>\$ 435,654</u>

# The Bruce Trail Conservancy

## Statement of Cash Flows

## STATEMENT G

	Year ended June 30	
	2014	2013
<b>Operating activities</b>		
Excess of revenue over expenses for the year		
Conservation Fund (Statement B)	\$ 780,265	\$ 1,428,824
Capacity Fund (Statement C)	22,283	41,391
Endowment Fund (Statement D)	240,210	159,696
Life Membership Fund (Statement E)	36,620	30,475
Land Stewardship Reserve Fund (Statement F)	46,868	26,424
Items not involving cash		
Donations - property	(239,700)	(638,000)
Gain on sale of land assets	(224,901)	-
Amortization	30,157	32,896
	<u>691,802</u>	<u>1,081,706</u>
Net change in non-cash working capital balances related to operations (Note 9)	<u>42,073</u>	<u>160,986</u>
<b>Cash flow from operations</b>	<u><b>733,875</b></u>	<u><b>1,242,692</b></u>
<b>Financing activities</b>		
Bequests and donations - Endowment Fund	50,706	46,110
Deferred revenue - memberships (long-term)	(3,610)	9,434
(Repayment of) proceeds from loan payable	-	(477,667)
	<u>47,096</u>	<u>(422,123)</u>
<b>Investing activities</b>		
Proceeds from sale of excess land	440,195	-
Acquisition of land and buildings	(580,900)	(720,672)
Cash surrender value of life insurance	11,136	10,807
	<u>(129,569)</u>	<u>(709,865)</u>
Increase in cash and investments during the year	651,402	110,704
Cash and investments at beginning of the year	<u>2,371,891</u>	<u>2,261,187</u>
Cash and investments at end of the year	<u><b>\$ 3,023,293</b></u>	<u><b>\$ 2,371,891</b></u>
<b>Cash and investments comprise</b>		
Cash	\$ 320,766	\$ 165,251
Restricted cash and marketable securities - Endowment Fund	1,882,972	1,642,162
Restricted cash and marketable securities - Life Membership Fund	158,413	128,824
Restricted cash and marketable securities - Land Stewardship Reserve Fund	564,582	435,654
Restricted cash - Conservation Fund	<u>96,560</u>	<u>-</u>
	<u><b>\$ 3,023,293</b></u>	<u><b>\$ 2,371,891</b></u>

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

STATEMENT H

### Nature of operations

The Bruce Trail Conservancy is a charitable organization committed to establishing a conservation corridor containing a public footpath along the Niagara Escarpment, in order to protect its natural ecosystems and to promote environmentally responsible public access to this UNESCO World Biosphere Reserve. Prior to its name change on October 23, 2007, the Conservancy was known as The Bruce Trail Association.

The Bruce Trail Conservancy was incorporated on March 13, 1963 under Ontario Letters Patent and is exempt from income tax as a registered charity.

### 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:

#### Cash and cash equivalents

Cash and cash equivalents are defined to include bank account balances net of outstanding cheques and liquid securities maturing in less than one year from the financial statement date.

#### 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 assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses for the year. Due to the inherent uncertainty of making estimates, actual results could differ from those estimates.

#### Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on an average cost base.

#### Furniture, fixtures, equipment and buildings

Furniture, fixtures, equipment and buildings are stated at cost. Amortization is based on the estimated useful lives of these assets and is computed using the following annual rates and methods:

Furniture, fixtures and equipment	20% Declining balance
Computer equipment	30% Declining balance
Sundry	20% Declining balance
Buildings	30 years Straight line
Pedestrian bridge	40 years Straight line

In the year of acquisition, furniture, fixtures, equipment and buildings are amortized at one-half of their normal rates. Land and easements are not amortized.

Expenditures for maintenance and repairs are charged to income.

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

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### Significant accounting policies (continued)

#### Investments

Short-term deposits and marketable securities are recorded at their market value.

#### Financial instruments

##### Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in marketable securities.

#### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment. There was no impairment of any financial asset during the year.

#### Revenue recognition

The Conservancy follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are reported as a direct increase in the fund balance of the Endowment Fund when received.

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

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### Significant accounting policies (continued)

#### Conservation Fund

The Conservation Fund is responsible for the management and stewardship of properties along the Bruce Trail and also supports the acquisition of new properties. Revenue and expenses related to program delivery are reported in the Conservation Fund.

#### Capacity Fund

The Capacity Fund was created to reflect the administrative activities of the Conservancy. Revenue is generated from memberships sold, restricted donations designated to this fund by the donor and the sale of merchandise by Bruce Trail Enterprises.

#### Endowment Fund

The Endowment Fund was created in June 1995 to hold certain funds that were contributed to The Bruce Trail Conservancy as bequests or designated donations. Investment income earned by the fund may be distributed annually as determined by the Board of Directors.

#### Life Membership Fund

A Life Membership category exists for a fee of \$1,000 (2013 - \$1,000) whereby for each such membership, an amount of \$11 is returned annually to the home club of the life member and an amount of \$39 is transferred to the Capacity Fund for a period of 20 years.

#### Land Stewardship Reserve Fund

The Land Stewardship Reserve Fund is an internally restricted fund to be used to fund future stewardship costs relating to the Conservancy's property holdings. Certain bequests and donations may be allocated to this fund at the discretion of the Board of Directors. The Board of Directors approved a motion to adopt a policy to transfer 10% of the cost of land acquired, or received as a donation, in any fiscal year from the Conservation Fund to the Land Stewardship Reserve Fund.

During the current fiscal year the amount of the transfer was \$82,060 (\$63,884 in 2013).

#### Donated services

The work of the Conservancy is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the Conservancy and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

#### Disclosure of Allocated Expenses

The Bruce Trail Conservancy engages in many activities. Salaries and benefits, representing the largest portion of operating costs, are allocated to reflect time spent in each area. Direct expenses are charged directly to each area including, travel and related expenses, land securement and stewardship and management fees.

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

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### 2. Change in accounting policy

During the current fiscal year, the Board approved a change in the Organization's accounting policy in connection with the recording of revenues and expenses of Bruce Trail Enterprises. These amounts were previously in the Conservation Fund and are now reported in the Capacity Fund. This change in accounting policy has been applied retroactively to the inception of the Capacity Fund in the 2013 fiscal year. Net of the HST Public Service Bodies Rebate, this change resulted in a decrease of \$86,668 in excess of revenues over expenses in fiscal 2013 and a decrease in the opening fund balance of the Conservation Fund in Fiscal 2014 for the same amount. Conversely, the amount of excess revenues over expenses of the Capacity Fund in Fiscal 2013 increased by \$86,668 resulting in an increase in the opening fund balance in fiscal 2014 by the same amount. There was no impact on the aggregate total of ending Fund balances for the Organization.

### 3. Capacity Fund – Board reserves

The Board of Directors has directed that an additional \$20,263 (\$0 in 2013) of the Capacity Fund's equity balance be allocated to a head office relocation reserve. The Board cumulative reserves are as follows:

	June 30	
	<u>2014</u>	<u>2013</u>
Head office relocation	<u>\$ 110,000</u>	<u>\$ 89,737</u>

### 4. Furniture, fixtures and equipment

	June 30			
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2014 Net book value</u>	<u>2013 Net book value</u>
Furniture, fixtures and equipment	\$ 31,094	\$ 28,878	\$ 2,216	\$ 2,770
Computer equipment	156,515	142,592	13,923	19,890
Sundry	3,041	2,348	693	866
	<u>\$ 190,650</u>	<u>\$ 173,818</u>	<u>\$ 16,832</u>	<u>\$ 23,526</u>

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

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### 5. Restricted assets – Conservation Fund

As at June 30, 2014, the Conservancy, through the Conservation Fund, owned 75 properties (64 properties in 2013) and other capital assets as follows:

