

**The Bruce Trail Conservancy**

**Financial Statements**

**Year Ended June 30, 2015**



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

August 31, 2015

## **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, 2015 and the statements of revenue and expenses and fund balance of the Conservation Fund, Capacity Fund, Contingency Reserve 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.



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

**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, 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.

*Pettinelli Mastrolucis LLP*

Chartered Accountants  
Licensed Public Accountants

Hamilton, Ontario

**THE BRUCE TRAIL CONSERVANCY – HAMILTON, ONTARIO**

**FINANCIAL STATEMENTS – YEAR ENDED JUNE 30, 2015**

	<b>STATEMENT</b>
<b>Balance Sheet</b>	A
<b>Statements of Revenue and Expenses and Fund Balance:</b>	
Conservation Fund	B
Capacity Fund	C
Contingency Reserve Fund	D
Land Stewardship Reserve Fund	E
<b>Statement of Cash Flows</b>	F
<b>Notes to Financial Statements</b>	G
<b>Combined Schedule of Revenue and Expenses and Fund Balances</b>	H

# The Bruce Trail Conservancy

## Balance Sheet

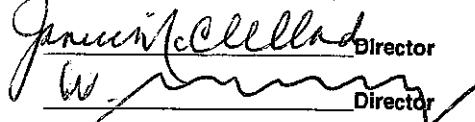
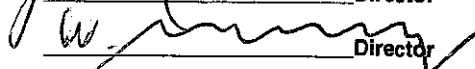
STATEMENT A

	June 30	
	2015	2014
<b>Assets</b>		
Current assets		
Cash	\$ 593,033	\$ 479,179
Accounts receivable	18,237	23,416
Inventory	59,559	65,742
Prepays and deposits	<u>14,994</u>	<u>12,356</u>
	685,823	580,693
Furniture, fixtures and equipment (Note 4)	27,077	16,832
Restricted assets - Contingency Reserve Fund		
Cash	2,500	50,707
Marketable securities	<u>998,996</u>	<u>1,832,265</u>
	<u>1,001,496</u>	<u>1,882,972</u>
Restricted assets - Land Stewardship Reserve Fund		
Cash	-	220,995
Marketable securities	<u>691,055</u>	<u>343,587</u>
	<u>691,055</u>	<u>564,582</u>
Restricted assets - Conservation Fund		
Cash	480,581	96,560
Land held for sale	200,000	-
Land, buildings and bridge (Note 5)	<u>12,104,296</u>	<u>11,061,185</u>
	<u>12,784,877</u>	<u>11,157,745</u>
Cash surrender value of life insurance (Note 6)	<u>100,557</u>	<u>102,000</u>
	<u>\$ 15,290,885</u>	<u>\$ 14,304,824</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 206,913	\$ 210,504
Deferred revenue - grants	27,893	55,471
- Current portion of 3 year memberships (Note 7)	59,140	64,542
- Current portion of life memberships (Note 7)	12,506	10,462
Mortgage payable - current (Note 8)	<u>100,000</u>	<u>-</u>
	406,452	340,979
Long-term liabilities		
Deferred revenue - 3 year memberships (Note 7)	25,764	27,166
- Life memberships (Note 7)	<u>134,346</u>	<u>126,104</u>
	160,110	153,270
<b>Fund Balances</b>		
Conservation Fund (Statement B)	12,687,512	11,136,996
Capacity Fund (Statement C)	344,260	226,025
Contingency Reserve Fund (Statement D)	1,001,496	1,882,972
Land Stewardship Reserve Fund (Statement E)	<u>691,055</u>	<u>564,582</u>
	<u>14,724,323</u>	<u>13,810,575</u>
	<u>\$ 15,290,885</u>	<u>\$ 14,304,824</u>

Contingencies - see note 9

Future commitments - see note 10

APPROVED BY THE BOARD:

