

**Thunder Bay Field Naturalists Club**  
**Financial Statements**  
For the year ended December 31, 2020  
(Unaudited)

**Contents**

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## Independent Practitioner's Review Engagement Report

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### To the Members of Thunder Bay Field Naturalists Club

We have reviewed the accompanying financial statements of Thunder Bay Field Naturalists Club that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets 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.

### Basis for Qualified Conclusion

In common with many not-for-profit organizations, Thunder Bay Field Naturalists Club derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Thunder Bay Field Naturalists Club. Therefore we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flow from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our review conclusion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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## Independent Practitioner's Review Engagement Report (cont'd)

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### Qualified Conclusion

Based on our review, except for the possible effects to the matter described in the Basis for Qualified Conclusion paragraph, 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 Thunder Bay Field Naturalists Club 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario  
May 19, 2021

**Thunder Bay Field Naturalists Club**  
**Statement of Financial Position**  
**(Unaudited)**

December 31	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 116,409	\$ 135,756
Marketable securities (Note 2)	469,872	348,602
Accounts receivable	29,015	250
Government remittances receivable	1,413	2,722
Inventory	912	984
Prepays	5,185	5,185
	622,806	493,499
Land endowment investments (Note 2)	860,724	691,840
	\$ 1,483,530	\$ 1,185,339
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ -	\$ 553
Deferred revenue (Note 3)	317,123	312,293
	317,123	312,846
<b>Net assets</b>		
Accumulated operating surplus		
Unrestricted	205,683	80,653
Internally restricted (Note 4)	100,000	100,000
Endowments (Note 2)	860,724	691,840
	1,166,407	872,493
	\$ 1,483,530	\$ 1,185,339

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Thunder Bay Field Naturalists Club Statement of Operations (Unaudited)

For the year ended December 31	2020	2019
<b>Revenue</b>		
Federal grants		
Nature Conservancy of Canada	\$ 193,319	\$ -
Environment and Climate Change Canada	-	117,714
Parks Canada	-	5,000
Donation-in-kind	179,247	-
Other grants and stewardship funding		
McLean Foundation grant	15,000	-
Echo Foundation grant	30,000	25,000
Bird Studies Canada	1,540	1,759
Ontario Land Trust Alliance Inc.	4,274	-
Ontario Heritage Trust	749	2,900
Events and merchandise	138	159
Memberships	3,305	4,407
General donations	6,109	4,967
Nature Reserve donations	77,590	108,363
Investment income	39,712	32,531
Other	2,009	3,625
	552,992	306,425
<b>Expenses</b>		
Charitable activities (Schedule)	504,492	255,080
Distributions to other organizations (Schedule)	-	365
General and administrative (Schedule)	11,690	23,146
	516,182	278,591
<b>Excess of revenue over expenses for the year before the undernoted</b>	<b>36,810</b>	<b>27,834</b>
<b>Realized gain (loss) on disposal of investments</b>	<b>(2,184)</b>	<b>4,981</b>
<b>Unrealized investment gain (loss)</b>	<b>90,404</b>	<b>(1,098)</b>
	<b>125,030</b>	<b>31,717</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 125,030</b>	<b>\$ 31,717</b>

The accompanying notes are an integral part of these financial statements.

**Thunder Bay Field Naturalists Club  
Statement of Changes in Net Assets  
(Unaudited)**

For the year ended December 31

2020      2019

	<u>Operating</u>			Total	Total
	Unrestricted	Internally Restricted	Endowments		
<b>Net assets, beginning of year</b>	\$ 80,653	\$ 100,000	\$ 691,840	\$ 872,493	\$ 643,606
Excess of revenue over expenses for the year	125,030	-	-	125,030	31,717
Endowment contributions	-	-	126,250	126,250	140,000
Endowment fair value increase in investments	-	-	42,634	42,634	57,170
<b>Net assets, end of year</b>	<b>\$ 205,683</b>	<b>\$ 100,000</b>	<b>\$ 860,724</b>	<b>\$1,166,407</b>	<b>\$ 872,493</b>

The accompanying notes are an integral part of these financial statements.

