

THE FRIENDS OF PRESQU'ILE PARK

FINANCIAL STATEMENTS

December 31, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
THE FRIENDS OF PRESQU'ILE PARK

We have reviewed the accompanying financial statements of **THE FRIENDS OF PRESQU'ILE PARK** which comprise the statement of financial position as at December 31, 2020, and the statements of 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **THE FRIENDS OF PRESQU'ILE PARK** as at December 31, 2020, 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.

Trenton, Ontario
May 11, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

THE FRIENDS OF PRESQU'ILE PARK
(Incorporated without share capital under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$ 18,284	\$ 35,791
Restricted cash - note 5	11,707	-
Accounts receivable	113	113
Government remittances recoverable	2,253	7,829
Inventory	20,869	3,369
Prepaid expenses	<u>2,497</u>	<u>3,565</u>
	55,723	50,667
INVESTMENTS - note 4	<u>205,380</u>	<u>192,377</u>
	<u>\$ 261,103</u>	<u>\$ 243,044</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,330	\$ 4,223
Deferred contributions - note 5	<u>63,632</u>	<u>52,821</u>
	<u>69,962</u>	<u>57,044</u>
NET ASSETS		
Internally restricted - note 6	138,000	140,000
Unrestricted	<u>53,141</u>	<u>46,000</u>
	<u>191,141</u>	<u>186,000</u>
	<u>\$ 261,103</u>	<u>\$ 243,044</u>

Approved by the Board:

_____ Director

_____ Director

(Unaudited)
(See accompanying notes)

Welch LLP

An Independent Member of BKR International

THE FRIENDS OF PRESQU'ILE PARK
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Fundraising Events and Operations - gross profit - Schedule A	\$ 652	\$ 57,537
Donations	26,884	4,087
Memberships	1,840	2,260
Investment	<u>8,019</u>	<u>7,074</u>
Total Revenues	<u>37,395</u>	<u>70,958</u>
PROGRAM EXPENSES - net - Schedule B		
Education Programs	6,200	30,827
Park Improvements	-	6,053
Environmental Initiatives	<u>914</u>	<u>8,245</u>
Subtotal Program Expenses	<u>7,114</u>	<u>45,125</u>
OPERATING EXPENSES		
Promotion	100	50
Bank charges and credit card costs	1,350	5,732
Equipment purchase	-	344
Insurance	3,582	4,493
Meetings	4,340	993
Miscellaneous	1,701	1,981
Postage and office	4,154	4,265
Professional fees	<u>4,100</u>	<u>3,800</u>
Subtotal Operating Expenses	<u>19,327</u>	<u>21,658</u>
Total Expenses	<u>26,441</u>	<u>66,783</u>
Excess of revenue over expenses before item below	10,954	4,175
Adjustment to fair market value of investments	<u>(5,813)</u>	<u>13,182</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 5,141</u>	<u>\$ 17,357</u>