 Director  
 Director

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Conservation Fund

### STATEMENT B

	Year ended June 30	
	2015	2014
<b>Revenue</b>		
Donations and bequests - cash	\$ 1,863,474	\$ 1,562,150
Donations - property	161,050	239,700
Grants	57,420	110,152
Sponsorships	39,950	48,150
Sundry income	9,128	9,612
Interest and investment income	205	58
Gain on sale of land assets	-	224,901
	<u>2,131,227</u>	<u>2,194,723</u>
<b>Expenses</b>		
Fundraising	315,042	279,875
Land stewardship	217,431	169,863
Member and public outreach	208,848	203,445
Land securement	179,167	196,856
Trail development and maintenance	107,282	104,109
Bruce Trail Magazine	94,899	95,617
Marketing	83,047	110,520
Volunteer management	78,132	71,815
Other committee and meeting expenses	58,841	54,129
Land management and property taxes	48,251	38,500
Amortization	23,463	23,463
Annual general meeting	15,858	20,644
Sundry	8,793	-
Landowner relations	2,667	5,222
Life insurance	1,443	11,136
Land disposal costs	-	29,264
	<u>1,443,164</u>	<u>1,414,458</u>
Excess of revenue over expenses for the year	688,063	780,265
Fund balance at beginning of the year	<u>11,136,996</u>	<u>10,528,528</u>
	<u>11,825,059</u>	<u>11,308,793</u>
Transfer from (to) Capacity Fund	4,693	(89,737)
Transfer from Contingency Reserve Fund	964,312	-
Transfer to Land Stewardship Fund	<u>(106,552)</u>	<u>(82,060)</u>
	<u>862,453</u>	<u>(171,797)</u>
Fund balance at end of the year	<u>\$ 12,687,512</u>	<u>\$ 11,136,996</u>
<b>Fund balance comprises:</b>		
Land, buildings and bridge (Note 5)	\$ 12,104,296	\$ 11,061,185
Cash	480,581	96,560
Land held for sale	200,000	-
Cash surrender value of life insurance	100,557	102,000
Receivables and other non-cash assets	7,677	3,666
Payables and other liabilities	<u>(205,599)</u>	<u>(126,415)</u>
	<u>\$ 12,687,512</u>	<u>\$ 11,136,996</u>

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Capacity Fund

### STATEMENT C

	Year ended June 30	
	2015	2014
<b>Revenue</b>		
Membership dues - BTC portion	\$ 310,072	\$ 301,438
Bruce Trail Enterprises	180,100	106,212
Membership dues - Club portion	95,733	95,303
Donations received for Clubs	48,185	15,745
Capacity funders	18,500	27,200
Insurance	12,669	12,669
Interest and investment income	5,621	4,815
Other sundry income	2,444	2,725
Gain on sale of marketable securities	1,247	83
	<u>674,571</u>	<u>566,190</u>
<b>Expenses</b>		
Clubs' share of membership dues - non-trail portion	78,325	78,441
Donations forwarded to Clubs	48,185	15,745
Clubs' share of membership dues - trail portion	17,408	16,862
	<u>143,918</u>	<u>111,048</u>
 Bruce Trail Enterprises	 <u>95,297</u>	 <u>55,003</u>
<b>Administration/operations</b>		
Salaries & benefits	224,487	227,558
Bank and credit card service fees	30,167	26,593
Insurance	25,005	24,215
Professional fees	15,430	16,194
Office printing, supplies and postage	13,272	8,346
Life insurance	12,669	12,669
Computer and internet	12,524	15,918
Staff expense and travel	11,532	5,349
Rent, utilities and maintenance	8,676	9,474
Amortization	7,406	6,694
Office equipment rental and maintenance	6,995	7,827
Foreign currency exchange loss	3,004	831
Sundry and miscellaneous	2,882	4,322
Investment management fees	1,491	2,323
	<u>375,540</u>	<u>368,313</u>
<b>Total expenses</b>	<b><u>614,755</u></b>	<b><u>534,364</u></b>
<b>Excess of revenues over expenses from operations</b>	<b>59,816</b>	<b>31,826</b>
<b>Other income</b>		
Change in unrealized gains from investment portfolio	3,112	13,330
	<u>3,112</u>	<u>13,330</u>
<b>Excess of revenue over expenses for the year</b>	<b><u>62,928</u></b>	<b><u>45,156</u></b>
Fund balance at beginning of the year (Note 2)	226,025	35,021
Impact of change in accounting policy (Note 2)	-	6,005
Fund balance at beginning of the year - restated	<u>226,025</u>	<u>41,026</u>
Transfer from (to) Conservation Fund	(4,693)	89,737
Transfer from Contingency Reserve Fund	60,000	50,106
	<u>55,307</u>	<u>139,843</u>
<b>Fund balance at end of the year (Note 3)</b>	<b>\$ <u>344,260</u></b>	<b>\$ <u>226,025</u></b>
<b>Fund balance comprises:</b>		
Cash	\$ 593,033	\$ 479,179
Inventory	59,559	65,742
Furniture, fixtures and equipment	27,077	16,832
Receivables and other non-cash assets	25,554	32,106
Payables and other liabilities	(129,207)	(139,560)
Deferred revenue - Memberships	(231,756)	(228,274)
	<u>\$ 344,260</u>	<u>\$ 226,025</u>

# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Contingency Reserve Fund

STATEMENT D

	Year ended June 30	
	2015	2014
Revenue		
Gain on sale of marketable securities	\$ 78,014	\$ 1,205
Interest and investment income	72,387	70,138
Bequests and donations	28,729	50,708
	<u>179,130</u>	<u>122,049</u>
Expenses		
Investment management fees	<u>21,712</u>	<u>18,930</u>
Excess of revenue over expenses from operations	157,418	103,119
Other income		
Change in unrealized (loss) gains from investment portfolio	<u>(14,582)</u>	<u>187,797</u>
Excess of revenue over expenses for the year	142,836	290,916
Fund balance at beginning of the year	<u>1,882,972</u>	<u>1,642,162</u>
	<u>2,025,808</u>	<u>1,933,078</u>
Transfer to Conservation Fund	(964,312)	-
Transfer to Capacity Fund	<u>(60,000)</u>	<u>(50,106)</u>
	<u>(1,024,312)</u>	<u>(50,106)</u>
Fund balance at end of the year	<u>\$ 1,001,496</u>	<u>\$ 1,882,972</u>



# The Bruce Trail Conservancy

## Statement of Revenue and Expenses and Fund Balance

### Land Stewardship Reserve Fund

STATEMENT E

	Year ended June 30	
	2015	2014
Revenue		
Interest and investment income	\$ 18,553	\$ 13,162
Gain on sale of marketable securities	3,407	227
	<u>21,960</u>	<u>13,389</u>
Expenses		
Investment management fees	4,079	2,534
	<u>4,079</u>	<u>2,534</u>
Excess of revenue over expenses from operations	17,881	10,855
Other income		
Change in unrealized gains from investment portfolio	2,040	36,013
	<u>2,040</u>	<u>36,013</u>
Excess of revenue over expenses for the year	19,921	46,868
Fund balance at beginning of the year	<u>564,582</u>	<u>435,654</u>
	584,503	482,522
Transfer from Conservation Fund	<u>106,552</u>	<u>82,060</u>
Fund balance at end of the year	<u>\$ 691,055</u>	<u>\$ 564,582</u>

