
FINANCIAL STATEMENTS

**MAYNE ISLAND
CONSERVANCY SOCIETY**

Unaudited - See Review Engagement Report

December 31, 2013

***TW* TOMPKINS, WOZNY, MILLER & Co.**
Chartered Accountants

A partnership of incorporated professionals.

REVIEW ENGAGEMENT REPORT

To the Directors of
Mayne Island Conservancy Society

We have reviewed the statement of financial position of Mayne Island Conservancy Society as at December 31, 2013 and the statements of operations and changes in fund balances, 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 of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

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.

The comparative figures for the year ended December 31, 2012 were reviewed by another firm of chartered accountants.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
March 16, 2014

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

Unaudited - See Review Engagement Report

	2013	2012
	\$	\$
ASSETS		
Current		
Cash and term deposits <i>[note 3]</i>	120,571	63,760
Accounts receivable <i>[note 4]</i>	1,487	1,911
Inventory	1,250	988
Prepaid expenses	979	1,017
	124,287	67,676
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable <i>[note 5]</i>	4,682	4,493
Prepaid memberships	475	510
Deferred revenue - gaming	25,000	—
Deferred contributions <i>[note 6]</i>	40,000	—
Total current liabilities	70,157	5,003
Net Assets		
Unrestricted	54,130	62,673
	124,287	67,676

See accompanying notes to the financial statements

Director

Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31

Unaudited - See Review Engagement Report

	2013	2012
	\$	\$
REVENUE		
Memberships	1,170	955
Donations	19,069	9,731
Grants	85,352	156,082
Fundraising and other	14,128	8,113
	119,719	174,881
EXPENDITURES		
Accounting	1,750	—
Administration	5,137	5,170
Capital expenditures	1,867	2,087
Contract fees	11,900	4,907
Guest fees and honoraria	1,229	672
Insurance	1,175	1,160
Meetings and travel	2,217	2,736
Publicity	2,071	2,643
Rentals	6,569	6,917
Salaries and benefits	86,318	103,378
Workshops and project costs	8,029	13,476
	128,262	143,146
Excess of revenue (expenditures) for the year	(8,543)	31,735
Net assets beginning of year	62,673	30,938
Net assets, end of year	54,130	62,673

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

Unaudited - See Review Engagement Report

	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expenditures) for the year	(8,543)	31,735
Changes in non-cash operating working capital items:		
Accounts receivable	424	(1,103)
Inventory	(262)	46
Prepaid expenses	38	(53)
Accounts payable	189	602
Prepaid memberships	(35)	315
Deferred revenue	25,000	(38,819)
Deferred contributions	40,000	—
Cash provided by (used in) operating activities	56,811	(7,277)
Increase (decrease) in cash for the year	56,811	(7,277)
Cash, beginning of year	33,760	41,037
Cash, end of year	90,571	33,760

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Unaudited - See Review Engagement Report

1. PURPOSE OF THE SOCIETY

Mayne Island Conservancy Society (the "Society") is a not-for-profit organization incorporated in the Province of British Columbia who is a registered charity exempt from income taxes.

The Society's mission is to educate and promote environmental, ecological and recreational values on Mayne Island, B.C.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenditures reported during the year. Significant areas requiring the use of management estimates relate to the determination of the deferred portion of contributions. Actual results could differ from these estimates.

Revenue Recognition

The Society follows fund accounting using the deferral method of accounting for contributions.

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 contributions are recognized as revenue in the year in which the related expenses are incurred.

Investment income is unrestricted and recognized as revenue when earned.

Revenue from fundraising and other sales is recognized when the fundraising event takes place and when a sale occurs.

Inventory

Inventory is valued as the lesser of cost and net realizable value.

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Unaudited - See Review Engagement Report

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Cash

Cash is defined as cash on hand, cash on deposit, and net of cheques issued and outstanding at the year-end.

The Society's statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

Capital Assets

The Society follows the requirements of Section 4431 of the Canadian Institute of Chartered Accountants ("CICA") Handbook with respect to capital assets.

Section 4431 permits not-for-profit organizations with average annual revenues of less than \$500,000 to be excluded from the capitalization and amortization of capital assets.

The Society follows the policy of recording all capital acquisitions as expenditures in the year they are incurred.

Contributed Services

Volunteers contribute their time to assist the Society in carrying out its activities and the Society receives donated inventory to be sold. Due to the difficulty in determining the fair value, the value of the donated services and goods are not recognized in these financial statements.

3. CASH AND TERM DEPOSITS

	2013	2012
	\$	\$
Cash	90,571	33,760
Term deposits	30,000	30,000
	120,571	63,760

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Unaudited - See Review Engagement Report

3. CASH AND TERM DEPOSITS (CONT'D)

The term deposit earns interest at a rate of 1.5% and is due on August 16, 2014. [2012 - 1.7%, matured August 16, 2013]

4. ACCOUNTS RECEIVABLE

	2013	2012
	\$	\$
Other	706	990
GST/HST recoverable	781	921
	1,487	1,911
Allowance for doubtful accounts	—	—
	1,487	1,911

5. ACCOUNTS PAYABLE

	2013	2012
	\$	\$
Trade	4,567	4,211
Government remittances	115	282
	4,682	4,493

6. DEFERRED CONTRIBUTIONS

During the year, the Society received a donation in the amount of \$40,000 [2012 - \$Nil], which is to be spent on future land acquisitions.

7. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at December 31, 2013.

Credit Risk

The Society is exposed to credit risk with respect to its cash, term deposits and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash and term deposits are held by a Canadian credit union.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Unaudited - See Review Engagement Report

7. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

The Society has interest rate risk on its bank accounts and term deposits. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The Society does not use derivative financial instruments to alter the effects of this risk.

8. COMPARATIVE FIGURES

Certain comparative figures from the prior year have been reclassified to correspond with the current year's presentation.