

Financial Statements of

ONTARIO INVASIVE PLANT COUNCIL INC.

March 31, 2019

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Independent auditor's report

To the Members of
Ontario Invasive Plant Council Inc.

Opinion

We have audited the financial statements of Ontario Invasive Plant Council Inc. ("the Council"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ontario Invasive Plant Council Inc. as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Council lost a major funding source. As stated in Note 3, this event or condition, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Council's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Peterborough, Canada
October 17, 2019

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO INVASIVE PLANT COUNCIL INC.
STATEMENT OF FINANCIAL POSITION
March 31, 2019

	2019	2018
	\$	\$
CURRENT ASSETS		
Cash	180,003	296,964
Accounts receivable	918	12,452
Prepaid expenses	1,305	-
	<u>182,226</u>	<u>309,416</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	9,001	20,027
Due to The Ontario Federation of Anglers & Hunters Incorporated	-	50,185
	<u>9,001</u>	<u>70,212</u>
NET ASSETS		
Unrestricted	<u>173,225</u>	<u>239,204</u>
	<u>182,226</u>	<u>309,416</u>

ONTARIO INVASIVE PLANT COUNCIL INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended March 31, 2019

	2019	2018
	\$	\$
REVENUE		
Project revenue		
Minister of Natural Resources and Forestry	100,000	150,000
Invasive Species Centre	64,835	75,682
Environment Canada	-	24,000
Other	8,360	-
Donations	4,167	3,058
Other	15,934	29,229
	<u>193,296</u>	<u>281,969</u>
EXPENDITURES		
Salaries and benefits	170,893	115,888
Office and administration	42,725	27,290
Travel and meetings	26,708	21,001
Project costs	12,111	51,494
Professional fees	6,838	5,338
	<u>259,275</u>	<u>221,011</u>
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE) FOR THE YEAR	(65,979)	60,958
UNRESTRICTED NET ASSETS - beginning of year	<u>239,204</u>	<u>178,246</u>
UNRESTRICTED NET ASSETS - end of year	<u>173,225</u>	<u>239,204</u>

ONTARIO INVASIVE PLANT COUNCIL INC.
STATEMENT OF CASH FLOWS
Year Ended March 31, 2019

	2019	2018
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for the year	(65,979)	60,958
Changes in non-cash working capital items:		
Accounts receivable	11,534	52,318
Prepaid expenses	(1,305)	-
Accounts payable and accrued liabilities	(11,026)	(12,330)
Due to The Ontario Federation of Anglers & Hunters Incorporated	(50,185)	(6,089)
INCREASE (DECREASE) IN CASH FOR THE YEAR	(116,961)	94,857
CASH POSITION - beginning of year	296,964	202,107
CASH POSITION - end of year	180,003	296,964

ONTARIO INVASIVE PLANT COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

1. DESCRIPTION OF THE ORGANIZATION

The Ontario Invasive Plant Council Inc. ('the Council') is a member-based not-for-profit organization which provides leadership, expertise and a forum to engage and empower Ontarians to take action on invasive plant issues.

The Council was incorporated on June 6, 2012 without share capital under the laws of Ontario. As a non-profit organization as defined by the Federal and Ontario Income Tax Acts, the Council is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) *Revenue recognition*

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(b) *Contributed services*

Volunteers contribute a significant number of hours each year to assist the Council in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(c) *Management estimates*

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Actual results could differ from these estimates.

(d) *Tangible capital assets*

Tangible capital assets are not recorded in the statement of financial position. Tangible capital assets are expensed in the year they are acquired.

(e) *Financial instruments*

The Council considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Council accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable
- due to The Ontario Federation of Anglers & Hunters Incorporated

ONTARIO INVASIVE PLANT COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial instruments (continued)*

A financial asset or liability is recognized when the Council becomes a party to contractual provision of the instrument.

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

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

The Council removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. GOING CONCERN

The Council has lost a major funding source, being the grant from the Ministry of Natural Resources and Forestry, which amounted to \$100,000 in 2019 (2018 - \$150,000). As a result, there is a material uncertainty that may cast significant doubt as to whether the Council will have the ability to continue as a going concern.

Management has prepared a budget for fiscal 2020 based on known funding sources to ensure the continued existence of the Council for the next fiscal year. The Council's ability to continue as a going concern is dependent on finding new funding sources and reducing expenses. If the organization is unable to achieve this, there is a possibility that the organization may be unable to continue to realize its assets and to discharge its liabilities in the normal course of operations.

These financial statements are prepared on a going concern basis in accordance with Canadian accounting standards for not-for-profit organizations which assumes that the organization will be able to obtain adequate financing as required and realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of the assets and liabilities.

ONTARIO INVASIVE PLANT COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

4. FINANCIAL INSTRUMENTS RISKS

The Council is exposed to various risks associated with its financial instruments as described below. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(i) Liquidity risk

Liquidity risk is the risk that the Council will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Council's cash requirements. Additional cash requirements are met with the utilization of unrestricted net assets if required.

5. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances of \$908 (2018 - \$11,917).

6. TANGIBLE CAPITAL ASSETS CHARGED TO THE STATEMENT OF OPERATIONS

The Council's tangible capital assets not recorded in the statement of financial position consist of office furniture and computer equipment. The total cost of tangible capital assets expensed during the year was \$6,359 (2018 - \$Nil).

7. COMMITMENTS

The Council's total obligations for the next four years for the premises are as follows:

	\$
2020	16,640
2021	17,170
2022	17,447
2023	16,224