

Master Gardeners of Ontario Inc.

Financial Statements

for the year ended

April 30, 2017

(Unaudited)

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(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Directors of
Master Gardeners of Ontario Inc.

We have reviewed the statement of financial position of Master Gardeners of Ontario Inc. as at April 30, 2017, and the statements of operations, 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 primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Charity.

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.

Wilton White Hill LLP

Smithville, Ontario
September 1, 2017

Wilton White Hill LLP
Chartered Professional Accountants
Licensed Public Accountants

Master Gardeners of Ontario Inc.

Statement of financial position

as at April 30, 2017

(Unaudited)

	2017	2016
Assets		
Current		
Cash	\$ 72,850	\$ 61,262
Short-term investments, note 2	47,831	45,967
Accounts receivable	980	3,851
Sales taxes recoverable	1,011	8,162
Prepaid expenses	2,848	2,297
	<u>\$ 125,520</u>	<u>\$ 121,539</u>
Liabilities		
Current		
Accounts payable	\$ 4,280	\$ 3,250
	<u>4,280</u>	<u>3,250</u>
Net assets		
Net assets - unrestricted	73,240	70,289
Net assets - restricted, note 4	48,000	48,000
	<u>121,240</u>	<u>118,289</u>
	<u>\$ 125,520</u>	<u>\$ 121,539</u>

The accompanying notes form an integral part of the financial statements.

Approved on behalf of the Board

By: _____ Director

By: _____ Director

Master Gardeners of Ontario Inc.

Statement of changes in net assets

for the year ended April 30, 2017

(Unaudited)

Net Assets	Unrestricted	Restricted	2017	2016
Balance, beginning of year	\$ 70,289	\$ 48,000	\$ 118,289	\$ 101,924
Excess of revenue over expenditures	2,951	-	2,951	16,365
Balance, end of year	\$ 73,240	\$ 48,000	\$ 121,240	\$ 118,289

The accompanying notes form an integral part of the financial statements.

Master Gardeners of Ontario Inc.

Statement of operations

for the year ended April 30, 2017

(Unaudited)

	2017	2016
Revenue		
Group memberships	\$ 23,045	\$ 23,135
Donations designated for groups	2,386	2,050
Interest income	1,867	238
Other income	1,505	1,770
General donations	25	-
Conference income	-	94,376
	<u>28,828</u>	<u>121,569</u>
Expenditures		
Special initiatives	4,000	-
Insurance	3,537	1,181
Office and general	1,224	804
Badges and certificates	3,382	2,452
Professional fees	3,105	3,472
Zone and board travel and related expenses	2,537	2,691
Donations to groups	2,386	2,050
Education program	2,200	750
Canada Blooms	1,177	18
Web expenses	1,075	61
Promotion and membership	702	561
Telephone and communications	213	-
Bank charges and interest	157	80
Bookmarks	130	693
Conference expenses	52	89,091
Education reference manual	-	1,300
	<u>25,877</u>	<u>105,204</u>
Excess of revenue over expenditures	\$ 2,951	\$ 16,365

The accompanying notes form an integral part of the financial statements.

Master Gardeners of Ontario Inc.

Statement of cash flows

for the year ended April 30, 2017

(Unaudited)

	2017	2016
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 2,951	\$ 16,365
Change in non-cash working capital balances		
Accounts receivable	2,871	(2,801)
Sales taxes recoverable	7,151	(7,276)
Prepaid expenses	(551)	2,703
Accounts payable	1,030	38
Cash from operations	13,452	9,029
Investing activities		
Increase in short-term investments	(1,864)	(233)
Increase in cash	11,588	8,796
Cash position, beginning of year	61,262	52,466
Cash position, end of year	\$ 72,850	\$ 61,262

The accompanying notes form an integral part of the financial statements.

Master Gardeners of Ontario Inc.

Notes to the financial statements

April 30, 2017

(Unaudited)

Purpose of the organization

Master Gardeners of Ontario Inc. (MGOI), a corporation without share capital, organized under the laws of the province of Ontario, is a registered charity under the Income Tax Act. The Charity functions as the certifying body for the Master Gardener designation in Ontario and provides horticultural education to the public.

1. Accounting policies

MGOI has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting and revenue recognition

MGOI 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 revenue is 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.

Financial instruments

i) Measurement

MGOI's financial instruments consist of cash, cash equivalents, short-term investments, accounts receivable and accounts payable. All financial assets and liabilities are initially measured at fair value. Financial assets and liabilities are subsequently measured at amortized cost.

ii) Impairment

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Cash and equivalents

Cash and equivalents consist of cash on deposit and short-term deposits with maturity dates of less than 90

Fixed assets

Fixed assets are recorded as operating expenses in the year of acquisition. As set out in Section 4431 of Part III of the CICA Handbook, not-for-profit organizations with average annual revenues of less than \$500,000 may expense property and equipment as purchased (rather than capitalizing expenditures and amortizing purchase prices over respective useful lives). During the year the Charity spent nil on fixed assets (2016 - nil).

Contributed services

Volunteers contribute about 40,000 hours per year to assist Master Gardeners of Ontario Inc. in carrying out its activities. Due to the difficulty in determining the fair value of these services, contributed services are not recognized in the financial statements.

Contributed materials

From time to time, MGOI receives donated material for events such as silent auctions. These donations are only recorded as revenue when the fair value of the contribution can be reasonably estimated.

Master Gardeners of Ontario Inc.

Notes to the financial statements

April 30, 2017

(Unaudited)

1. Accounting policies, continued

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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant financial statement items that require the use of estimates are the amount of accrued liabilities and donated materials. These items are reviewed periodically and adjustments are made, as appropriate, in the statements of operations and changes in net assets in the year they become known.

2. Short-term investments

Short-term investments are comprised of investment certificates issued by a Canadian chartered bank.

3. Financial instrument risks

MGOI's financial instruments are described in note 1. MGOI is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks, nor is it exposed to any material concentrations of risk. There has been no change in risk exposures from the prior year.

4. Net assets - restricted

On October 6, 2014, the Board of Directors of MGOI established a restricted Conference Fund. The fund consists of \$20,000 in investment certificates to be used for the startup costs of the 2016 conference. Subsequent to the year end, the Board of Directors modified the restriction such that the future use of these funds was restricted to educational endeavours.

At the annual general meeting of the membership on October 15, 2015, the members ratified an email motion passed by the Board that a \$25,000 reserve be established to provide support for the organization in the event of financial difficulties.

At a meeting on October 18, 2015, the Board resolved that \$3,000 be set aside as a reserve for claims arising from uninsured risks such as an error in advice given by members to the public.

5. Non-monetary transactions

The following materials were contributed during the year. They were recognized in the financial statements at their fair value:

Day lilies	\$	400
		<hr/>
	\$	400
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6. Comparative figures

Certain prior year's figures have been reclassified for comparative purposes to conform with current year presentation.