

**Thunder Bay Field Naturalists Club**  
**Financial Statements**  
For the year ended December 31, 2021  
(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, 2021, 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our review conclusion on the financial statements for the year ended December 31, 2020 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, 2021, 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  
April 1, 2022

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

December 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 360,369	\$ 120,684
Marketable securities (Note 2)	600,519	465,597
Accounts receivable	6,267	29,015
Government remittances receivable	1,202	1,413
Inventory	3,505	912
Prepays	-	5,185
	971,862	622,806
Land endowment investments (Note 2)	1,101,585	860,724
	\$ 2,073,447	\$ 1,483,530

**Liabilities and Net Assets**

<b>Current</b>		
Deferred revenue (Note 3)	\$ 452,122	\$ 317,123
<b>Net assets</b>		
Accumulated operating surplus		
Unrestricted	169,740	205,683
Internally restricted (Note 4)	350,000	100,000
Endowments (Note 2)	1,101,585	860,724
	1,621,325	1,166,407
	\$ 2,073,447	\$ 1,483,530

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

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

For the year ended December 31	2021	2020
<b>Revenue</b>		
Federal grants		
Nature Conservancy of Canada	\$ 30,000	\$ 193,319
Environment and Climate Change Canada	200	-
Parks Canada	5,000	-
Provincial grants		
Ontario Land Trust Alliance Inc.	100,071	4,274
Ontario Heritage Trust	2,022	749
Other grants and stewardship funding		
McLean Foundation grant	-	15,000
Echo Foundation grant	-	30,000
Bird Studies Canada	1,311	1,540
TD - Friends of the Environment Foundation	5,750	-
Donation-in-kind	-	179,247
Events and merchandise	30,993	138
Memberships	7,355	3,305
General donations	3,985	6,109
Nature Reserve donations	80,388	77,590
Investment income	43,418	39,712
Other	2,180	2,009
	<b>312,673</b>	<b>552,992</b>
<b>Expenses</b>		
Charitable activities (Schedule)	231,293	504,492
Distributions to other organizations (Schedule)	1,825	-
General and administrative (Schedule)	11,909	11,690
	<b>245,027</b>	<b>516,182</b>
Excess of revenue over expenses for the year before the undernoted	67,646	36,810
Realized gain (loss) on disposal of investments	22,110	(2,184)
Unrealized investment gain	124,301	90,404
	<b>214,057</b>	<b>125,030</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 214,057</b>	<b>\$ 125,030</b>

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

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

	2021		2020	
	For the year ended December 31	Total	Total	Total
	Unrestricted	Operating Internally Restricted	Endowments	Total
<b>Net assets, beginning of year</b>	\$ 205,683	\$ 100,000	\$ 860,724	\$ 1,166,407
Excess of revenue over expenses for the year	214,057	-	-	214,057
Endowment contributions	-	-	19,500	19,500
Endowment fair value increase in investments	-	-	221,361	221,361
Interfund transfers	(250,000)	250,000	-	-
<b>Net assets, end of year</b>	<b>\$ 169,740</b>	<b>\$ 350,000</b>	<b>\$ 1,101,585</b>	<b>\$ 1,621,325</b>
				<b>\$ 1,166,407</b>

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

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

<b>For the year ended December 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 214,057	\$ 125,030
Items not involving cash:		
Unrealized gain on marketable securities	(124,301)	(90,404)
Gain (loss) on disposal of investments	(22,110)	2,184
	<u>67,646</u>	<u>36,810</u>
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	22,748	(28,765)
Government remittances receivable	211	1,309
Inventory	(2,593)	72
Prepays	5,185	-
Accounts payable and accrued liabilities	-	(553)
Deferred revenue	134,999	4,830
	<u>160,550</u>	<u>(23,107)</u>
	<u>228,196</u>	<u>13,703</u>
<b>Cash flows from investing activities</b>		
Purchase of endowment fund investments	(19,500)	(126,250)
Purchase of marketable securities	(121,127)	(161,017)
Proceeds on disposal of marketable securities	132,616	126,250
	<u>(8,011)</u>	<u>(161,017)</u>
<b>Cash flows from financing activities</b>		
Endowment contributions	19,500	126,250
	<u>19,500</u>	<u>126,250</u>
<b>Increase (decrease) in cash during the year</b>	<b>239,685</b>	<b>(21,064)</b>
<b>Cash, beginning of year</b>	<u><b>120,684</b></u>	<u><b>141,748</b></u>
<b>Cash, end of year</b>	<u><b>\$ 360,369</b></u>	<u><b>\$ 120,684</b></u>

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, 2021

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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, 2021

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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.

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

December 31, 2021

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

<p><b>Conservation Lands</b></p>	<p>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.</p>
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### 2. Marketable Securities

	2021	2020
<b>General:</b>		
Equities (cost \$398,749 (2020 - \$388,128))	600,519	465,597
<b>Land Endowment:</b>		
Savings accounts (cost \$78,270 (2020 - \$27,436))	\$ 78,270	\$ 27,438
Equities (cost \$551,508 (2020 - \$579,133))	1,023,315	833,286
	\$ 1,101,585	\$ 860,724

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.

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### 3. Deferred Revenue

	2021	2020
Memberships TBFN	\$ 1,105	\$ 1,435
Nature Reserves	451,017	315,688
	\$ 452,122	\$ 317,123

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### 4. Internally Restricted Net Assets

During the year ended December 31, 2019, Thunder Bay Field Naturalists Club's Board of Directors internally restricted \$350,000 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, 2021

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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 6,350 acres at 18 conservation land locations held for the study and preservation of nature.

During the year, conservation lands were purchased for \$203,209. Of this amount, \$30,000 was funded by the Nature Conservancy of Canada, \$96,071 was funded by the Ontario Land Trust Alliance Inc., and \$77,138 was funded by the Thunder Bay Field Naturalists.

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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 \$1,623,834 in equity investments at December 31, 2021.

#### 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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### 7. Comparative Figures

Certain of the comparative figures presented in the accompanying financial statements have been reclassified to conform with the current year's presentation.

**Thunder Bay Field Naturalists Club  
Schedule  
(Unaudited)**

For the year ended December 31	2021	2020
<b>Charitable activities</b>		
Bird banding	\$ 2,923	\$ 1,885
Cabin supplies	1,713	-
Conferences and workshops	-	1,105
Equipment	950	1,151
Ontario Heritage Trust reserve	1,927	417
Insurance	3,146	1,718
Land acquisition	192,562	467,639
Land appraisals	6,838	10,657
Land stewardship	2,404	6,558
Miscellaneous	1,362	643
Nature guides	13,677	-
Professional fees	2,920	12,349
Property and mining taxes	871	370
	<u>\$ 231,293</u>	<u>\$ 504,492</u>
<b>Distributions to other organizations</b>		
Lakehead University Scholarship	\$ 350	\$ -
NWO Regional Science Fair Award	375	-
Ontario Land Trust Alliance	500	-
Ontario Nature	600	-
	<u>\$ 1,825</u>	<u>\$ -</u>
<b>General and administrative</b>		
Advertising and promotion	\$ 161	\$ 115
Bank charges	1	1,074
Dues, fees and memberships	1,108	1,108
Hall rental	194	-
Insurance	1,785	1,582
Newsletters	948	831
Office and postage	1,522	1,071
Professional fees	5,569	5,233
Website	621	676
	<u>\$ 11,909</u>	<u>\$ 11,690</u>