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## **Independent Auditors' Report**

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### **To The Members Of The Carolinian Canada Coalition**

We have audited the accompanying financial statements of Carolinian Canada Coalition, which comprise the statements of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2017 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.

#### *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 qualified audit opinion.

**Independent  
Auditors Report cont'd...**

*Basis of Qualified Opinion*

In common with many not-for-profit organizations, Carolinian Canada Coalition derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Carolinian Canada Coalition. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2017, current assets as at March 31, 2017 and net assets as at April 1, 2016 and March 31, 2017.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Carolinian Canada Coalition as at March 31, 2017 the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



**Sarnia, Ontario  
June 29, 2017**

**Chartered Accountants  
Licensed Public Accountants**

**Carolinian Canada Coalition**  
**Statement Of Operations**  
**For The Year Ended March 31, 2017**

	2017	2016
<b>Revenue</b>		
Ecosystem Recovery Program (note 2)	\$ 142,088	\$ 250,515
In the Zone (note 2)	65,080	-
Youth Camp (note 2)	-	10,400
Go Wild Grow Wild (note 2)	128,567	107,620
Big Picture Report Card (note 2)	35,403	5,300
General	<u>12,057</u>	<u>10,396</u>
	<u>383,195</u>	<u>384,231</u>
<b>Expenditures</b>		
Ecosystem Recovery Program (note 3)	142,088	250,515
In the Zone (note 3)	65,080	-
Youth Camp (note 3)	-	10,954
Go Wild Grow Wild (note 3)	124,725	105,125
Big Picture Report Card (note 3)	35,403	5,584
General	<u>9,560</u>	<u>10,447</u>
	<u>376,856</u>	<u>382,625</u>
<b>Excess Of Revenue Over Expenditures</b>	<u>\$ 6,339</u>	<u>\$ 1,606</u>

**Carolinian Canada Coalition**  
**Statement Of Changes In Net Assets**  
**For The Year Ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
Balance, Beginning	\$ 81,847	\$ 80,241
Excess Of Revenue Over Expenditures	<u>6,339</u>	<u>1,606</u>
Balance, Ending	<u>\$ 88,186</u>	<u>\$ 81,847</u>

**Carolinian Canada Coalition  
Statement Of Financial Position  
March 31, 2017**

	2017	2016
<b>Assets</b>		
Current Assets		
Cash	\$ 99,595	\$ 24,361
HST rebate receivable	15,176	7,754
Grants receivable	<u>40,852</u>	<u>78,979</u>
	<u>\$ 155,623</u>	<u>\$ 111,094</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,040	\$ 29,247
Deferred revenue (note 4)	<u>31,397</u>	<u>-</u>
	<u>67,437</u>	<u>29,247</u>
<b>Net Assets</b>		
Unrestricted	<u>88,186</u>	<u>81,847</u>
	<u>\$ 155,623</u>	<u>\$ 111,094</u>

On Behalf Of The Board

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Directors

**Carolinian Canada Coalition**  
**Statement Of Cash Flows**  
**For The Year Ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>Cash Provided By (Used For)</b>		
<b>Operating Activities</b>		
Excess of revenue over expenditures	\$ 6,339	\$ 1,606
Net change in non-cash working capital items affecting operations:		
Grants and contributions receivable	38,127	(12,829)
HST rebate receivable	(7,422)	9,705
Accounts payable and accrued liabilities	6,793	28,347
Deferred contributions	<u>31,397</u>	<u>(9,100)</u>
	<u>75,234</u>	<u>17,729</u>
<b>Increase In Cash Position</b>	<b>75,234</b>	<b>17,729</b>
<b>Cash Position, Beginning</b>	<u>24,361</u>	<u>6,632</u>
<b>Cash Position, Ending</b>	<u>\$ 99,595</u>	<u>\$ 24,361</u>

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**Nature Of Activities**

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The Carolinian Canada Coalition is a registered charity incorporated without share capital under Part II of the Canada Corporations Act. It is a coalition of government and non-government conservation groups and many individuals working to:

1. Preserve, protect and restore the flora and fauna of the Carolinian Life Zone in Southwestern Ontario, by organizing and participating in environmental projects,
  2. Conduct research relating to environmental issues affecting the Carolinian Life Zone in Southwestern Ontario and to disseminate the results of such research to the public,
  3. Educate and increase the public's understanding of the importance of conserving the natural features of the Carolinian Life Zone in Southwestern Ontario by developing and offering educational materials and programs.
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**1. Significant Accounting Policies**

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**Basis of Presentation**

The financial statements have been prepared in accordance with Canadian standards for not-for-profit organizations.

**Revenue Recognition**

The organization uses the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred and unrestricted contributions are recognized as revenue in the period in which they are received.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and short-term investments with an original maturity of three months or less.

**Financial Instruments**

The organization initially measures its financial instruments at fair value, except for certain non-arm's length transactions that are measured at the exchange amount. The organization subsequently measures all its financial instruments at amortized cost.

Financial instruments measured at amortized cost include cash, grants receivable and accounts payable and accrued liabilities.

Financial instruments measured at amortized cost are tested for impairment at the end of each year and the amount of writedown, if any, is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement and the amount is recognized in the statement of operations. The reversal may be recorded provided it is no greater than the amount that has previously been reported as a reduction in the asset and does not exceed original cost.

**Carolinian Canada Coalition**  
**Notes To Financial Statements**  
**March 31, 2017**

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**1. Significant Accounting Policies cont'd...**

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**Property, Plant and Equipment**

Property, plant and equipment is expensed when acquired.

**Donated Services**

Volunteers contribute their time and other non-profit organizations contribute various services throughout the year to assist the organization in carrying out its activities. The value this contributed time and services is not included in the financial statements.