			June 30	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2014 Net book value</u>	<u>2013 Net book value</u>
Land and easements	\$ 10,436,170	\$ -	\$ 10,436,170	\$ 9,830,864
Buildings	420,000	112,000	308,000	322,000
Pedestrian bridge	<u>378,525</u>	<u>61,510</u>	<u>317,015</u>	<u>326,478</u>
	<u>\$ 11,234,695</u>	<u>\$ 173,510</u>	<u>\$ 11,061,185</u>	<u>\$ 10,479,342</u>

### 6. Property transfers to outside agencies

Since 1998, the Conservancy has transferred ownership of some of its properties to outside agencies including the Ontario Heritage Trust (formerly the Ontario Heritage Foundation), Conservation Authorities and the Ministry of Natural Resources (Ontario Parks). In most cases, the Conservancy remains responsible for ongoing property maintenance and stewardship activities. Some properties currently registered in the name of the Conservancy may be transferred to appropriate agencies in the future. These property transfers, when completed, will reduce the recorded value of the Conservancy's property holdings. In 2014, no properties were transferred (2 properties were transferred in 2013) to the Ministry of Natural Resources (book value in 2013 of \$248,000).

### 7. Cash surrender value of life insurance

During fiscal 2012, the Conservancy received a \$148,000 donation by way of premiums paid on a life insurance policy to which the Conservancy is the policyholder. The difference of \$11,136 between the cash surrender value of the policy at June 30, 2013 of \$113,136 and the policy's cash surrender value at June 30, 2014 of \$102,000 has been expensed as life insurance in the Conservation Fund.

### 8. Deferred revenue – memberships

The Conservancy records one-third of three year membership dues as revenue in the year of receipt. The remaining two-thirds of these membership dues are deferred and recognized as membership revenue in the second and third years of the membership term.

### 9. Net change in non-cash working capital balances relating to operations

The net change in non-cash working capital balances represents the net change in accounts receivable, inventory, prepaids and deposits, accounts payable and accrued liabilities and the current portion of deferred revenue.



# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2014

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### 10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more financial risks. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. It is management's opinion that, unless otherwise noted, the Organization is not exposed to significant currency, foreign exchange, interest or concentration risk.

### 11. Contingencies

The Conservancy has been named as a co-defendant in a lawsuit that claims damages in the aggregate amount of \$3,500,000. It is the opinion of Management that no liability will result from this claim. As a result, no amount has been accrued in these financial statements. Furthermore, it is the opinion of Management that any liability that could result will be covered by its insurance carrier. Any expenses incurred to settle this action will be recorded when paid.

### 12. Non-monetary transaction

The financial statements do not reflect rent of the head office. The head office is located on the Royal Botanical Gardens (RBG) grounds and the RBG, as a courtesy, only charges the Organization incremental costs of occupying the building. The fair market value of the rent is not known and therefore not reflected in the financial statements.

