

Financial Statements of

**CREDIT VALLEY
CONSERVATION FOUNDATION**

Year ended December 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of Credit Valley Conservation Foundation

We have audited the accompanying financial statements of Credit Valley Conservation Foundation ("the Entity"), which comprise of the statement of financial position as at December 31, 2010 and the statements of revenue and expenditures and changes in operating fund balance, 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 generally accepted accounting principles, 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 an 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Credit Valley Conservation Foundation as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

DRAFT

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

_____, 2011

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Cash	\$ 216,969	\$ 214,426
Accounts receivable	176	169
	<u>\$ 217,145</u>	<u>\$ 214,595</u>

Liabilities and Fund Balances

Liabilities:		
Accounts payable and accrued liabilities	\$ 848	\$ 60
Fund balances:		
Operating	16,722	18,241
Reserves (note 3)	199,575	196,294
	<u>216,297</u>	<u>214,535</u>
	<u>\$ 217,145</u>	<u>\$ 214,595</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chair

_____ Secretary/Treasurer

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Statement of Revenue and Expenditures and Change in Operating Fund Balance

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Donations	\$ 393,317	\$ 359,219
Interest on term deposits	490	—
	<u>393,807</u>	<u>359,219</u>
Expenditures:		
Paid to Credit Valley Conservation Authority (note 4)	384,928	422,414
Program expenses	4,810	6,876
Service charges and other	1,019	1,231
Bursaries paid	500	—
Administration expense	788	—
	<u>392,045</u>	<u>430,521</u>
Excess of revenue over expenditures/(expenditures over revenue)	1,762	(71,302)
Operating fund, beginning of year	18,241	19,471
Appropriation from (to) reserves, net	(3,281)	70,072
Operating fund, end of year	<u>\$ 16,722</u>	<u>\$ 18,241</u>

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided (used in):		
Operating activities:		
Excess of revenue over expenditures/expenditures over revenue	\$ 1,762	\$ (71,303)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(7)	(168)
Increase (decrease) in accounts payable	788	(50)
Increase in cash	2,543	(71,521)
Cash, beginning of year	214,426	285,947
Cash end of year	\$ 216,969	\$ 214,426

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Notes to Financial Statements

Year ended December 31, 2010

1. Significant accounting policies:

These financial statements have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The significant accounting policies adopted by the Foundation are as follows:

(a) Accrual basis of accounting:

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) Donations:

Donations are recorded as revenue at the time of receipt.

Donated materials and services received by the Foundation are not recognized in the financial statements because they would either not be used in the normal course of operations, nor would they otherwise be purchased by the Foundation. During 2010, the Foundation received \$29,207 of such donations-in-kind (2009 - \$24,366).

(c) Financial instruments:

The Foundation designates its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(d) Use of estimates:

The preparation of financial statements 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 expenditures during the year. Actual results could differ from those estimates.

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2010

2. Reserves:

Reserves for future expenditures and contingencies are established as required at the discretion of the Directors of the Foundation. Increases or decreases in these reserves are made by appropriations to or from operations.

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2010

3. Paid to Credit Valley Conservation Authority:

This amount relates to the following amounts paid to the Authority, excluding in-kind donations:

	2010
Commemorative Bench Program	\$ 19
Conservation Youth Corp	98,670
Dods & McNair Memorial Forest	3,833
Elora Cataract Trailway	248
Island Lake Community Trails	184,470
Ratray Marsh Living Discovery	81,000
Terra Cotta Centre Environmental Learning	-
Fundraising Costs	12,813
5% Administration Costs	3,877
Total	\$ 384,928

	2009
Island Lake Community Trails	\$ 254,210
Conservation Youth Corp	100,405
Land Securement - Town of Caledon	5,000
Trails Fund - Meadowvale Conservation Area	5,025
Sheridan Creek - CVCA Special Project	10,100
Ecological Goods & Services - CVCA Special Project	25,000
Commemorative Bench Program	2,800
Core 10 General Donations (CVCA Donation Boxes)	530
Program costs	19,344
Total	\$ 422,414

CREDIT VALLEY CONSERVATION FOUNDATION

DRAFT Schedule of Continuity of Reserves

Year ended December 31, 2010, with comparative figures for 2009

2010	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Endowment Fund	\$ 15,000	\$ 4,709	\$ 19,709
Environment Youth Corps	280	48	328
Island Lake Memorial Forest	6,565	6,516	13,081
Greenlands Strategy/Acquisition	—	—	—
Island Lake Community Trails	58,852	10,910	69,762
Ratray Marsh Living Discovery	97,340	(36,202)	61,138
Terra Cotta Living Centre	12,547	8,848	21,395
Trails/Recreation Development	—	—	—
Undesigned Donations	5,691	7,571	13,262
Elora/Cataract Trailway	—	—	—
Water Projects	—	—	—
Commemorative Benches	19	881	900
	\$ 196,294	\$ 3,281	\$ 199,575

2009	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Endowment fund	\$ —	\$ 15,000	\$ 15,000
Environmental Youth Corps	12,240	(11,960)	280
Island Lake Memorial Forest	540	6,025	6,565
Greenlands Strategy/Acquisition	5,000	(5,000)	—
Island Lake Community Trails	131,956	(73,104)	58,852
Ratray Marsh Living Discovery	92,265	5,075	97,340
Terra Cotta Living Centre	5,175	7,372	12,547
Traite/Recreation Development	5,025	(5,025)	—
Undesignated Donations	4,165	1,526	5,691
Water Projects	10,000	(10,000)	—
Commemorative Benches	—	19	19
	\$ 266,366	\$ (70,072)	\$ 196,294