

FINANCIAL STATEMENTS
For
THE OTTAWA FIELD-NATURALISTS' CLUB
For year ended
SEPTEMBER 30, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of

THE OTTAWA FIELD-NATURALISTS' CLUB

We have reviewed the accompanying financial statements of The Ottawa Field-Naturalists' Club that comprise the statement of financial position as at September 30, 2023, and the statement of operations and changes in fund balance - general fund, statement of operations and changes in fund balances - internally restricted funds, statement of changes in fund balance - Martha Camfield endowment fund and the statement of cash flows for the year then ended, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Ottawa Field-Naturalists' Club as at September 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
December 11, 2023.

THE OTTAWA FIELD-NATURALISTS' CLUB

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 33,178	\$ 32,966
Short-term investments (note 4)	243,748	131,957
Accounts receivable	1,100	6,786
Sales tax rebate receivable	6,185	4,482
Prepaid expenses	<u>1,548</u>	<u>794</u>
	285,759	176,985
LONG-TERM INVESTMENTS (note 4)	<u>1,284,508</u>	<u>1,395,159</u>
	<u>\$ 1,570,267</u>	<u>\$ 1,572,144</u>
<u>LIABILITIES AND FUND BALANCES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,068	\$ 23,167
Deferred revenue - membership fees (note 5)	9,308	14,014
- Canadian Field-Naturalist	<u>16,821</u>	<u>13,411</u>
	<u>39,197</u>	<u>50,592</u>
FUND BALANCES		
General fund	1,376,434	1,370,863
Internally restricted funds	112,769	109,398
Martha Camfield endowment fund	<u>41,867</u>	<u>41,291</u>
	<u>1,531,070</u>	<u>1,521,552</u>
	<u>\$ 1,570,267</u>	<u>\$ 1,572,144</u>

Approved by the Board:

.....*Jakob Mueller*.....President

.....*Ann MacKenzie*.....Treasurer

(See accompanying notes)

PREPARED WITHOUT AUDIT

THE OTTAWA FIELD-NATURALISTS' CLUB
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
Membership fees (note 5)	\$ 34,611	\$ 28,350
Donations	16,277	22,047
Bequests	-	9,470
Contributions	-	7,336
The Canadian Field-Naturalist - subscription revenue	17,267	22,430
- author charges	20,226	26,976
Pelee trip	41,050	-
Interest	39,647	37,734
Other	<u>1,185</u>	<u>243</u>
	<u>170,263</u>	<u>154,586</u>
EXPENSES		
Operating:		
Affiliation fees	423	423
Bookkeeping	8,610	8,226
Insurance	1,954	1,897
Interest and bank charges	1,984	1,651
Professional fees	6,548	8,288
Website	264	337
Miscellaneous	<u>3,440</u>	<u>2,566</u>
	<u>23,223</u>	<u>23,388</u>
Activity:		
The Canadian Field-Naturalist	54,665	56,010
Trail and Landscape	29,095	25,821
Fletcher Wildlife Garden	3,214	2,816
Awards committee	111	371
Birds committee	3,191	3,066
Membership committee	243	1,074
Safe Wings	10,939	12,059
Safe Wings grants	-	6,531
Donations	5,000	1,000
Education and publicity	2,672	456
Events	4,743	700
Awards night	907	-
Macoun Club	745	-
Pelee trip	31,256	-
Research grants	<u>5,173</u>	<u>13,038</u>
	<u>151,954</u>	<u>122,942</u>
TOTAL EXPENSES	<u>175,177</u>	<u>146,330</u>
NET REVENUE (EXPENSE)	(4,914)	8,256
FUND BALANCE, BEGINNING OF YEAR	<u>1,370,863</u>	<u>1,350,474</u>
	1,365,949	1,358,730
INTER-FUND TRANSFERS - FROM INTERNALLY RESTRICTED FUNDS	<u>10,485</u>	<u>12,133</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,376,434</u>	<u>\$ 1,370,863</u>

(See accompanying notes)

