

Financial Statements of

**CREDIT VALLEY
CONSERVATION FOUNDATION**

Year ended December 31, 2011



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INDEPENDENT AUDITORS' REPORT

To the Members of Credit Valley Conservation Foundation

We have audited the accompanying financial statements of Credit Valley Conservation Foundation, which comprise of the statement of financial position as at December 31, 2011, the statements of revenue and expenditures and changes in operating fund balance and cash flows for the year then ended, and notes, comprising 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 our 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, we consider 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 qualified audit opinion.



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Basis for Qualified Opinion

In common with many charitable organizations, Credit Valley Conservation Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Credit Valley Conservation Foundation and we were not able to determine whether, as at and for the year ended December 31, 2011, any adjustments might be necessary to donations revenue and excess of revenue over expenditures reported in the statement of revenue and expenditures and changes in operating fund balance and current assets and fund balances reported in the statement of financial position.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Credit Valley Conservation Foundation as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 25, 2012
Toronto, Canada

CREDIT VALLEY CONSERVATION FOUNDATION

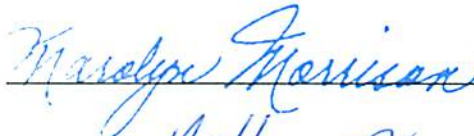
Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	2011	2010
Assets		
Cash	\$ 421,082	\$ 216,969
Accounts receivable	587	176
	<u>\$ 421,669</u>	<u>\$ 217,145</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	\$ 60	\$ 848
Fund balances:		
Operating	16,559	16,722
Reserves (note 2) (Schedule)	405,050	199,575
	<u>421,609</u>	<u>216,297</u>
	<u>\$ 421,669</u>	<u>\$ 217,145</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, 2011, with comparative figures for 2010

	2011	2010
Revenue:		
Donations	\$ 504,334	\$ 393,317
Interest on current bank account	1,737	—
Interest on term deposits	2,463	490
	<u>508,534</u>	<u>393,807</u>
Expenditures:		
Amounts contributed to Credit Valley Conservation Authority (note 3)	273,380	384,928
Fundraising	27,942	4,810
Bursaries paid	—	500
Administration	—	788
Service charges and other	1,900	1,019
	<u>303,222</u>	<u>392,045</u>
Excess of revenue over expenditures	205,312	1,762
Operating fund balance, beginning of year	16,722	18,241
Appropriation to reserves, net (Schedule)	(205,475)	(3,281)
<u>Operating fund balance, end of year</u>	<u>\$ 16,559</u>	<u>\$ 16,722</u>

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 205,312	\$ 1,762
Change in non-cash operating items:		
Increase in accounts receivable	(411)	(7)
Increase (decrease) in accounts payable and accrued liabilities	(788)	788
Increase in cash	204,113	2,543
Cash, beginning of year	216,969	214,426
Cash end of year	\$ 421,082	\$ 216,969

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2011

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies adopted by Credit Valley Conservation Foundation (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 2011, the Foundation received \$37,704 of such donations-in-kind (2010 - \$29,207).

(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

Notes to Financial Statements (continued)

Year ended December 31, 2011

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.

3. Amounts contributed to Credit Valley Conservation Authority:

This amount relates to the following amounts contributed to Credit Valley Conservation Authority, excluding in-kind donations:

2011	
Commemorative Bench Program	\$ 900
Conservation Youth Corp	143,476
Dods & McNair Memorial Forest	13,081
Donations/Grants-CVCA Special Projects	26,258
Elora Cataract Trailway	50
Ratray Marsh Living Discovery	25,000
Terra Cotta Centre "Sugar Shanty"	53,041
Fundraising costs	11,574
	<hr/>
	\$ 273,380

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
Fundraising costs	12,813
5% Administration costs	3,875
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	\$ 384,928

CREDIT VALLEY CONSERVATION FOUNDATION

Schedule of Continuity of Reserves

Year ended December 31, 2011, with comparative figures for 2010

2011	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Endowment Fund	\$ 19,709	\$ 888	\$ 20,597
Environment Youth Corps	328	2,320	2,648
Island Lake Memorial Forest	13,081	(1,976)	11,105
Island Lake Community Trails	69,762	122,937	192,699
Ratray Marsh Living Discovery	61,138	(23,827)	37,311
Terra Cotta Living Centre	21,395	3,833	25,228
Undesigned Donations (General)	13,262	9,480	22,742
Undesigned Donations (Golf Tournament)	—	27,020	27,020
Water Projects	—	65,700	65,700
Commemorative Benches	900	(900)	—
	\$ 199,575	\$ 205,475	\$ 405,050

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
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
Undesigned Donations	5,691	7,571	13,262
Commemorative Benches	19	881	900
	\$ 196,294	\$ 3,281	\$ 199,575