**Income Taxes**

On June 6, 2008 the organization was registered as a registered charity as defined in the Income Tax Act and, as such, is exempt from income tax.

**Use Of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates.

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**2. Program Revenue**

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	Year Ending March 31, 2017					
	Big Picture Report Card	Ecosystem Recovery Program	In The Zone	Youth Camp	Go Wild Grow Wild	Total
Environment Canada	\$ -	\$ 117,185	\$ -	\$ -	\$ -	\$ 117,185
Provincial Ministry of Natural Resources	-	5,000	-	-	-	5,000
Ontario Trillium	66,800	-	-	-	57,500	124,300
Sponsors and Foundations	-	6,500	65,000	-	32,700	104,200
Other	-	13,403	80	-	38,367	51,850
	<u>66,800</u>	<u>142,088</u>	<u>65,080</u>	<u>-</u>	<u>128,567</u>	<u>402,535</u>
Less current year deferred revenue	<u>(31,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,397)</u>
Program Revenue	<u>\$ 35,403</u>	<u>\$ 142,088</u>	<u>\$ 65,080</u>	<u>\$ -</u>	<u>\$ 128,567</u>	<u>\$ 371,138</u>

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**Carolinian Canada Coalition**  
**Notes To Financial Statements**  
**March 31, 2017**

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**2. Program Revenue cont'd....**

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	Year Ending March 31, 2016					
	Big Picture Report Card	Ecosystem Recovery Program	Intern Program	Youth Camp	Go Wild Grow Wild	Total
Environment Canada	\$ -	\$ 174,685	\$ -	\$ -	\$ -	\$ 174,685
Sponsors and Foundations	5,000	71,385	-	-	60,000	136,385
Other	<u>300</u>	<u>4,445</u>	<u>-</u>	<u>1,300</u>	<u>47,620</u>	<u>53,665</u>
	5,300	250,515	-	1,300	107,620	364,735
Add prior year deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,100</u>	<u>-</u>	<u>9,100</u>
<b>Program Revenue</b>	<b><u>\$ 5,300</u></b>	<b><u>\$ 250,515</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,400</u></b>	<b><u>\$ 107,620</u></b>	<b><u>\$ 373,835</u></b>

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**3. Program Expenditures**

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	Year Ending March 31, 2017					
	Big Picture Report Card	Ecosystem Recovery Program	In the Zone	Youth Camp	Go Wild Grow Wild	Total
Human Resources	\$ 35,403	\$ 89,750	\$ 56,707	\$ -	\$ 69,112	\$ 250,972
Office	-	3,587	-	-	1,025	4,612
Travel and Training	-	7,817	433	-	705	8,955
Workshops	-	2,782	-	-	19,841	22,623
Communications	-	16,363	7,940	-	30,363	54,666
Partnerships	<u>-</u>	<u>21,789</u>	<u>-</u>	<u>-</u>	<u>3,679</u>	<u>25,468</u>
	<b><u>\$ 35,403</u></b>	<b><u>\$ 142,088</u></b>	<b><u>\$ 65,080</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 124,725</u></b>	<b><u>\$ 367,296</u></b>

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**Carolinian Canada Coalition**  
**Notes To Financial Statements**  
**March 31, 2017**

**3. Program Expenditures cont'd...**

	Year Ending March 31, 2016					
	Big Picture Report Card	Ecosystem Recovery Program	Intern Program	Youth Camp	Go Wild Grow Wild	Total
Human Resources	\$ -	\$ 203,223	\$ -	\$ 5,950	\$ 50,961	\$ 260,134
Office	-	6,211	-	-	19,831	26,042
Travel and Training	-	7,458	-	1,270	2,431	11,159
Workshops	-	6,653	-	3,734	19,355	29,742
Communications	5,584	26,970	-	-	11,581	44,135
Research	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>966</u>	<u>966</u>
	<u>\$ 5,584</u>	<u>\$ 250,515</u>	<u>\$ -</u>	<u>\$ 10,954</u>	<u>\$ 105,125</u>	<u>\$ 372,178</u>

**4. Deferred Revenue**

**2017**

**2016**

Revenue for the following program has been deferred to a later year:

Ontario Trillium, Big Picture Report Card	\$ <u>31,397</u>	\$ <u>-</u>
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**5. Revolving Line of Credit**

The organization established a revolving line of credit of \$50,000 with the Canadian Imperial Bank of Commerce. This revolving line of credit bears interest at prime plus 1.50% and is secured by a security agreement granting a first security interest in all present and after acquired personal property.

**6. Operating Lease**

The organization leases its office space under an operating lease expiring December 31, 2017. Under this lease, the organization makes monthly payments of \$310.75.

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## **5. Financial Instruments Risks Disclosures**

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The main risks the organization's financial instruments are exposed to are credit risk, liquidity risk, and interest rate risk each of which is discussed below.

### **Credit Risk**

The organization is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. The organization believes there is minimal risk associated with these amounts due to the diversity of its customers and there are no significant concentrations of accounts receivable with any group of customers that are related to each other.

### **Liquidity Risk**

Liquidity risk relates to the risk the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities and the bonus payable. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

### **Market Risk (Price Risk)**

Market risk is the risk that changes in market prices and interest rates will affect the company's net earnings or the value of financial instruments. These risks are generally outside the control of the organization. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk:

#### *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization's financial instruments are all in Canadian dollars and consequently the organization has no currency risk.

#### *Interest Rate Risk*

The organization is exposed to interest rate cash flow risk to the extent that a portion of the long-term debt bears interest at a floating interest rate. The organization is exposed to interest rate price risk to the extent that a portion of the long-term debt is at a fixed interest rate.

#### *Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk and interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not exposed to other price risk.

### **Changes in Financial Instruments Risks Disclosures**

There have been no significant changes to the risk exposures from the prior year.