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THE OTTAWA FIELD-NATURALISTS' CLUB
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES - INTERNALLY RESTRICTED FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Fletcher Wildlife Garden Fund	Manning Fund	Macoun Fund	2023 Total	2022 Total
REVENUES					
Donations and bequests	\$ 4,508	\$ 30	\$ -	\$ 4,538	\$ 9,111
Fundraising	11,128	-	-	11,128	11,543
Interest	-	1,619	576	2,195	2,415
	<u>15,636</u>	<u>1,649</u>	<u>576</u>	<u>17,861</u>	<u>23,069</u>
EXPENSES					
Habitats	3,677	-	-	3,677	3,545
Fundraising	328	-	-	328	1,987
	<u>4,005</u>	<u>-</u>	<u>-</u>	<u>4,005</u>	<u>5,532</u>
NET REVENUE	11,631	1,649	576	13,856	17,537
FUND BALANCES, BEGINNING OF YEAR	<u>45,260</u>	<u>58,079</u>	<u>6,059</u>	<u>109,398</u>	<u>103,994</u>
	56,891	59,728	6,635	123,254	121,531
INTER-FUND TRANSFERS - TO GENERAL FUND	<u>-</u>	<u>(10,485)</u>	<u>-</u>	<u>(10,485)</u>	<u>(12,133)</u>
FUND BALANCES, END OF YEAR	<u>\$ 56,891</u>	<u>\$ 49,243</u>	<u>\$ 6,635</u>	<u>\$ 112,769</u>	<u>\$ 109,398</u>

Note: During the year, \$10,485 (2022 - \$12,133) was transferred from the Manning Fund to the General Fund in lieu of author charges that would have been invoiced but were waived because they were approved for funding from the Manning Fund.

(See accompanying notes)

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THE OTTAWA FIELD-NATURALISTS' CLUB
STATEMENT OF CHANGES IN FUND BALANCE - MARTHA CAMFIELD ENDOWMENT FUND
YEAR ENDED SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 41,291	\$ 40,737
Interest earned *	576	554
FUND BALANCE, END OF YEAR	\$ 41,867	\$ 41,291

* This represents one-half of the interest generated by the fund, the portion which is required to be re-invested in the capital of the fund. The other half of the interest is recognized as interest revenue of the Macoun Fund and has been made available for use by the Macoun Field Club (see Statement of Operations and Changes in Fund Balances - Internally Restricted Funds).

(See accompanying notes)

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THE OTTAWA FIELD-NATURALISTS' CLUB

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expense) by fund:		
General fund	\$ (4,914)	\$ 8,256
Internally restricted funds	13,856	17,537
Martha Camfield endowment fund	<u>576</u>	<u>554</u>
	9,518	26,347
Adjustments for:		
Investments - amortization of bond discounts	(31,269)	(32,526)
- interest accrual on guaranteed investment certificates	<u>(11,149)</u>	<u>(8,178)</u>
	(32,900)	(14,357)
Change in the level of:		
Accounts receivable	5,686	(5,436)
Sales tax rebate receivable	(1,703)	(1,228)
Prepaid expenses	(754)	(22)
Accounts payable and accrued liabilities	(10,099)	10,500
Deferred revenue	<u>(1,296)</u>	<u>3,018</u>
	<u>(41,066)</u>	<u>(7,525)</u>
INVESTING ACTIVITIES		
Purchase of investments	(133,304)	(140,230)
Proceeds from sale and maturity of investments	<u>174,582</u>	<u>160,175</u>
	<u>41,278</u>	<u>19,945</u>
INCREASE IN CASH	212	12,420
CASH AT BEGINNING OF YEAR	<u>32,966</u>	<u>20,546</u>
CASH AT END OF YEAR	<u>\$ 33,178</u>	<u>\$ 32,966</u>

(See accompanying notes)

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THE OTTAWA FIELD-NATURALISTS' CLUB

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

1. PURPOSE OF ORGANIZATION AND TAX STATUS

The Ottawa Field-Naturalists' Club (the "club") is a volunteer, registered charitable organization incorporated under the Corporations Act of the Province of Ontario. The objectives of the club are to promote the appreciation, preservation, and conservation of Canada's natural heritage and to encourage investigation and dissemination of the results of research in all fields of natural history.

The club's operations are overseen by a Board of Directors (the "board"). Club activities are undertaken by club members participating in standing committees.

