

**THOUSAND ISLANDS WATERSHED LAND TRUST**  
Financial Statements  
Year ended December 31, 2017

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Year ended December 31, 2017

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## **Independent Auditor's Report**

To the Members of  
Thousand Islands Watershed Land Trust  
Lansdowne, Ontario

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Thousand Islands Watershed Land Trust, which comprise the balance sheet as at December 31, 2017, and the statements of operations and 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 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 opinion.

### **Basis for Qualified Opinion**

In common with many charitable and non-profit organizations, the organization derives revenue from fundraising and donations, 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 fundraising and donation revenues, excess of revenue over expenditures, assets and net assets.

#### **PROFESSIONAL CORPORATION**

**Chartered Professional Accountants • Chartered Accountants**

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**Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Thousand Islands Watershed Land Trust as at December 31, 2017 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Brockville, Ontario  
April 4, 2018



DURAND AND ASSOCIATES  
PROFESSIONAL CORPORATION

**THOUSAND ISLANDS WATERSHED LAND TRUST**

## Balance Sheet

December 31, 2017, with comparative figures for December 31, 2016

	2017	2016
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 177,753	\$ 8,551
Accounts receivable	437	1,577
Investments (note 3)	-	40,095
Prepaid expenses	1,642	1,751
	179,832	51,974
Investments (note 3)	40,803	-
Capital assets (note 4)	1,788,400	1,488,400
	<b>\$ 2,009,035</b>	<b>\$ 1,540,374</b>
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 9,311
Deferred contributions	770	-
	770	9,311
Fund balances (page 4):		
Invested in capital assets	1,788,400	1,488,400
Land stewardship and securement fund	180,265	-
Operating fund	39,600	42,663
	2,008,265	1,531,063
	<b>\$ 2,009,035</b>	<b>\$ 1,540,374</b>

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## THOUSAND ISLANDS WATERSHED LAND TRUST

### Statement of Operations and Net Assets

Year ended December 31, 2017, with comparative figures for 2016

	Invested in Capital Assets	Land Stewardship & Securement	Operating Fund	Total 2017	Total 2016
<b>Revenue:</b>					
Donations	\$ -	\$ 172,863	\$ 397	\$ 173,260	\$ 45,611
Grants	-	16,364	-	16,364	52,756
Interest	-	-	707	707	755
Memberships	-	-	2,245	2,245	1,632
	-	189,227	3,349	192,576	100,754
<b>Expenditures:</b>					
Appraisals	-	-	-	-	2,373
Donations	-	-	-	-	68,310
Bank charges	-	20	64	84	101
Dues and fees	-	-	805	805	1,174
Insurance	-	-	1,858	1,858	1,829
Land stewardship	-	3,955	-	3,955	10,000
Legal	-	1,592	-	1,592	25,714
Meetings and conferences	-	-	600	600	667
Office and general	-	-	1,859	1,859	1,140
Professional fees	-	-	1,226	1,226	3,000
Property taxes	-	3,145	-	3,145	1,521
Repairs and maintenance	-	250	-	250	-
	-	8,962	6,412	15,374	115,829
Excess (deficiency) of revenues over expenditures	-	180,265	(3,063)	177,202	(15,075)
Fund balances - beginning of the year	1,488,400	-	42,663	1,531,063	1,308,138
Donated land	300,000	-	-	300,000	238,000
Interfund transfers	-	-	-	-	-
<b>Fund balances - end of the year</b>	<b>\$1,788,400</b>	<b>\$ 180,265</b>	<b>\$ 39,600</b>	<b>\$2,008,265</b>	<b>\$1,531,063</b>

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

**THOUSAND ISLANDS WATERSHED LAND TRUST**

## Statement of Cash Flows

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 194,486	\$ 67,860
Cash paid to suppliers	(24,577)	(109,537)
	169,909	(41,677)
Investing:		
Sale of investments	-	5,000
Interest reinvested in GIC	(707)	(755)
	(707)	4,245
Increase (decrease) in cash	169,202	(37,432)
Cash - beginning of the year	8,551	45,983
Cash - end of the year (note 2)	\$ 177,753	\$ 8,551

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

**THOUSAND ISLANDS WATERSHED LAND TRUST**

Notes to Financial Statements

Year ended December 31, 2017

**Purpose of the organization:**

Thousand Islands Watershed Land Trust was registered without share capital on August 25, 2006 under the Ontario Corporations Act as a not-for-profit organization and is a registered charity, exempt from tax under the Income Tax Act. The organizations mission is to permanently protect land in the Thousand Islands watershed region through acquisition or conservation agreements and to achieve good land management through stewardship agreements and education.

**1. Significant accounting policies:****(a) Basis of presentation:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(b) Cash and cash equivalents:**

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

**(c) Investments:**

Investments are recorded at fair value.

**(d) Capital assets:**

Land and conservation easements are recorded at fair value at the date of contribution. When fair market value cannot be determined the donated asset is recorded at a nominal amount based on management's best estimate. Land and conservation easements are not amortized.

All other capital assets are expensed when acquired.

**(e) Revenue recognition:**

The organization 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.

**(f) Fund accounting:**

The invested in capital assets fund recognizes donated and purchased land and conservation easements.

The land stewardship and securement fund includes unrestricted contributions and grants to facilitate land support and conservation activities and land securement on behalf of other organizations.

The operating fund records memberships, operating donations and interest that are available for support of the organization's operations.



# THOUSAND ISLANDS WATERSHED LAND TRUST

Notes to Financial Statements

Year ended December 31, 2017

## 1. Significant accounting policies (continued):

### (g) 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 year. Actual results could differ from management's best estimates as additional information becomes available in the future.

### (h) Contributed services:

Volunteers contribute numerous hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

## 2. Cash:

	2017	2016
Bank account	\$ 177,313	\$ 8,551
Cash to be deposited	440	-
	\$ 177,753	\$ 8,551

## 3. Investments:

	2017	2016
BMO GIC, 1.75% maturing October 2017	\$ -	\$ 40,095
BMO GIC, 1.83% maturing October 2022	40,803	-
	\$ 40,803	\$ 40,095

## 4. Capital assets:

	2017	2016
Land	\$ 847,500	\$ 547,500
Conservation easements	940,900	940,900
	\$ 1,788,400	\$ 1,488,400

During the year, capital assets were donated with a fair market value of \$300,000 (2016 - \$238,000)

## 5. Financial instruments:

Unless otherwise noted, it is the board's opinion that the organization is not exposed to significant interest rate, currency or credit risks arising from its financial statements.

## 6. Comparative figures:

Certain comparative figures have been restated to make their presentation compatible to that adopted in 2017. The 2016 comparative figures were audited by another public accountant.

**THOUSAND ISLANDS WATERSHED LAND TRUST**

Notes to Financial Statements

Year ended December 31, 2017

**7. Correction of error:**

The organization's financial statements for the year ended December 31, 2016 contained an error. Restricted contributions for assets that will not be amortized are to be recorded as a direct increase in net assets. A donation of land in the amount of \$238,00 was reported as revenue in 2016, this has been restated as a direct increase in fund balance. This change had no impact on the previously reported assets, liabilities or fund balance of the organization.