### 13. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the aggregate fund balances of the prior year.

# The Bruce Trail Conservancy

## Combined Schedule of Revenue and Expenses and Fund Balances

For the Year Ended June 30, 2014

Statement I

	Conservation Fund	Capacity Fund	Endowment Fund	Life Membership Fund	Land Stewardship Reserve Fund	Fiscal 2014 Combined Total	Fiscal 2013 Combined Total
<b>Revenue</b>							
Donations - cash	\$ 1,562,150	\$ 55,614	\$ -	\$ -	\$ -	\$ 1,617,764	\$ 2,102,584
Membership dues	-	387,147	-	23,066	-	410,213	404,997
Donations- property	239,700	-	-	-	-	239,700	638,000
Sundry income	9,612	2,725	-	-	-	12,337	8,086
Gain on sale of land assets	224,901	-	-	-	-	224,901	-
Grants	110,152	-	-	-	-	110,152	16,486
Bruce Trail Enterprises	-	106,212	-	-	-	106,212	159,109
Interest and investment income	58	64	74,045	5,320	14,291	93,778	85,079
Sponsorships	48,150	-	-	-	-	48,150	47,500
	<u>2,194,723</u>	<u>551,762</u>	<u>74,045</u>	<u>28,386</u>	<u>14,291</u>	<u>2,863,207</u>	<u>3,461,841</u>
<b>Expenses</b>							
Fundraising	279,875	-	-	-	-	279,875	270,519
Administrative salaries and benefits	-	227,558	-	-	-	227,558	227,630
Member and public outreach	203,445	-	-	-	-	203,445	204,375
Land securement	196,856	-	-	-	-	196,856	225,814
Land stewardship	169,863	-	-	-	-	169,863	175,572
Marketing	110,520	-	-	-	-	110,520	97,307
Trail development & maintenance	104,109	-	-	-	-	104,109	58,870
Club's share of membership dues	-	92,741	-	2,287	-	95,028	93,830
Bruce Trail Magazine	95,617	-	-	-	-	95,617	85,675
Volunteer management	71,815	-	-	-	-	71,815	62,109
Bruce Trail Enterprises	-	55,003	-	-	-	55,003	72,440
Other committee and meeting expenses	54,129	-	-	-	-	54,129	44,537
Land management and property taxes	38,500	-	-	-	-	38,500	54,170
Amortization	23,463	6,694	-	-	-	30,157	32,896
Land disposal costs	29,264	-	-	-	-	29,264	-
Bank and credit card service fees	-	26,593	-	-	-	26,593	25,732
Insurance	-	24,215	-	-	-	24,215	23,301
Life insurance	11,136	12,669	-	-	-	23,805	23,476
Management fees - investments	-	-	18,930	2,323	2,534	23,787	18,319
Annual general meeting	20,644	-	-	-	-	20,644	15,389
Professional fees	-	16,194	-	-	-	16,194	12,607
Club assistance	-	15,745	-	-	-	15,745	20,713
Computer and internet	-	15,918	-	-	-	15,918	17,127
Rent, utilities, and maintenance	-	9,474	-	-	-	9,474	7,142
Office printing, supplies and postage	-	8,346	-	-	-	8,346	10,126
Equipment rental and maintenance	-	7,827	-	-	-	7,827	7,351
Staff expense and travel	-	5,349	-	-	-	5,349	3,181
Landowner relations	5,222	-	-	-	-	5,222	7,231
Sundry and miscellaneous	-	4,322	-	-	-	4,322	4,784
Foreign currency exchange loss	-	831	-	-	-	831	4,818
	<u>1,414,458</u>	<u>529,479</u>	<u>18,930</u>	<u>4,610</u>	<u>2,534</u>	<u>1,970,011</u>	<u>1,907,041</u>
Excess of revenue over expenses from operations	780,265	22,283	55,115	23,776	11,757	893,196	1,554,800
Other income Change in unrealized gains from investments	-	-	185,095	12,844	35,111	233,050	132,010
Excess of revenue over expenses for the year	780,265	22,283	240,210	36,620	46,868	1,126,246	1,686,810
Fund balances at beginning of the year	10,528,528	35,021	1,642,162	128,824	435,654	12,770,189	11,285,269
	11,308,793	57,304	1,882,372	165,444	482,522	13,896,435	12,972,079
Bequests and donations	-	-	50,706	-	-	50,706	46,110
Interfund transfers	(171,797)	146,874	(50,106)	(7,031)	82,060	-	-
Property transfers to other agencies, net	-	-	-	-	-	-	(248,000)
	<u>(171,797)</u>	<u>146,874</u>	<u>600</u>	<u>(7,031)</u>	<u>82,060</u>	<u>50,706</u>	<u>(201,890)</u>
Fund balances at end of the year	\$ 11,136,996	\$ 204,178	\$ 1,882,972	\$ 158,413	\$ 564,582	\$ 13,947,141	\$ 12,770,189