

Financial Statements of

**CREDIT VALLEY
CONSERVATION FOUNDATION**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Members of Credit Valley Conservation Foundation:

Qualified Opinion

We have audited the financial statements of Credit Valley Conservation Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of revenue and expenditures and changes in operating fund balance for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the assets reported in the statements of financial position as at December 31, 2020 and December 31, 2019
- the donations revenue and excess (deficiency) of revenues over expenditures and the operating fund balance, at the beginning and end of the year, reported in the statements of revenue and expenditures and changes in operating fund balance for the years ended December 31, 2020 and December 31, 2019
- the excess (deficiency) of revenues over expenditures reported in the statements of cash flows for the years ended December 31, 2020 and December 31, 2019



Page 2

Our opinion on the financial statements for the year ended December 31, 2019 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



Page 3

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 23, 2021

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 722,058	\$ 549,047
Accounts receivable	19,921	60,077
Prepaid expenses	2,000	2,100
	<u>\$ 743,979</u>	<u>\$ 611,224</u>

Liabilities and Fund Balances

Liabilities:		
Accounts payable and accrued liabilities	\$ 86	\$ 68
Fund balances:		
Operating	30,567	28,437
Reserves (note 2) (Schedule)	713,326	582,719
	<u>743,893</u>	<u>611,156</u>
Contractual rights (note 5)		
	<u>\$ 743,979</u>	<u>\$ 611,224</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chair

_____ Secretary/Treasurer

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Revenue and Expenditures and Changes in Operating Fund Balance

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Donations	\$ 353,434	\$ 712,070
Grants	566,565	1,108,642
Interest	6,235	19,786
	<hr/> 926,234	<hr/> 1,840,498
Expenditures:		
Amounts contributed to Credit Valley Conservation Authority (note 3)	642,380	1,606,518
Administration (note 4)	122,317	161,573
Fundraising (note 4)	24,694	95,916
Service charges and other	4,106	7,406
	<hr/> 793,497	<hr/> 1,871,413
Excess (deficiency) of revenue over expenditures	132,737	(30,915)
Operating fund balance, beginning of year	28,437	16,058
Appropriation from (to) reserves, net (Schedule)	(130,607)	43,294
Operating fund balance, end of year	<hr/> \$ 30,567	<hr/> \$ 28,437

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 132,737	\$ (30,915)
Change in non-cash operating items:		
Decrease (increase) in accounts receivable	40,156	(45,172)
Decrease (increase) in prepaid expenses	100	(2,100)
Increase in accounts payable and accrued liabilities	18	—
Increase (decrease) in cash and cash equivalents	173,011	(78,187)
Cash and cash equivalents, beginning of year	549,047	627,234
Cash and cash equivalents, end of year	\$ 722,058	\$ 549,047

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2020

Credit Valley Conservation Foundation (the "Foundation") is incorporated without share capital under the laws of the province of Ontario. The Foundation is classified as a registered charity under the Income Tax Act (Canada) and, as such, is not subject to income taxes provided certain disbursement requirements are met. Its objective is to raise, manage and distribute funds to the projects and programs developed by Credit Valley Conservation Authority.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards, including the 4200 standards for government not-for-profit organizations.

(b) 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.

(c) Revenue recognition:

Donations and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is accrued as earned.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(e) Contributed materials and services:

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 2020, the Foundation received \$6,965 of such in-kind donations (2019 - \$27,536).

(f) 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.

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

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Amounts contributed to Credit Valley Conservation Authority:

The following amounts were contributed to Credit Valley Conservation Authority (the "Authority"), excluding in-kind donations:

2020	Amount
Climate change	\$ 125,000
Conservative Youth Corp	40,345
Costing Environmental Restoration and Management Actions	38,250
Credit Valley Trail: Indigenous Experience Plan	25,000
Headwaters Health Care Centre	5,845
Into the Greenbelt	1,000
Island Lake Conservation Area: Amphitheatre	15,000
Island Lake Conservation Area: Covered Bridge	645
Island Lake Conservation Area: Natural Playground	30,677
Land Securement: Capstone Property	2,570
Memorial Bench Program at Island Lake CA	1,100
Natural Areas Business Case	3,500
Natural Based Solutions Stormwater	71,973
Rattray Marsh Conservation Area: Infrastructure	21,100
School Rain Garden	10,000
Smart Blue Roof System	222,747
St. Thomas a Becket Anglican Church	2,129
STEP Water LID Training	25,299
Terra Cotta Maple Syrup Festival	200
	\$ 642,380