## Thunder Bay Field Naturalists Club Statement of Cash Flows (Unaudited)

For the year ended December 31	2020	2019
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 125,030	\$ 31,717
Items not involving cash:		
Unrealized (gain) loss on marketable securities	(90,404)	1,098
Gain on disposal of marketable securities	2,184	(4,981)
	<u>36,810</u>	<u>27,834</u>
Changes in non-cash working capital balances		
Accounts receivable	(28,765)	66,532
Government remittances receivable	1,309	1,326
Inventory	72	150
Prepays	-	(5,185)
Accounts payable and accrued liabilities	(553)	553
Deferred revenue	4,830	20,927
	<u>(23,107)</u>	<u>84,303</u>
	<u>13,703</u>	<u>112,137</u>
<b>Cash flows from investing activities</b>		
Purchase of endowment fund investments	(126,250)	(140,000)
Purchase of marketable securities	(161,017)	(263,195)
Proceeds on disposal of marketable securities	126,250	139,763
	<u>(161,017)</u>	<u>(263,432)</u>
<b>Cash flows from financing activities</b>		
Endowment contributions	126,250	140,000
Change in marketable securities cash account	1,717	(4,831)
	<u>127,967</u>	<u>135,169</u>
<b>Decrease in cash during the year</b>	<b>(19,347)</b>	<b>(16,126)</b>
<b>Cash, beginning of year</b>	<b>135,756</b>	<b>151,882</b>
<b>Cash, end of year</b>	<b>\$ 116,409</b>	<b>\$ 135,756</b>

The accompanying notes are an integral part of these financial statements.

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## Thunder Bay Field Naturalists Club Notes to Financial Statements (Unaudited)

December 31, 2020

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### 1. Significant Accounting Policies

<b>Basis of Accounting</b>	These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards use the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
<b>Nature and Purpose of Organization</b>	The Thunder Bay Field Naturalists Club (the "Club") was incorporated under the laws of the Province of Ontario in 1978 without share capital. The Organization is a registered charity dedicated to the study of nature and all aspects of the environment, and in this pursuit to printing, publishing, selling and distributing literature and to accepting donations, gifts, legacies and bequests. The corporation is exempt from income tax under section 149 (1) (l) of the Income Tax Act.
<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. All investments have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.
<b>Inventory</b>	Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.



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## Thunder Bay Field Naturalists Club Notes to Financial Statements (Unaudited)

December 31, 2020

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### 1. Significant Accounting Policies (cont'd)

#### Revenue Recognition

The Thunder Bay Field Naturalists Club follows the deferral method of accounting for government grants and program contributions. Membership fees and other revenue such as events are recognized as income to the extent that the related goods or services are provided within the fiscal year of the Thunder Bay Field Naturalists Club.

Externally restricted contributions, such as externally restricted grants and nature reserve donations, are recognized as revenue in the year in which the related expenditures are incurred. Restricted contributions that must be maintained as an endowment are credited to net assets. 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.

#### Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimate used in the preparation of these financial statements is the accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### Contributed Materials Services

Contributed materials and services, which are used in the normal course of operations and would otherwise been purchased, are recorded at their fair market value at the date of contribution if fair value can be reasonably estimated.