(Unaudited)
(See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF FUND RAISING EVENTS AND OPERATIONS - GROSS PROFIT
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>SCHEDULE A</u> <u>2019</u>
Lighthouse Gift Shop		
Lighthouse Gift Shop sales	\$ 476	\$ 48,344
Cost of sales	(310)	(29,791)
Wages	-	(1,223)
Gross profit	<u>\$ 166</u>	<u>\$ 17,330</u>
Cost of Sales		
Inventory at beginning of year	\$ 3,369	\$ 2,767
Purchases	17,810	30,393
Inventory at end of year	(20,869)	(3,369)
	<u>\$ 310</u>	<u>\$ 29,791</u>
Christmas at Presqu'ile		
Arts and crafts sales	\$ -	\$ 103,768
Tea room sales	-	9,186
Raffle ticket sales	-	4,387
Total sales	<u>-</u>	<u>117,341</u>
Arts and crafts purchases	-	78,727
Tea room supplies purchases	49	2,273
Advertising and promotion (recovery)	(412)	3,140
Supplies and decorations	-	2,583
Total purchases (recovery)	<u>(363)</u>	<u>86,723</u>
Gross profit	<u>\$ 363</u>	<u>\$ 30,618</u>
BBQs		
Sales	\$ -	\$ 6,534
Supplies purchases	-	(2,307)
Gross profit	<u>\$ -</u>	<u>\$ 4,227</u>
Raffles and Other Events		
Sales	\$ 428	\$ 6,194
Supplies purchases	(305)	(832)
Gross profit	<u>\$ 123</u>	<u>\$ 5,362</u>
Total Fundraisers Gross Profit	<u>\$ 652</u>	<u>\$ 57,537</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
SCHEDULE OF CHARITABLE PROGRAMS - GROSS EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	SCHEDULE B <u>2019</u>
Kids 'n Nature		
Employment Grants	\$ -	\$ 4,348
Wages	-	16,454
Nature Program Expenses	-	2,046
Gross Expenses	<u>-</u>	<u>18,500</u>
Discovery Education Program		
Employment Grants	-	4,021
Wages	-	17,696
Bursaries	-	3,000
Gross Expenses	<u>-</u>	<u>20,696</u>
Online Education Program		
Program Expenses	6,200	-
EDUCATION PROGRAMS	<u>\$ 6,200</u>	<u>\$ 30,827</u>
PARK IMPROVEMENTS		
Trail improvements	\$ -	\$ 6,044
Beach Mobility Access	-	9
Marsh Boardwalk repairs	7,160	-
Marsh Boardwalk Contributions	7,160 (7,160)	6,053 -
TOTAL PARK IMPROVEMENTS	<u>\$ -</u>	<u>\$ 6,053</u>
ENVIRONMENTAL INITIATIVES		
Invasive Species - Park Expenses	\$ -	\$ 5,000
Species at Risk	219	-
Tern Research Study	3,000	5,526
Birding Program - Seed expenses	240	187
Monarchs and Migrants	-	1,000
25th Anniversary Base Contributions	3,459	11,713
Monarchs and Migrants - TD grant	(2,545)	(2,468)
TOTAL ENVIRONMENTAL INITIATIVES	<u>\$ 914</u>	<u>\$ 8,245</u>
Total Funded Program Expenses	<u>\$ 7,114</u>	<u>\$ 45,125</u>

(Unaudited - See accompanying notes)

THE FRIENDS OF PRESQU'ILE PARK
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 5,141	\$ 17,357
Adjustment to fair market value of investments	5,813	(13,182)
Adjustment for donated shares	<u>(20,506)</u>	<u>-</u>
	(9,552)	4,175
Change in non-cash working capital components:		
Government remittances	5,576	(9,928)
Inventory	(17,500)	(602)
Prepaid expenses	1,068	193
Accounts payable and accrued liabilities	2,107	373
Deferred contributions	<u>10,811</u>	<u>(525)</u>
	<u>(7,490)</u>	<u>(6,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on maturity of investments	100,000	60,000
Purchases of investments	<u>(98,310)</u>	<u>(55,920)</u>
	<u>1,690</u>	<u>4,080</u>
DECREASE IN CASH	(5,800)	(2,234)
CASH, beginning of year	<u>35,791</u>	<u>38,025</u>
CASH, end of year	<u>\$ 29,991</u>	<u>\$ 35,791</u>
 CASH CONSISTS OF:		
Cash	\$ 18,284	\$ 35,791
Restricted cash	<u>11,707</u>	<u>-</u>
	<u>\$ 29,991</u>	<u>\$ 35,791</u>

(Unaudited)
(See accompanying notes)

**THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

1. PURPOSE OF ORGANIZATION

The Friends of Presqu'ile Park is an incorporated organization whose purpose is to encourage and support interpretive, educational, scientific, historical, protection and preservation programs related to the natural and historical resources of Presqu'ile Provincial Park. The Friends of Presqu'ile Park is a charitable organization and as such is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Corporation 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.

Revenue is recognized at the time goods are shipped or services are supplied to customers. Provision is made for expected collection losses based on the Corporation's past experience.

Contributed Materials and Services

Contributed materials are recorded at the fair market value of the items contributed on the date of contribution. Due to the difficulty in determining the fair value of volunteer services, contributed services are not recognized in the financial statements.

Inventory

The inventory is valued at the lower of cost and market value with cost being determined on a first-in, first-out basis.

Financial Instruments

The Corporation's cash and investments are initially recognized and subsequently measured at fair market value. All other financial instruments are subsequently measured at amortized cost.

(Unaudited)

**THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

The Corporation is considered to be a “small organization” for the purposes of the accounting recommendations of the Chartered Professional Accountants of Canada applicable to not-for-profit organizations. Accordingly, tangible capital assets are expensed at the time of purchase. Proceeds of disposition are shown as revenue when an item is sold.

