

Thunder Bay Field Naturalists Club
Financial Statements
For the year ended December 31, 2023
(Unaudited)

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Independent Practitioner's Review Engagement Report

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, 2023, 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our review conclusion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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, 2023, 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 13, 2024

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

December 31	2023	2022
Assets		
Current		
Cash	\$ 369,368	\$ 153,857
Investments (Note 2)	412,689	531,965
Accounts receivable	51,664	299,531
Government remittances receivable	4,172	4,034
Inventory	215	2,560
	838,108	991,947
Land endowment investments (Note 2)	1,229,989	1,003,033
Conservation lands (Note 3)	56	53
	\$ 2,068,153	\$ 1,995,033
Liabilities and Net Assets		
Current		
Bank indebtedness	\$ -	\$ 289,406
Deferred revenue (Note 4)	274,673	257,993
	274,673	547,399
Net assets		
Accumulated operating surplus		
Unrestricted	213,491	94,601
Internally restricted (Note 5)	350,000	350,000
Endowments (Note 2)	1,229,989	1,003,033
	1,793,480	1,447,634
	\$ 2,068,153	\$ 1,995,033

On behalf of the Board:


 _____ Director


 _____ Director

Thunder Bay Field Naturalists Club Statement of Operations (Unaudited)

For the year ended December 31	2023	2022
Revenue		
Federal grants		
Wildlife Habitat Canada	\$ 168,538	\$ 30,000
Parks Canada	4,750	5,000
Provincial grants		
Ministry of the Environment, Conservation and Parks	2,786	9,400
Ontario Land Trust Alliance Inc.	172,516	293,264
Ontario Heritage Trust	2,200	2,760
Ministry of Northern Development, Mines, Natural Resources and Forestry	-	20,000
Other grants and stewardship funding		
Echo Foundation grant	35,000	-
Bird Studies Canada	165	-
Thunder Bay Community Foundation	-	2,000
United Way	-	200
Other revenue		
Events and merchandise	9,063	1,904
Memberships	8,140	6,637
General donations	30,031	2,322
Nature Reserve donations	1,674	400,940
Investment income	55,704	53,375
	490,567	827,802
Expenses		
Charitable activities (Schedule)	407,085	752,693
General and administrative (Schedule)	25,469	18,960
	432,554	771,653
Excess of revenue over expenses for the year before the undernoted	58,013	56,149
Realized gain on disposal of investments	52,279	64,737
Unrealized investment gain (loss)	8,598	(196,025)
Excess (deficiency) of revenue over expenses for the year	\$ 118,890	\$ (75,139)

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

2023

2022

	<u>Operating</u>			Total	Total
	Unrestricted	Internally Restricted	Endowments		
Net assets, beginning of year	\$ 94,601	\$ 350,000	\$1,003,033	\$1,447,634	\$ 1,621,325
Excess (deficiency) of revenue over expenses for the year	118,890	-	-	118,890	(75,139)
Endowment contributions	-	-	233,931	233,931	15,250
Endowment fair value increase (decrease) in investments	-	-	6,202	6,202	(113,802)
Loss on sale of endowment investments	-	-	(13,177)	(13,177)	-
Net assets, end of year	\$ 213,491	\$ 350,000	\$1,229,989	\$1,793,480	\$ 1,447,634

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

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

<u>For the year ended December 31</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 118,890	\$ (75,139)
Items not involving cash:		
Unrealized (gain) loss on investments	(8,598)	196,025
Realized gain on disposal of investments	(52,279)	(64,737)
Donated investments	(151,233)	-
	<u>(93,220)</u>	<u>56,149</u>
Changes in non-cash working capital balances		
Accounts receivable	247,867	(293,264)
Government remittances receivable	(138)	(2,832)
Inventory	2,345	895
Deferred revenue	16,680	(194,129)
	<u>266,754</u>	<u>(489,330)</u>
	<u>173,534</u>	<u>(433,181)</u>
Cash flows from investing activities		
Purchase of investments	(242,915)	(316,729)
Increase in conservation lands	(3)	(3)
Proceeds on disposal of investments	340,370	238,745
	<u>97,452</u>	<u>(77,987)</u>
Cash flows from financing activities		
Endowment contributions	233,931	15,250
Advances on bank indebtedness	-	326,500
Repayments on bank indebtedness	(289,406)	(37,094)
	<u>(55,475)</u>	<u>304,656</u>
Increase (decrease) in cash during the year	215,511	(206,512)
Cash, beginning of year	<u>153,857</u>	<u>360,369</u>
Cash, end of year	\$ 369,368	\$ 153,857

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

Thunder Bay Field Naturalists Club

Notes to Financial Statements

(Unaudited)

December 31, 2023

1. Significant Accounting Policies

Basis of Accounting

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.