## Thunder Bay Field Naturalists Club Notes to Financial Statements (Unaudited)

**December 31, 2020**

### 1. Significant Accounting Policies (cont'd)

<b>Conservation Lands</b>	Certain land owned by the Organization is classified as part of a cultural and natural heritage collection held in organization for which a fair market value cannot be reasonably assigned. As such, these properties are exempt from being included.
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### 2. Marketable Securities

	2020	2019
<b>General:</b>		
Savings accounts (cost \$4,275 (2019 - \$5,992))	\$ 4,275	\$ 5,992
Equities (cost \$388,128 (2019 - \$355,545))	465,597	342,610
	\$ 469,872	\$ 348,602
<b>Land Endowment:</b>		
Savings accounts (cost \$27,436 (2019 - \$26,084))	\$ 27,438	\$ 26,361
Equities (cost \$579,133 (2019 - \$452,883))	833,286	665,479
	\$ 860,724	\$ 691,840

Thunder Bay Field Naturalists Club receives certain contributions that must be maintained in perpetuity. These contributions, along with any related unexpended investment income is maintained in an endowment fund.

### 3. Deferred Revenue

	2020	2019
Memberships TBFN	\$ 1,435	\$ 1,140
Memberships TCBO	-	140
Nature Reserves	315,688	311,013
	\$ 317,123	\$ 312,293

### 4. Internally Restricted Net Assets

During the year ended December 31, 2019, Thunder Bay Field Naturalists Club's Board of Directors internally restricted \$100,000 of net assets to be held for the future purchase of nature reserve land. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

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## Thunder Bay Field Naturalists Club Notes to Financial Statements (Unaudited)

December 31, 2020

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### 5. Conservation Lands

Conservation lands, either purchased or donated, are assets held as part of the Club's collection. The land collection consists of approximately 6,238 acres at 18 conservation land locations held for the study and preservation of nature.

During the year, conservation lands were purchased for \$495,156. Of this amount, \$30,000 was funded by the Echo Foundation, \$15,000 funded by the Mclean Foundation, \$193,319 funded by the Nature Conservancy of Canada, \$77,590 funded by the Thunder Bay Field Naturalists and \$179,247 was received as a donation-in-kind.

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### 6. Financial Instruments

Unless otherwise noted, it is management's opinion that the Thunder Bay Field Naturalists Club is not exposed to significant currency or interest rate risk arising from financial instruments.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Club is exposed to market risk to the extent that it holds securities in an active market. The Club held \$1,298,883 in equity investments at December 31, 2020.

#### Credit Risk

Credit risk is the risk of financial loss to the Club if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Associations's receivables. The Club does not believe it is subject to any significant concentrations of credit risk related to accounts receivable.

The Club is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000.

#### Liquidity Risk

Liquidity risk is the risk that the Club encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Club will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable. Management believes they are not exposed to significant liquidity risk.

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## Thunder Bay Field Naturalists Club Notes to Financial Statements (Unaudited)

December 31, 2020

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### 7. COVID-19 Impact

Prior to fiscal year ending on December 31, 2020, the Province of Ontario declared a state of emergency and placed restrictions on specific business activities, allowing only essential businesses to remain open. The Club's operations have not been significantly impacted by these restrictions.

## Thunder Bay Field Naturalists Club Schedule (Unaudited)

For the year ended December 31	2020	2019
<b>Charitable activities</b>		
Bird banding	\$ 1,885	\$ 2,708
Conferences and workshops	1,105	1,955
Equipment	1,151	-
Ontario Heritage Trust reserve	417	545
Insurance	1,718	1,730
Land acquisition	467,639	212,500
Land appraisals	10,657	-
Land stewardship	6,558	18,182
Miscellaneous	643	941
Project Peregrine	-	584
Professional fees	12,349	15,516
Property and mining taxes	370	419
	\$ 504,492	\$ 255,080
<b>Distributions to other organizations</b>		
Lakehead University Herbarium	\$ -	\$ 200
Ontario Nature	-	165
	\$ -	\$ 365
<b>General and administrative</b>		
Advertising and promotion	\$ 115	\$ 1,245
Bad debt expense	-	1,175
Bank charges	1,074	265
Dues, fees and memberships	1,108	735
Equipment	-	5,457
Hall rental	-	692
Insurance	1,582	1,544
Newsletters	831	1,076
Office and postage	1,071	854
Professional fees	5,233	4,958
Website	676	5,145
	\$ 11,690	\$ 23,146