

HAMILTON NATURALISTS' CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2007

1. NATURE OF ORGANIZATION

The Hamilton Naturalists' Club is an incorporated non-profit organization dedicated to the study, appreciation and conservation of our wild plants and animals in Hamilton and surrounding regions. All work is freely done by Directors, Officers and Volunteers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada. Outlined below are those policies considered particularly significant for the Company.

(a) Investments

The company follows the cost method of accounting for its investments.

(b) Property, Plant and Equipment

Expenditures to acquire property, plant and equipment are charged to the statement of revenue and expenditures and surplus as incurred and the nominal amount of \$1 shown on the statement of financial position.

(c) Pledges

Donations pledged are not recorded in the financial statements until they are received.

(d) Donated Materials and Services

The value of donated materials and services is not recorded in the financial statements because of the difficulty in determining their fair value.

(e) Basis of Accounting

Revenue is recognized when received.

3. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, investments, receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these financial instruments is equal to their carrying amounts.

4. RESTRICTED SURPLUS

The Sanctuary fund includes \$5,000 (\$5,000 in 2006) which must be maintained by the Club at all times.

5. INCOME TAX STATUS

The Club is a registered charity and is exempt from income tax provided it continues to maintain its charitable status.