

Thunder Bay Field Naturalists Club
Financial Statements
For the year ended December 31, 2015
(Unaudited)

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Review Engagement Report

To the Members Thunder Bay Field Naturalists Club

We have reviewed the accompanying financial statements of Thunder Bay Field Naturalists Club which comprise the statement of financial position as at December 31, 2015, and the statements of operations and surplus, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

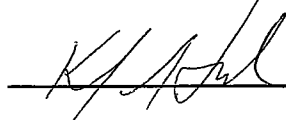
Chartered Professional Accountants, Licensed Public Accountants

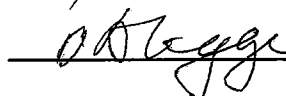
Thunder Bay, Ontario
June 20, 2016

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

December 31	2015	2014
Assets		
Current		
Cash	\$ 88,973	\$ 75,017
Marketable securities	284,281	-
Accounts receivable (Note 2)	2,285	42,499
Inventory	2,169	2,731
Property held for sale, net	-	111,000
Prepays (Note 6)	5,000	-
	<u>382,708</u>	<u>231,247</u>
Land endowment investments (Note 4)	268,769	276,757
	<u>\$ 651,477</u>	<u>\$ 508,004</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 77	\$ -
Deferred revenue (Note 3)	278,993	141,045
	<u>279,070</u>	<u>141,045</u>
Net assets		
Endowments (Note 4)	268,769	276,757
Accumulated operating surplus	103,638	90,202
	<u>372,407</u>	<u>366,959</u>
	<u>\$ 651,477</u>	<u>\$ 508,004</u>

On behalf of the Board:

 _____ Director

 _____ Director

Thunder Bay Field Naturalists Club Statement of Operations and Surplus (Unaudited)

For the year ended December 31	2015	2014
Revenue		
Events and merchandise	\$ 27	\$ 2,484
Memberships	5,431	5,712
General donations	4,626	8,780
Nature Reserve donations	11,751	474,499
Nature Conservancy of Canada funding	4,000	32,000
Provincial funding	2,984	666
Other grants and stewardship funding	5,140	12,727
Investment income	10,923	22,855
Other	3,039	1,641
	<u>47,921</u>	<u>561,364</u>
Cost of sales	(3,069)	(2,264)
	<u>44,852</u>	<u>559,100</u>
Expenses		
Charitable activities (Schedule)	18,973	448,203
Distributions to other organizations (Schedule)	865	1,015
General and administrative (Schedule)	11,578	17,546
Impairment - property held for sale	-	29,000
	<u>31,416</u>	<u>495,764</u>
Excess of revenue over expenses for the year	\$ 13,436	\$ 63,336

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			2015	2014
	Operating Surplus	Endowments	Total	Total
Net assets, beginning of year	\$ 90,202	\$ 276,757	\$ 366,959	\$ 282,515
Excess of revenue over expenses for the year	3,321	10,115	13,436	63,336
Endowment fair value increase (decrease) in investments	-	(7,988)	(7,988)	21,108
Interfund transfers	10,115	(10,115)	-	-
Net assets, end of year	\$ 103,638	\$ 268,769	\$ 372,407	\$ 366,959

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	2015	2014
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 13,436	\$ 63,336
Direct increase (decrease) in net assets	(7,988)	21,108
	<u>5,448</u>	<u>84,444</u>
Changes in non-cash working capital balances		
Marketable securities	(284,281)	-
Accounts receivable	40,214	(40,843)
Inventory	562	(783)
Prepays	(5,000)	225
Accounts payable and accrued liabilities	77	(85)
Deferred revenue	137,948	(84,424)
	<u>(110,480)</u>	<u>(125,910)</u>
	<u>(105,032)</u>	<u>(41,466)</u>
Cash flows from investing activities		
Decrease (increase) in Property Held for Sale	111,000	(111,000)
Decrease (increase) in TBFN Land Endowment Trust	7,988	(36,153)
	<u>118,988</u>	<u>(147,153)</u>
Increase (decrease) in cash during the year	13,956	(188,619)
Cash, beginning of year	<u>75,017</u>	<u>263,636</u>
Cash, end of year	\$ 88,973	\$ 75,017

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

Thunder Bay Field Naturalists Club Notes to Financial Statements

December 31, 2015

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. 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.

Capital Assets

Capital assets purchased are charged to operations in the year the expenditures are incurred.

Thunder Bay Field Naturalists Club Notes to Financial Statements

December 31, 2015

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 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

December 31, 2015

2. Accounts Receivable

	2015	2014
General	\$ -	\$ 4,119
Government remittances receivable	2,285	38,380
	\$ 2,285	\$ 42,499

3. Deferred Revenue

	2015	2014
Memberships TBFN	\$ 1,150	\$ 600
Memberships TCBO	70	140
Nature Reserves	277,773	140,305
	\$ 278,993	\$ 141,045

4. Endowments

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. At December 31, 2015, the endowment fund consisted of \$263,311 in long term investments and \$5,458 in cash. The interest income earned on the endowment fund is transferred to the Nature Reserves account.

Thunder Bay Field Naturalists Club Notes to Financial Statements

December 31, 2015

5. 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 \$553,050 in equity investments at December 31, 2015.

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.

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.

6. Subsequent Events

On January 21, 2016 the Club purchased 400 acres of property in the Municipality of Shuniah for \$355,000. Of this amount, \$142,160 was funded by the Nature Conservancy of Canada ("NCC"). As part of the funding agreement, the Club is required to hold the land for the purposes of perpetual conservation unless permission is granted in writing by the NCC to transfer the property.

Thunder Bay Field Naturalists Club Schedule

For the year ended December 31	2015	2014
Charitable activities		
Bird banding	\$ 2,298	\$ 1,997
Cabin	2,094	2,557
Conferences and workshops	1,951	1,369
Harvais orchid reserve	5,087	-
Insurance	1,267	1,110
Land acquisition	11	421,996
Land appraisals	4,941	1,039
Land stewardship	58	298
Miscellaneous	-	455
Other land expenses	-	5,057
Professional fees	-	8,410
Property and mining taxes	1,266	3,916
	<u>\$ 18,973</u>	<u>\$ 448,204</u>
Distributions to other organizations		
Lakehead University scholarship	\$ 350	\$ 350
NWO Regional Science Fair Award	350	500
Ontario Nature	165	165
	<u>\$ 865</u>	<u>\$ 1,015</u>
General and administrative		
Advertising and promotion	\$ 104	\$ 213
Bank charges	144	503
Dues, fees and memberships	460	450
Equipment	1,070	-
Fundraising and volunteer appreciation	2,886	602
Hall rental	450	598
Insurance	1,539	1,499
Newsletters	916	822
Office and postage	1,271	1,241
Professional fees	2,599	8,284
Travel (recovery)	(235)	2,657
Website	374	677
	<u>\$ 11,578</u>	<u>\$ 17,546</u>