

**TALLGRASS ONTARIO**  
**Financial Statements**  
**Year Ended December 31, 2013**

**TALLGRASS ONTARIO**  
**Index to Financial Statements**  
**Year Ended December 31, 2013**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8

---

**INDEPENDENT AUDITOR'S REPORT**

---

To the Members of Tallgrass Ontario

We have audited the accompanying financial statements of Tallgrass Ontario, which comprise the statement of financial position as at December 31, 2013 and the statements of revenues and expenditures, changes in net assets and 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Members of Tallgrass Ontario *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tallgrass Ontario as at December 31, 2013 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.

**Strathroy, Ontario  
June 25, 2014**

***Woods Pearson & Associates CA's LLP***  
**CHARTERED ACCOUNTANTS LLP**  
**Licensed Public Accountants**

**TALLGRASS ONTARIO**  
**Statement of Financial Position**  
**December 31, 2013**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 15,886	\$ 45,459
Accounts receivable	16,710	7,562
Inventory	-	18,852
Harmonized sales tax recoverable	-	1,836
Prepaid expenses	292	200
	<b>32,888</b>	<b>73,909</b>
<b>RESTRICTED CASH</b>	<b>114,546</b>	<b>6,001</b>
	<b>\$ 147,434</b>	<b>\$ 79,910</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 9,655	\$ 10,101
Harmonized sales tax payable	1,170	-
Deferred income <i>(Note 5)</i>	109,556	35,954
	<b>120,381</b>	<b>46,055</b>
<b>NET ASSETS</b>		
General fund	20,699	27,854
Reserve fund	6,354	6,001
	<b>27,053</b>	<b>33,855</b>
	<b>\$ 147,434</b>	<b>\$ 79,910</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See notes to financial statements

**TALLGRASS ONTARIO**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2013**

	General Fund	Reserve Fund	<b>2013</b>	2012
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 27,854	\$ 6,001	<b>\$ 33,855</b>	\$ 5,345
Excess of revenue over expenses	(7,155)	353	<b>(6,802)</b>	28,510
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 20,699</b>	<b>\$ 6,354</b>	<b>\$ 27,053</b>	<b>\$ 33,855</b>

See notes to financial statements

**TALLGRASS ONTARIO**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2013**

	2013	2012
<b>REVENUE</b>		
Project revenue	\$ 234,696	\$ 142,645
Deferred income from prior year <i>(Note 5)</i>	35,954	57,710
Donations	2,805	1,476
Direct Mail Contributions	2,560	210
Memberships	1,900	900
Plant and seed sales	470	2,415
Interest income	353	1
Gifts in Kind	70	-
Registration fees	-	600
Grant revenue	-	63,400
Less: income deferred to subsequent year <i>(Note 5)</i>	<b>(109,556)</b>	<b>(35,954)</b>
	<b>169,252</b>	<b>233,403</b>
<b>EXPENSES</b>		
Board and volunteers	534	1,018
Consulting fees	132,618	113,186
Credit card charges	388	-
Equipment rentals	-	758
Insurance	876	1,169
Interest and bank charges	416	135
Materials, supplies and project expenses	28,852	65,991
Meetings and conventions	-	160
Memberships	30	30
Office	1,476	2,280
Professional fees	7,188	8,600
Rental	-	624
Repairs and maintenance	240	-
Telephone	2,080	3,051
Travel	1,356	7,504
Utilities	-	387
	<b>176,054</b>	<b>204,893</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (6,802)</b>	<b>\$ 28,510</b>

See notes to financial statements

**TALLGRASS ONTARIO**  
**Statement of Cash Flows**  
**Year Ended December 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (6,802)	\$ 28,510
Changes in non-cash working capital:		
Accounts receivable	(9,148)	28,855
Inventory	18,852	3,369
Accounts payable and accrued liabilities	(446)	(11,733)
Deferred income	73,602	(21,756)
Prepaid expenses	(92)	500
HST payable (receivable)	3,006	10,066
Employee deductions payable	-	(18,000)
	<b>85,774</b>	<b>(8,699)</b>
<b>INCREASE IN CASH FLOW</b>	<b>78,972</b>	<b>19,811</b>
Cash - beginning of year	51,460	31,649
<b>CASH - END OF YEAR</b>	<b>\$ 130,432</b>	<b>\$ 51,460</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 15,886	\$ 45,459
Restricted Cash	114,546	6,001
	<b>\$ 130,432</b>	<b>\$ 51,460</b>

See notes to financial statements

**TALLGRASS ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

---

1. DESCRIPTION OF BUSINESS

Tallgrass Ontario was incorporated by letters patent under the Canada Corporations Act on November 29, 2001. It is a not-for-profit organization and a registered charity under the Income Tax Act. As such, the organization is not subject to income taxes but must file an annual Registered Charity Information Return with Canada Revenue Agency. Tallgrass Ontario is a national organization operating programs aimed at educating the public about research into tallgrass and conserving, restoring and creating tallgrass communities in Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- the allowance for inventory obsolescence;
- the total accounts receivable or payable at year end.

Inventory

Inventory is valued at the lower of cost or estimated net realizable value. Inventory grown or purchased and funded through grants is valued at a nominal amount.

Revenue recognition

Tallgrass Ontario 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.

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Reserve Fund

The Board of Directors previously approved the creation of a reserve fund to be used at the Directors discretion for unanticipated expenditures. Interest earned during the year is added to the Reserve Fund.

**TALLGRASS ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

---

3. FINANCIAL INSTRUMENTS

The organization's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments. It is management's opinion that the organization is not exposed to significant fair value, interest, currency, liquidity, commodity or credit risk arising from these financial statements.

4. CONTRIBUTED SERVICES

Volunteers and landowners contribute many hours per year to assist the organization in carrying out its services. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

5. DEFERRED REVENUE

Deferred contributions represent unspent resources received or receivable in the current year that are related to the subsequent period(s). The following summarizes the deferred revenue at year end.

York Region	\$	<b>59,500</b>	\$	19,228
HSP Program		<b>50,056</b>		-
Cornwall Power		-		16,676
Memberships prepaid		-		50
<hr/>				
Grand total	\$	<b>109,556</b>	\$	35,954

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.