# The Bruce Trail Conservancy

## Statement of Cash Flows

STATEMENT F

	Year ended June 30	
	2015	2014
Operating activities		
Excess of revenue over expenses for the year		
Conservation Fund (Statement B)	\$ 688,063	\$ 780,265
Capacity Fund (Statement C)	62,928	45,156
Contingency Reserve Fund (Statement D)	142,836	290,916
Land Stewardship Reserve Fund (Statement E)	19,921	46,868
Items not involving cash		
Donations - property	(161,050)	(239,700)
Gain on sale of land assets	-	(224,901)
Amortization	30,869	30,157
	<u>783,567</u>	<u>728,761</u>
Net change in non-cash working capital balances relating to operations		
Decrease (increase) in accounts receivable	5,179	(15,050)
Decrease (increase) in inventory	6,183	(31,309)
Increase in land held for sale	(200,000)	-
Decrease (increase) in prepaids and deposits	(2,638)	2,833
Increase (decrease) in accounts payable and accrued liabilities	(3,591)	30,802
Increase (decrease) in deferred grant revenue	(27,578)	49,793
Increase (decrease) in deferred revenue - 3 year memberships	(6,804)	1,394
Increase in deferred revenue - life memberships	10,286	13,747
	<u>(218,963)</u>	<u>52,210</u>
Cash flow from operations	<u>564,604</u>	<u>780,971</u>
Financing activities		
Mortgage on land purchased	100,000	-
	<u>100,000</u>	<u>-</u>
Investing activities		
Purchase of furniture, fixtures and equipment	(17,651)	-
Proceeds from sale of excess land	-	440,195
Acquisition of land and buildings	(905,524)	(580,900)
Cash surrender value of life insurance	1,443	11,136
	<u>(921,732)</u>	<u>(129,569)</u>
Increase (decrease) in cash and marketable securities during the year	(257,128)	651,402
Cash and marketable securities at beginning of the year	<u>3,023,293</u>	<u>2,371,891</u>
Cash and marketable securities at end of the year	<u>\$ 2,766,165</u>	<u>\$ 3,023,293</u>
Cash and marketable securities comprise		
Cash and marketable securities	\$ 593,033	\$ 479,179
Restricted cash and marketable securities -		
Contingency Reserve Fund	1,001,496	1,882,972
Restricted cash and marketable securities -		
Land Stewardship Reserve Fund	691,055	564,582
Restricted cash and marketable securities -		
Conservation Fund	480,581	96,560
	<u>\$ 2,766,165</u>	<u>\$ 3,023,293</u>

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2015

STATEMENT G

---

### Nature of operations

The Bruce Trail Conservancy ("BTC" or the "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, 2015

---

### Significant accounting policies (continued)

#### Marketable securities

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, accounts receivable and prepaids and deposits.

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 Contingency Reserve Fund when received.

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2015

---

### 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.

#### Contingency Reserve Fund

An endowment fund was created in June 1995 to hold certain funds that were contributed to The Bruce Trail Conservancy by way of bequests or designated donations. Investment income earned by the fund could be distributed annually as determined by the Board of Directors. During 2015, the board approved to rename this fund the Contingency Reserve Fund and reduce the amount of holdings to \$1,001,496 (2014 \$1,882,972) by way of transfers to the Capacity and Conservation Funds.

#### 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. Beginning in fiscal 2011, 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 \$106,552 (\$82,060 in 2014).

#### 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, 2015

---

### 2. Change in accounting policy

During the fiscal year, the Board approved a change in the Conservancy's accounting policy in connection with the recording of revenues and expenses related to life memberships. The Life Membership Fund has been discontinued and its activity is now reported in the Capacity Fund. This change in accounting policy has been applied retroactively and has increased the balance of current assets and current liabilities of the Capacity Fund at June 30, 2014 by \$158,413 and \$136,566 respectively and increased the Capacity Fund balance at June 30, 2014 by \$21,847. This change also resulted in a decrease in aggregate fund balances of \$136,566 and an increase in total liabilities of \$136,566 as at June 30, 2014.

The impact of this change in accounting policy on years previous to those reported in these financial statements is as follows:

Life Membership Fund balance at June 30, 2013	\$ 128,824
Deferred life membership revenue at June 30, 2013	<u>(122,819)</u>
Impact on opening Capacity Fund balance at July 1, 2013	<u>\$ 6,005</u>

### 3. Capacity Fund – Board reserves

The Board of Directors has directed that an additional \$20,000 (\$20,263 in 2014) of the Capacity Fund's equity balance be allocated to a head office relocation reserve. Cumulative reserves for this purpose are as follows:

	June 30	
	<u>2015</u>	<u>2014</u>
Head office relocation	<u>\$ 130,000</u>	<u>\$ 110,000</u>