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 disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the recording of inventory and accrued liabilities. Actual results could differ from those estimates.

3. FINANCIAL INSTRUMENTS

Credit Risk

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Corporation’s maximum exposure to credit risk represents the sum of the carrying value of its cash, its guaranteed investment certificates and its accounts receivable. The Corporation’s cash and guaranteed investment certificates are deposited with a chartered bank and as a result management believes the risk of loss on these items to be remote. As accounts receivable is accrued interest on investments, management believes that all accounts receivable at year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its commitments when they become due. The Corporation manages this risk by reviewing future cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

(Unaudited)

**THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

3. FINANCIAL INSTRUMENTS (continued)

Currency Risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Substantially all of the Corporation's transactions are in Canadian dollars and as a result the Corporation is not subject to significant currency risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk arises from its interest bearing investments. The Corporation manages this risk by having prudent investment policies.

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Corporation is exposed to other price risk on its equity investments.

Change in Risk

There have been no significant changes in the Corporation's risk exposures from the prior year.

(Unaudited)

**THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

4. INVESTMENTS

Investments consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Canadian Equities	\$ 165,380	\$ 148,599	\$ 142,377	\$ 119,814
Guaranteed Investment Certificates				
- 0.45% cashable maturing November 18, 2021	40,000	40,000	-	-
- 2.1% non-redeemable maturing October 1, 2020	-	-	40,000	40,000
- 0.5% cashable maturing October 1, 2020	-	-	<u>10,000</u>	<u>10,000</u>
	<u>40,000</u>	<u>40,000</u>	<u>50,000</u>	<u>50,000</u>
	<u>\$ 205,380</u>	<u>\$ 188,599</u>	<u>\$ 192,377</u>	<u>\$ 169,814</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of amounts received from donors which were designated for specific projects. During 2020, changes were as follows:

	<u>2020</u>	<u>2019</u>
25th Anniversary Environmental Fund		
Balance, beginning of year	\$ 52,821	\$ 53,346
Receipts	1,649	1,943
Recognized as revenue	<u>(2,545)</u>	<u>(2,468)</u>
	<u>51,925</u>	<u>52,821</u>
Marsh Boardwalk Fund		
Balance, beginning of year	-	-
Receipts	18,867	-
Recognized as revenue	<u>(7,160)</u>	<u>-</u>
	<u>11,707</u>	<u>-</u>
Total deferred contributions	<u>\$ 63,632</u>	<u>\$ 52,821</u>

The Board must use these funds for their designated purposes.

The balance of the Marsh Boardwalk funds are shown as restricted cash on the statement of financial position.

(Unaudited)

**THE FRIENDS OF PRESQU'ILE PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

6. NET ASSETS - INTERNALLY RESTRICTED

Internally restricted net assets consist of:

	<u>2020</u>	<u>2019</u>
25th Anniversary Environmental Fund	\$ 38,000	\$ 40,000
Contingency Reserve	<u>100,000</u>	<u>100,000</u>
	<u>\$ 138,000</u>	<u>\$ 140,000</u>

Expenses totalling \$2,000 were charged to the 25th Anniversary Environmental Fund during the year.

7. GROSS REVENUE

Gross revenue consists of:

	<u>2020</u>	<u>2019</u>
Sales	\$ 476	\$ 48,344
Fundraising and programs	10,133	24,565
Christmas at Presqu'ile	-	117,341
Other	<u>36,743</u>	<u>13,421</u>
	<u>\$ 47,352</u>	<u>\$ 203,671</u>

8. COMMITMENT

During the year, the Corporation entered into a service agreement, in the amount of \$10,000, for the implementation of an online education program. At December 31, 2020, \$6,000 has been paid related to this project. The remaining \$4,000 is expected to be paid in 2021 when the project is completed.

9. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE CORONAVIRUS DISEASE (COVID-19) OUTBREAK

In mid-March of 2020, the Province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of the novel coronavirus ("Covid-19"). As a result, various programs and fundraising events were cancelled, the Lighthouse gift shop was closed, and the Corporation's investments were affected by the Covid-19 impact on the market.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the virus makes it difficult to determine the length of time that the Corporation's operations will be impacted.

(Unaudited)