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Amounts contributed to Credit Valley Conservation Authority (continued):

2019	Amount
Allan A. Martin Rain Garden Project	\$ 25,731
Bringing Back the Brookies in the Credit River Watershed	18,789
Building School Grounds Green Infrastructure to Protect Redside Dace	30,600
Butterfly Blitz	950
Community Outreach	190,358
Community Stewardship Training	10,000
Conservation Youth Corp	156,128
Credit Valley Trail	18,500
Dod's & McNair Memorial Forest	10,000
Dog Strangling Vine Project	25,800
Ecospark Branch Out	27,940
Environmental Education	5,500
Glendale Rain Garden Event	3,000
Island Lake Conservation Area: Natural Playground	160,000
Lakeview Waterfront Connection	30,000
Land Securement: Capstone Property	488,249
Memorial Bench Program	5,500
Nature Based Solutions Stormwater	184,349
Numerical Water Quality Model for the Credit River Watershed	99,000
STEP Water LID Training	90,933
TCCA Fall Festival	6,711
TCCA Second Creek Restoration	2,364
Water Quality 101	11,606
Why Wetlands? A Multi-media Approach	4,510
	<u>\$ 1,606,518</u>

4. Administrative and fundraising expenditures

During the year, the Foundation also paid the Authority \$122,317 (2019 - \$161,573) for administrative and \$237 (2019 - \$7,895) for fundraising expenditures. These expenditures are presented as administration or fundraising expenditures in the statement of revenue and expenditures and changes in operating fund balance.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

5. Contractual rights:

As at December 31, 2020, the Foundation has a number of contracts in place with various donors and sponsors to receive a total of \$1,071,603 over the course of 2021 to 2022.

6. Financial risk:

Market risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada, resulting in an economic slowdown.

The Foundation has experienced a reduction in revenue due to cancellation of fundraising events to adhere to the social gathering policies from public health organizations. The Foundation has also mandated work-from-home supported by technology and infrastructure to access servers from remote locations, for those who were able to do so. Management continues to closely monitor and manage the impact of COVID-19 to the operations of the Foundation by managing the expenditures accordingly.

CREDIT VALLEY CONSERVATION FOUNDATION

Schedule of Continuity of Reserves

Year ended December 31, 2020, with comparative information for 2019

2020	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Bonspiel	\$ 14,048	\$ 2,658	\$ 16,706
Canoe the Credit	24,508	(900)	23,608
Conservation Gala	12,604	75,894	88,498
Conservation Youth Corp	49,595	(10,704)	38,891
Corporate Volunteer Program	17,581	499	18,080
Credit Valley Trail	28,515	37,117	65,632
CVCA Special Projects	164,250	24,363	188,613
Dod's & McNair Memorial Forest	6,355	4,295	10,650
Endowment	7,259	240	7,499
General Donations	132,488	(4,121)	128,367
Island Lake Conservation Area	94,519	(7,932)	86,587
Land Securement	3,115	7,993	11,108
Ratray Marsh Conservation Area	27,882	1,205	29,087
	\$ 582,719	\$ 130,607	\$ 713,326

2019	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Bonspiel	\$ 10,352	\$ 3,696	\$ 14,048
Canoe the Credit	4,750	19,758	24,508
Conservation Gala	106,037	(93,433)	12,604
Conservation Youth Corp	7,911	41,684	49,595
Corporate Volunteer Program	143,131	(125,550)	17,581
Credit Forever Peter Orphanos Tree Planting	7,448	(7,448)	–
Credit valley Trail	–	28,515	28,515
CVCA Special Projects	24,495	139,755	164,250
Dod's & McNair Memorial Forest	21,035	(14,680)	6,355
Endowment	4,963	2,296	7,259
General Donations	41,847	90,641	132,488
Island Lake Conservation Area	131,927	(37,408)	94,519
Land Securement	96,390	(93,275)	3,115
Ratray Marsh Conservation Area	24,016	3,866	27,882
Terra Cotta Conservation Area	1,711	(1,711)	–
	\$ 626,013	\$ (43,294)	\$ 582,719