### 4. Furniture, fixtures and equipment

	June 30			
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2015 Net book value</u>	<u>2014 Net book value</u>
Furniture, fixtures and equipment	\$ 31,094	\$ 29,321	\$ 1,773	\$ 2,216
Computer equipment	174,166	149,416	24,750	13,923
Sundry	3,041	2,487	554	693
	<u>\$ 208,301</u>	<u>\$ 181,224</u>	<u>\$ 27,077</u>	<u>\$ 16,832</u>

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2015

---

### 5. Restricted assets – Conservation Fund

As at June 30, 2015, the Conservancy, through the Conservation Fund, owned 87 properties (75 properties in 2014) and other capital assets as follows:

			June 30	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2015 Net book value</u>	<u>2014 Net book value</u>
Land and easements	\$ 11,502,744	\$ -	\$ 11,502,744	\$ 10,436,170
Buildings	420,000	126,000	294,000	308,000
Pedestrian bridge	<u>378,525</u>	<u>70,973</u>	<u>307,552</u>	<u>317,015</u>
	<u>\$ 12,301,269</u>	<u>\$ 196,973</u>	<u>\$ 12,104,296</u>	<u>\$ 11,061,185</u>

### 6. 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 \$1,443 between the cash surrender value of the policy at June 30, 2014 of \$102,000 and the policy's cash surrender value at June 30, 2015 of \$100,557 has been expensed as life insurance in the Conservation Fund.

### 7. Deferred revenue – memberships

The Conservancy has three options for those who would like to become members of The Bruce Trail Conservancy. Members can purchase a yearly, a 3 year or a life time membership. The 1 year memberships are recognized as revenue in the year in which they are sold. The 3 year membership is recognized as revenue over 3 years. With the purchase of a 3 year membership, members save \$10 and the \$10 discount is recognized as a reduction to revenue in the 3<sup>rd</sup> and final year. The cost of a life membership is equivalent to 20 years of 1 year membership dues. The revenue of the life membership is recognized evenly over 20 years. No matter which of the 3 options is selected \$11 of the membership dues is paid yearly to the Bruce Trail Club of the member's choosing. The balance of deferred membership revenue at the year-end date includes the following accounts payable to the clubs:

Life Memberships – long-term portion	\$ 31,984
3 year Memberships – current portion	15,422
3 year Memberships – long-term portion	7,513
Life Memberships – current portion	<u>2,726</u>
	<u>\$ 57,645</u>

# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2015

---

### 8. Mortgage payable

The mortgage payable is secured by a specific piece of land acquired during the year. It is non-interest bearing and due June 17, 2016.

### 9. Contingencies

The Conservancy has been named as a co-defendant in a lawsuit that claims damages in the aggregate amount of \$2,800,000. 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.

### 10. Future commitments

The Bruce Trail Conservancy has operating lease agreements for a photocopier, mailing machine and computer software. These agreements expire on or before 2020 with minimum annual lease payments in aggregate for the next five years as follows:

2016	\$	96,600
2017		51,700
2018		49,600
2019		3,100
2020		1,100
		<hr/>
	\$	202,100

### 11. 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.



# The Bruce Trail Conservancy

## Notes to Financial Statements

June 30, 2015

---

### 12. Non-monetary transaction

The financial statements do not reflect rental costs associated with the Conservancy's head office. The head office is located on the grounds of the Royal Botanical Gardens (RBG) and the RBG, as a courtesy, only charges the Conservancy 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. Economic interest

The Conservancy has an economic interest in 9 Clubs located along the Bruce Trail. Each Club has accepted responsibility for developing and maintaining the portion of the trail located within its district, for assisting with the stewardship of BTC properties, conducting hikes for member and non-member public, public outreach, fundraising for Club and BTC purposes, and other related activities. These activities are conducted by each Club using its own volunteers and financial resources, including a portion of the membership dues paid to the BTC and donations received by the BTC on behalf of the Club; the BTC may also provide special funding for projects beyond the resources of the Clubs.