As a registered charity the club is exempt from income taxes by virtue of section 149(1)(f) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Revenue recognition

- (i) Membership fees are initially recorded as deferred revenue and subsequently recognized as revenue on a pro-rata basis as they are earned over each member's membership period. Memberships are valid for one year from the date each member joins or renews their membership and so the membership period will vary from member to member.
- (ii) The club follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets. The club only recognizes revenue from bequests if the will has been probated, a valuation has been received from the executor of the estate and collection can be reasonably assured. Otherwise, revenue from bequests will be recognized as the amounts are received.
- (iii) Subscription revenue and author charges are recognized as revenue at the time of release (online subscriptions) or shipment (print subscriptions) of the related Canadian Field-Naturalist publication. The portion of subscription revenue and author charges invoiced in advance of the release or shipment of the related publication is recorded as deferred revenue.
- (iv) Trip revenue is recognized at the conclusion of the related field trip. Amounts collected in advance of field trips that have not yet taken place is recorded as deferred revenue.
- (v) Interest income comprises interest from cash and investments. Interest on investments is recognized over their term using the effective interest method. Interest income derived from the investment of restricted contributions, where the contribution agreement specifies that the investment income is restricted, is accounted for the same manner as the restricted contributions.
- (vi) Fundraising revenue is recognized upon the completion of the fundraising event.
- (vii) Other revenue includes royalties and the sale of other products and services. Revenue from royalties is recognized in accordance with the terms of the related agreement. Revenue from the sale of other products and services is recognized at the time of delivery or when the services have been rendered.

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THE OTTAWA FIELD-NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED SEPTEMBER 30, 2023

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Fund accounting

The Club maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or object specified.

General fund

The General Fund reports the revenue and expenses relating to general operations and administration activities.

Internally restricted funds

Internally restricted funds represent the amount approved by the board to be set aside for special purposes. These amounts are not available for unrestricted purposes without the approval of the board.

(i) Fletcher Wildlife Garden Fund

The Fletcher Wildlife Garden fund supports the habitat development at the Fletcher Wildlife Garden, with income directed donations and the proceeds from the annual plant sale.

(ii) Manning Fund

The Manning fund was established by a bequest, and the interest generated is used to assist authors to publish articles in the Canadian Field Naturalist.

(iii) Macoun Fund

The Macoun Fund is used to support special projects of the Macoun Field Club, a youth club for children and teenagers who are interested in nature.

Martha Camfield endowment fund

The Martha Camfield endowment fund was established by the family and friends of Martha Camfield to help continue her efforts to have children study, understand, respect and preserve their natural environment. The terms of the endowment agreement sets out that half of the interest generated by the fund is to be re-invested in the capital of the fund while the other half credited to the Macoun Fund for the Macoun Field Club.

Financial Instruments

The club initially measures its financial instruments at fair value upon initial recognition. The club's cash is subsequently measured at fair value. All other financial instruments are measured at amortized cost at the date of the statement of financial position.

Tangible capital assets

Tangible capital assets are expensed in the year of acquisition. No capital assets have been expensed and included in the statements of operations in either current or preceding fiscal year.

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THE OTTAWA FIELD-NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED SEPTEMBER 30, 2023

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Donated services

The club is dependent on the voluntary services of many of its members. As there is difficulty in determining the fair value of voluntary services, they are not recognized in these financial statements.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management makes accounting estimates in the determination of the club's potentially uncollectible accounts receivable and in the estimation of the club's accrued liabilities.

By their nature, these estimates are subject to uncertainty and the impact on the financial statements of the current future periods could be material.

3. **FINANCIAL INSTRUMENTS**

The club is exposed to various risks through its financial instruments. The following analysis provides a measure of the club's risk exposure and concentrations as at September 30, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The club's maximum exposure to credit risk represents the carrying value of its cash, accounts receivable, sales tax rebate receivable and investments totalling \$1,568,719 (2022 - \$1,571,350).

The club's cash is deposited with Canadian financial institutions. As a result, management believes the risk of loss on cash to be unlikely.

The club provides credit to the authors of the Canadian Field-Naturalist publication in the normal course of operations. The club review the outstanding amounts and maintains a provision for estimated uncollectible amounts. Management has determined that no allowance for uncollectible amounts is necessary in either the current or prior year.

Rebates recoverable from governments bear minimal risk and are expected to be collected in full.

Investments primarily consist of provincial bonds backed by provincial governments and guaranteed investment certificates issued by Canadian financial institutions of high credit quality. Possible changes to the credit quality of these securities exposes the club to credit risk. The club manages its exposure to this risk by holding a diversified portfolio with a range of terms and maturity dates.