Nature and Purpose of Organization

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.

Financial Instruments

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.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

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

December 31, 2023

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, 2023

1. Significant Accounting Policies (cont'd)

Conservation Lands Certain land owned by the Organization is classified as part of a cultural and natural heritage collection. The Organization's collections are capitalized in the statement of financial position at nominal value and not subject to amortization. Contributions for collection items are recorded at a nominal value. For purchased items the difference between the purchase price and nominal value is expensed in the period the items are acquired.

2. Investments

	2023	2022
General:		
Savings accounts (cost \$21,123 (2022 - \$0))	\$ 21,123	\$ -
Equities (cost \$377,289 (2022 - \$526,220))	391,566	531,965
	\$ 412,689	\$ 531,965
Land Endowment:		
Savings accounts (cost \$23,415 (2022 - \$22,790))	\$ 23,415	\$ 22,790
Equities (cost \$844,704 (2022 - \$622,777))	1,206,574	980,243
	\$ 1,229,989	\$ 1,003,033

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. Conservation Lands

Conservation lands, either purchased or donated, are assets held as part of the Organization's collection. The land collection consists of approximately 9,250 acres at 22 conservation land locations held for the study and preservation of nature.

During the year, the Organization spent \$387,923 in total to acquire conservation lands. Of this amount, \$168,538 was funded by the Wildlife Habitat Canada, and \$202,890 was funded by the Ontario Land Trust Alliance Inc. There were also conservation lands worth \$370,000 donated to the Organization during the year. Conservation lands acquired during the year were recorded at a nominal amount of \$3.

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

December 31, 2023

4. Deferred Revenue

	2023	2022
Memberships TBFN	\$ 1,335	\$ 1,335
Nature Reserves	273,338	256,658
	\$ 274,673	\$ 257,993

5. External and Internal Restrictions on Net Assets

Of the net assets restricted for endowment purposes \$855,986 is subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income on the amount is externally restricted for nature reserve purposes.

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.

6. Financial Instruments

Unless otherwise noted, it is management's opinion that the Thunder Bay Field Naturalists Club is not exposed to significant currency risk arising from financial instruments. There have not been any changes in the risk from prior year.

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 \$1,598,140 in equity investments at December 31, 2023. There have not been any changes in the risk from prior year.

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 Association'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. There have not been any changes in the risk from prior year.

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

December 31, 2023

6. Financial Instruments (cont'd)

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. There have not been any changes in the risk from prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Club is expose to this risk on its variable rate bank indebtedness which involves risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions. There have not been any changes in the risk from prior year.

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	2023	2022
Charitable activities		
Bird banding and boat supplies	\$ 607	\$ 1,342
Cabin supplies	673	1,272
Conferences and workshops	2,950	2,593
Equipment	3,419	1,768
Gray fox project	3,653	3,345
Ontario Heritage Trust reserve	655	883
Insurance	2,807	2,619
Land acquisition	322,428	671,416
Land appraisals	23,867	36,082
Land stewardship	29,092	5,015
Miscellaneous	4,132	5,000
Nature guides	3,044	122
Professional fees	5,245	19,157
Property and mining taxes	4,513	2,079
	\$ 407,085	\$ 752,693
General and administrative		
Advertising and promotion	\$ -	\$ 376
Dues, fees and memberships	1,014	915
Fundraising and volunteer appreciation	484	-
Hall rental	600	-
Insurance	1,893	1,815
Newsletters	495	682
Office and postage	4,088	2,136
Professional fees	14,509	11,160
Travel	320	-
Website	2,066	1,876
	\$ 25,469	\$ 18,960