
FINANCIAL STATEMENTS

**MAYNE ISLAND
CONSERVANCY SOCIETY**

Unaudited - See Review Engagement Report

December 31, 2015

***TW* TOMPKINS, WOZNY, MILLER & Co.**
Chartered Professional 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, 2015 and the statements of operations and 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 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.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
March 17, 2016

Chartered Professional Accountants

Mayne Island Conservancy Society**STATEMENT OF FINANCIAL POSITION**

As at December 31

Unaudited - See Review Engagement Report

	2015	2014
	\$	\$
ASSETS		
Current		
Cash and term deposits <i>[note 3]</i>	84,646	113,564
Accounts receivable <i>[note 4]</i>	778	869
Inventory	779	969
Prepaid expenses	1,375	1,228
	87,578	116,630
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable <i>[note 5]</i>	2,283	3,242
Prepaid memberships	390	455
Deferred revenue - gaming	24,000	—
- festival	2,663	5,478
- grants	4,280	—
Deferred contributions	—	40,000
Total current liabilities	33,616	49,175
Net Assets		
Internally restricted <i>[note 6]</i>	25,764	10,895
Unrestricted	28,198	56,560
	53,962	67,455
	87,578	116,630

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

	2015	2014
	\$	\$
REVENUE		
Memberships	1,220	1,230
Donations	59,623	14,305
Grants	33,073	97,990
Fundraising and other	7,429	7,757
	101,345	121,282
EXPENDITURES		
Accounting and legal	3,182	1,750
Administration	3,634	4,837
Capital expenditures	—	1,642
Contract fees	4,662	3,967
Festival	—	1,522
Donation - Victoria Foundation	25,000	—
Guest fees and honoraria	228	654
Insurance	1,178	1,175
Meetings and travel	984	2,158
Publicity	2,084	1,796
Rentals	6,282	6,310
Salaries and benefits	64,311	72,979
Workshops and project costs	3,293	9,167
	114,838	107,957
Excess of revenue (expenditures) for the year	(13,493)	13,325
Net assets beginning of year	67,455	54,130
Net assets, end of year	53,962	67,455

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

Unaudited - See Review Engagement Report

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expenditures) for the year	(13,493)	13,325
Changes in non-cash operating working capital items:		
Accounts receivable	91	618
Inventory	190	281
Prepaid expenses	(147)	(249)
Accounts payable	(959)	(1,440)
Prepaid memberships	(65)	(20)
Deferred revenue - gaming	24,000	(25,000)
- festival	(2,815)	5,478
- grants	4,280	—
Deferred contributions	(40,000)	—
Cash used in operating activities	(28,918)	(7,007)
Decrease in cash for the year	(28,918)	(7,007)
Cash, beginning of year	83,564	90,571
Cash, end of year	54,646	83,564

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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, 2015

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Unaudited - See Review Engagement Report

3. CASH AND TERM DEPOSITS

	2015	2014
	\$	\$
Cash	84,646	83,564
Term Deposits	—	30,000
	84,646	113,564

The 2014 term deposit earned interest at 1.55% and matured August 16, 2015.

Cash includes \$24,121 [2014 - \$120] relating to the Society's gaming grant.

4. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Other	414	505
GST recoverable	364	364
	778	869
Allowance for doubtful accounts	—	—
	778	869

5. ACCOUNTS PAYABLE

	2015	2014
	\$	\$
Trade	1,880	3,132
Government remittances	403	110
	2,283	3,242

6. INTERNALLY RESTRICTED NET ASSETS

The Society has internally restricted net assets of \$25,674 [2014 - \$10,895] for spending on CAMAS.

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, 2015.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Unaudited - See Review Engagement Report

7. FINANCIAL INSTRUMENTS (CONT'D)

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.

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 2014 comparative figures have been reclassified to conform to current financial statement presentation.