

Financial Statements of

**CREDIT VALLEY
CONSERVATION FOUNDATION**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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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, 2019
- 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, 2019, 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, 2019 and December 31, 2018
- the donations revenue and excess (deficiency) of revenues over expenditures and the operating fund balances, at the beginning and end of the year, reported in the statements of revenue and expenditures and changes in operating fund balances for the years ended December 31, 2019 and December 31, 2018
- the excess (deficiency) of revenues over expenditures reported in the statements of cash flows for the years ended December 31, 2019 and December 31, 2018



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Our opinion on the financial statements for the year ended December 31, 2018 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.



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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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 15, 2020

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 549,047	\$ 627,234
Accounts receivable	60,077	14,905
Prepaid expenses	2,100	—
	<u>\$ 611,224</u>	<u>\$ 642,139</u>

Liabilities and Fund Balances

Liabilities:

Accounts payable and accrued liabilities	\$ 68	\$ 68
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Fund balances:

Operating	28,437	16,058
Reserves (note 2) (Schedule)	582,719	626,013
	<u>611,156</u>	<u>642,071</u>

Contractual rights (note 5)

Subsequent event and contingencies (note 6)

	<u>\$ 611,224</u>	<u>\$ 642,139</u>
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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, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Donations	\$ 712,070	\$ 612,022
Grants	1,108,642	692,096
Interest	19,786	11,045
	<u>1,840,498</u>	<u>1,315,163</u>
Expenditures:		
Amounts contributed to Credit Valley Conservation Authority (note 3)	1,606,518	720,871
Administration (note 4)	161,573	166,146
Fundraising (note 4)	95,916	102,366
Service charges and other	7,406	7,928
	<u>1,871,413</u>	<u>997,311</u>
Excess (deficiency) of revenue over expenditures	(30,915)	317,852
Operating fund balance, beginning of year	16,058	12,940
Appropriation from (to) reserves, net (Schedule)	43,294	(314,734)
Operating fund balance, end of year	<u>\$ 28,437</u>	<u>\$ 16,058</u>

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (30,915)	\$ 317,852
Change in non-cash operating items:		
Increase in accounts receivable	(45,172)	(14,244)
Increase in prepaid expenses	(2,100)	-
Decrease in accounts payable and accrued liabilities	-	(33,800)
Increase (decrease) in cash and cash equivalents	(78,187)	269,808
Cash and cash equivalents, beginning of year	627,234	357,426
Cash and cash equivalents, end of year	\$ 549,047	\$ 627,234

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2019

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, 2019

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 2019, the Foundation received \$27,536 of such in-kind donations (2018 - \$25,256).

(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, 2019

3. Amounts contributed to Credit Valley Conservation Authority:

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

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 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>

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2019

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

2018	Amount
Allan A. Martin Rain Garden Project	\$ 5,466
Bringing Back the Brookies in the Credit River Watershed	11,821
Brook Trout Habitat Restoration	60,900
Building School Grounds Green Infrastructure to Protect Redside Dace	42,438
Classifying non-point sediment source areas for prioritizing restoration activities	17,000
Conservation Youth Corp	115,699
Credit Valley Trail	62,776
Dod's & McNair Memorial Forest	3,000
Dog Strangling Vine Project	27,665
East Credit Stream Daylighting Project	627
Ecospark Branch Out	22,480
Health and Wellness through Outdoor Recreation for Peel Ethnic Seniors	1,422
Into the Greenbelt Project	9,000
Lakeview Waterfront Connection	9,000
Lake Ontario Flyway Project	2,046
LID Performance & Risk Assessment in Western Lake Ontario	23,000
Maple Syrup Festival at Island Lake Conservation	2,250
Natural Areas Business Case	31,500
Nature Based Solutions Stormwater	14,983
Numerical Water Quality Model for the Credit River Watershed	101,000
Public Realm Phase III at Jim Tovey Lakeview Conservation Area	40,328
Ratray Marsh Stonehaven Bridge Repairs	15,004
STEP Water LID Training	15,280
TCCA Second Creek Restoration	27,400
Terra Cotta Fall Festival	1,575
Trail Maintenance at Island Lake	2,500
Wetland Plants at Jim Tovey Lakeview Conservation Area	33,672
Why Wetlands? A Multi-media Approach	21,039
	<u>\$ 720,871</u>

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Administrative and fundraising expenditures

During the year, the Foundation also paid the Authority \$161,573 (2018 - \$166,146) for administrative and \$7,895 (2018 - \$6,224) 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.

5. Contractual rights:

As at December 31, 2019, the Foundation has a number of contracts in place with various donors and sponsors to receive a total of \$610,648 over the course of 2020 to 2022.

6. Subsequent event and contingencies:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Foundation has undertaken the following activities in relation to the COVID-19 pandemic.

- Established a cross-functional planning team to address business continuity decisions resulting from COVID-19 impacts.
- Closed administrative office in accordance with the guidance from public health organizations.
- Mandated work-from-home supported by technology and infrastructure to access servers from remote locations. Implemented electronic workflows and financial processes while still maintaining internal controls.

It is currently not known how long or to what extent the pandemic will impact the Foundation's operations. An estimate of the financial effect is not practicable at this time. Although the current public health crisis presents uncertainty, the Foundation has put the above measures in place at the time of approval of these financial statements to manage the impacts.

CREDIT VALLEY CONSERVATION FOUNDATION

Schedule of Continuity of Reserves

Year ended December 31, 2019, with comparative information for 2018

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
Rattray Marsh Conservation Area	24,016	3,866	27,882
Terra Cotta Conservation Area	1,711	(1,711)	—
	\$ 626,013	\$ (43,294)	\$ 582,719

2018	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Be a Conservation Hero	\$ 15,739	\$ (15,739)	\$ —
Bonspiel	2,822	7,530	10,352
Canoe the Credit	—	4,750	4,750
Conservation Gala	24,569	81,468	106,037
Conservation Youth Corp	—	7,911	7,911
Corporate Volunteer Program	33,614	109,517	143,131
Credit Forever Peter Orphanos Tree Planting	7,448	—	7,448
Credit valley Trail	3,226	(3,226)	—
CVCA Special Projects	4,747	19,748	24,495
Dod's & McNair Memorial Forest	19,540	1,495	21,035
Endowment	2,889	2,074	4,963
General Donations	42,651	(804)	41,847
Island Lake Conservation Area	89,113	42,814	131,927
Land Securement	58,700	37,690	96,390
Rattray Marsh Conservation Area	4,510	19,506	24,016
Terra Cotta Conservation Area	1,711	—	1,711
	\$ 311,279	\$ 314,734	\$ 626,013