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THE OTTAWA FIELD-NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED SEPTEMBER 30, 2023

3. **FINANCIAL INSTRUMENTS** - Cont'd.

Liquidity risk

Liquidity risk is the risk that the club cannot meet its debts when they become due. Liquidity risk also includes the risk of the club not being able to liquidate assets in a timely manner at a reasonable price.

The club meets its liquidity requirements by monitoring its expected future cash flow requirements and holding a significant amount of assets that can be readily converted into cash.

Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

(i) *Currency risk*

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The club primarily transacts in Canadian dollars and so management does not believe the club is exposed to significant currency risk.

(ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with those instruments will fluctuate due to changes in market interest rates. The club's exposure to interest rate risk arises from its interest bearing assets.

The club's cash includes amounts on deposit with Canadian financial institutions that earn interest at market rates. Fluctuations in market rates of interest on cash do not have a significant impact on the club's financial operations.

The club manages the interest rate risk of its investments by the implementation of prudent investment policies. The club's investments in bonds mature at face value on a staggered basis over the next 13 years. The laddered structure of the maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations. Effective interest rates to maturity for these securities range from 1.25% to 5.00% (2022 - 0.63% to 4.00%).

(iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associates with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The club is not exposed to other price risk.

Changes in risk

There have been no significant changes in the club's risk exposures from the prior year.

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THE OTTAWA FIELD-NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED SEPTEMBER 30, 2023

4. INVESTMENTS

Short-term investments mature within a year of the balance sheet date and are comprised of:

	<u>2023</u>		<u>2022</u>
	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>
Guaranteed investment certificates	\$ 144,190	\$ 144,190	\$ 77,667
Bonds	<u>97,976</u>	<u>99,558</u>	<u>54,290</u>
	<u>\$ 242,166</u>	<u>\$ 243,748</u>	<u>\$ 131,957</u>

Long-term investments are comprised of:

	<u>2023</u>		<u>2022</u>
	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>
Guaranteed investment certificates	\$ 278,525	\$ 280,117	\$ 307,509
Bonds	<u>896,668</u>	<u>1,004,391</u>	<u>1,087,650</u>
	<u>\$ 1,175,193</u>	<u>\$ 1,284,508</u>	<u>\$ 1,395,159</u>

A portion of the club's investments totalling \$41,867 (2022 - \$41,291) (the balance in the Martha Camfield endowment fund) is restricted for endowment purposes. The club has not segregated and identified any particular investment as being held for endowment purposes. Rather, the club allocates a portion of the total interest generated during the year on all of its investments to the endowment fund based upon the proportion of the endowment fund's opening balance in relation to the club's opening balance of net assets.

5. DEFERRED REVENUE

Deferred memberships

Deferred membership revenue represents the amounts received from members for the portion of membership beyond the year-end. Changes in the deferred membership balance is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	\$ 14,014	\$ 11,104
Membership payments received	29,905	31,260
Amounts recognized as revenue during the year	<u>(34,611)</u>	<u>(28,350)</u>
Balance at the end of the year	<u>\$ 9,308</u>	<u>\$ 14,014</u>

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THE OTTAWA FIELD-NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED SEPTEMBER 30, 2023

6. COMMITMENTS

Life memberships

The club is committed to provide for regular membership benefits to lifetime members. Since it is not practicable to determine the total liability associated with providing these benefits for the rest of the lives of these individuals, the annual costs are expensed as incurred. Lifetime memberships are no longer offered by the club. As of September 30, 2023, there were 37 (2022 - 38) remaining lifetime members.

Fletcher Wildlife Garden

The club is committed to maintain the Fletcher Wildlife Garden, a 6.5 hectare property on the Central Experimental Farm in Ottawa, Ontario for a period until March 31, 2024, with an option to commit to another 5 years. The club relies on the voluntary contributions from club officers and members in order to fulfill this commitment. As described in note 2, the fair value of contributed human resources are not recognized in these financial statements.

7. RELATED PARTY TRANSACTIONS

The financial statements include Trial and Landscape fees which include an amount paid to an OFNC Director of \$8,309 (2022 - \$6,547). The services were provided in the normal course of business and have been recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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