### 14. 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, 2015

Statement H

	Conservation Fund	Capacity Fund	Contingency Reserve Fund	Land Stewardship Reserve Fund	Fiscal 2015 Combined Total	Fiscal 2014 Combined Total
<b>Revenue</b>						
Donations - cash	\$ 1,863,474	\$ 79,354	\$ 28,729	\$ -	\$ 1,971,537	\$ 1,668,470
Membership dues	-	405,805	-	-	405,805	396,741
Bruce Trail Enterprise	-	180,100	-	-	180,100	106,212
Donations - property	161,050	-	-	-	161,050	239,700
Interest and investment income	205	5,621	72,387	18,553	96,766	88,173
Gain on sale of marketable securities	-	1,247	78,014	3,407	82,668	1,515
Grants	57,420	-	-	-	57,420	110,152
Sponsorships	39,950	-	-	-	39,950	48,150
Sundry income	9,128	2,444	-	-	11,572	12,337
Gain on sale of land asset	-	-	-	-	-	224,901
	<u>2,131,227</u>	<u>674,571</u>	<u>179,130</u>	<u>21,960</u>	<u>3,006,888</u>	<u>2,896,351</u>
<b>Expenses</b>						
Fundraising	315,042	-	-	-	315,042	279,875
Administrative salaries and benefits	-	224,487	-	-	224,487	227,558
Land stewardship	217,431	-	-	-	217,431	169,863
Member and public outreach	208,848	-	-	-	208,848	203,445
Land securement	179,167	-	-	-	179,167	196,856
Trail development & maintenance	107,282	-	-	-	107,282	104,109
Club's share of membership fees	-	95,733	-	-	95,733	95,303
Bruce Trail Enterprise	-	95,297	-	-	95,297	55,003
Bruce Trail Magazine	94,899	-	-	-	94,899	95,617
Marketing	83,047	-	-	-	83,047	110,520
Volunteer management	78,132	-	-	-	78,132	71,815
Other committee and meeting expenses	58,841	-	-	-	58,841	54,129
Land management and property taxes	48,251	-	-	-	48,251	38,500
Donations forwarded to Clubs	-	48,185	-	-	48,185	15,745
Amortization	23,463	7,406	-	-	30,869	30,157
Bank and credit card service charges	-	30,167	-	-	30,167	26,593
Investment management fees	-	1,491	21,712	4,079	27,282	23,787
Insurance	-	25,005	-	-	25,005	24,215
Annual general meeting	15,858	-	-	-	15,858	20,644
Professional fees	-	15,430	-	-	15,430	16,194
Life Insurance	1,443	12,669	-	-	14,112	23,805
Office printing, supplies and postage	-	13,272	-	-	13,272	8,346
Computer and internet expenses	-	12,524	-	-	12,524	15,918
Sundry and miscellaneous	8,793	2,882	-	-	11,675	4,322
Staff expense and travel	-	11,532	-	-	11,532	5,349
Rent, utilities and maintenance	-	8,676	-	-	8,676	9,474
Equipment rental and maintenance	-	6,995	-	-	6,995	7,827
Foreign currency exchange loss	-	3,004	-	-	3,004	831
Landowner relations	2,667	-	-	-	2,667	5,222
Land disposal costs	-	-	-	-	-	29,264
	<u>1,443,164</u>	<u>614,755</u>	<u>21,712</u>	<u>4,079</u>	<u>2,083,710</u>	<u>1,970,286</u>
Excess of revenue over expenses from operations	688,063	59,816	157,418	17,881	923,178	926,065
<b>Other income</b>						
Change in unrealized gains (losses) from investment portfolio	-	3,112	(14,582)	2,040	(9,430)	237,140
Excess of revenue over expenses for the year	688,063	62,928	142,836	19,921	913,748	1,163,205
Fund balances at beginning of the year	11,136,996	226,025	1,882,972	564,582	13,810,575	12,647,370
	11,825,059	288,953	2,025,808	584,503	14,724,323	13,810,575
Interfund transfers	862,453	55,307	(1,024,312)	106,552	-	-
Fund balances at end of the year	\$ 12,687,512	\$ 344,260	\$ 1,001,496	\$ 691,055	\$ 14,724,323	\$ 13,810,575