

Credit Valley Conservation Foundation
Financial Statements
For the year ended December 31, 2022

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Financial Statements
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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Credit Valley Conservation Foundation (the "Foundation") are the responsibility of the Foundation's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Foundation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Members meet with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Foundation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Foundation's financial statements.

Chair
Ed Arundell
June 14, 2023

Secretary/Treasurer
Quentin Hanchard
June 14, 2023



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Independent Auditor's Report

To the Members of Credit Valley Conservation Foundation

Qualified Opinion

We have audited the accompanying financial statements of Credit Valley Conservation Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, 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 Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenues over expenses, cash flows from operations for the years ended December 31, 2022, current assets as at December 31, 2022, and net assets as at January 1, 2022 and December 31, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 audit 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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



Auditor's 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 auditor's 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 these 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. 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Foundation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 14, 2023

Credit Valley Conservation Foundation
Statement of Financial Position

December 31 **2022** **2021**

Assets

Cash and cash equivalents	\$ 1,013,530	\$ 789,495
Accounts receivable	<u>208,623</u>	<u>178,968</u>
	\$ 1,222,153	\$ 968,463

Liabilities and Fund Balances

Liabilities:

Accounts payable and accrued liabilities	<u>\$ 10,491</u>	<u>\$ 597</u>
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Contractual rights (Note 5)

Fund balances:

Operating	24,090	28,526
Reserves (Note 2)	<u>1,187,572</u>	<u>939,340</u>
	<u>1,211,662</u>	<u>967,866</u>
	\$ 1,222,153	\$ 968,463

Approved by Board

_____ Chair

_____ Secretary/Treasurer

Credit Valley Conservation Foundation
Statement of Operations and Changes in Operating Fund Balance

For the year ended December 31	2022	2021
Revenue		
Donations	\$ 412,033	\$ 1,008,580
Donations in Kind	-	5,000
Grants	488,664	936,463
Interest	1,096	4,848
	<u>901,793</u>	<u>1,954,891</u>
Expenses		
Amounts contributed to Credit Valley Conservation Authority (Note 3)	504,378	1,580,229
Administration (Note 4)	98,388	56,277
Fundraising (Note 4)	49,699	87,523
Service charges and other	5,532	6,889
	<u>657,997</u>	<u>1,730,918</u>
Excess of revenue over expenses	243,796	223,973
Operating fund balance, beginning of year	28,526	30,567
Appropriation to reserves, net (Schedule 1)	(248,232)	(226,014)
Operating fund balance, end of year	\$ 24,090	\$ 28,526

Credit Valley Conservation Foundation
Statement of Cash Flows

For the year ended December 31	2022	2021
Operating activities:		
Excess of revenues over expenses	\$ 243,796	\$ 223,973
Change in non-cash operating items:		
Decrease in accounts receivable	(29,655)	(159,048)
Decrease in prepaid expenses	-	2,000
Increase in accounts payable and accrued liabilities	9,894	512
	<u>224,035</u>	<u>67,437</u>
Increase in cash and cash equivalents	224,035	67,437
Cash and cash equivalents, beginning of year	789,495	722,058
Cash and cash equivalents, end of year	\$ 1,013,530	\$ 789,495

Credit Valley Conservation Foundation

Notes to the Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies

Nature and Purpose of Organization

Credit Valley Conservation Foundation (the "Foundation") was incorporated in December 1964 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.

Basis of Accounting

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.

Revenue Recognition

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.

The Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards, including section 4200 standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The principal estimates used in the preparation of these financial statements includes accrued receivables and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Credit Valley Conservation Foundation
Notes to the Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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 2022, the Foundation received \$50,385 (2021 - \$15,308) of such in-kind donations. During 2022, the Foundation received in-kind donations of \$nil (2021 - \$5,000) for materials that would have been used and purchased by the Foundation in the normal course of operations, and as such, are recognized as income in the financial statements.

Allocation of Expenses

The Foundation allocates human resources costs based on the time spent by staff for operations, fundraising activities and Board activities.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. 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.

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 the Financial Statements

December 31, 2022

3. Amounts Contributed to Credit Valley Conservation Authority

The following amounts were contributed to Credit Valley Conservation Authority (the "Authority"):

2022	Amount
Brook Trout Habitat Restoration	\$ 5,000
Business Case for Natural Assets	200
Community Tree Planting	10,200
Credit Valley Trail	4,726
Dods & McNair Memorial Forest	23,052
Dog Strangling Vine Project	750
Island Lake Conservation Area: Covered Bridge	2,000
Landscape Science	2,200
Memorial Bench Program	1,650
Natural Based Solutions Stormwater	31,405
RBC Nature Tech RROIT	100,000
Reducing Heat Vulnerability	189,576
Restoration & Management	100
School Rain Garden	53,798
SNAP Hungry Hollow	19,950
SNAP Fletchers Creek	2,000
STEP Water LID Training	26,771
Students for Stormwater	18,800
Water Climate Change	200
Wetland & Aquatic Habitat Restoration	12,000
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	\$ 504,378

Credit Valley Conservation Foundation
Notes to the Financial Statements

December 31, 2022

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

2021	Amount
Business Case for Natural Assets	\$ 1,800
Climate change	31,500
Community Outreach	19,080
Community Tree Planting	250,546
Conservation Youth Corps	48,891
Dog Strangling Vine Project	3,000
Flood Resilient Communities	135,000
Greening Corporate Grounds	10,000
Headwaters Health Care Centre	6,738
Island Lake Conservation Area: Covered Bridge	18,033
Island Lake Conservation Area: Natural Playground	3,500
Landowner program	900
Land Securement: Capstone Property	200
Landscape Science	19,800
Memorial Bench Program	8,450
Natural Based Solutions Stormwater	11,340
Peel Tree Planting & Habitat Restoration	258,162
Rattray Marsh Knoll Boardwalk	5,000
Rattray Marsh Conservation Area: Infrastructure	15,000
RBC Nature Tech RROIT	80,000
Reducing Heat Vulnerability	215,758
School Rain Garden	61,784
Smart Blue Roof System	94,731
SNAP Hungry Hollow	76,050
SNAP Fletchers Creek	9,000
Southdown Study	81,576
STEP Water LID Training	14,590
UCCA Prescribed Burn	2,000
Water Climate Change	1,800
Wetland & Aquatic Habitat Restoration	96,000
	\$ 1,580,229

4. Administrative and Fundraising Expenses

The Credit Valley Conservation Authority exercises economic interest over the Foundation as the Foundation was established to raise funds and obtain resources for the exclusive use of the Authority. During the year, the Foundation contributed \$504,378 (2021 - \$1,580,229) towards projects in the Authority. Additionally, the Foundation paid the Authority \$98,388 (2021 - \$56,277) for administrative and \$nil (2021 - \$2,699) for fundraising expenses. These expenses are presented as fundraising and administration expenses, respectively, in the statement of operations. These transactions are measured at cost.

Credit Valley Conservation Foundation
Notes to the Financial Statements

December 31, 2022

5. Contractual Rights

As at December 31, 2022, the Foundation has a number of contracts in place with various donors and sponsors to receive a total of \$1,361,147 over the course of 2023 to 2024.

6. Financial Instruments Risks

Credit risk

The Foundation is exposed to credit risk arising from its accounts receivable. The majority of the Foundation's receivables are from government resources. As well, the Foundation's bank accounts are held at a Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting financial obligations as they fall due. The Foundation mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due. Liquidity risk arises from accounts payable and accrued liabilities.

Credit Valley Conservation Foundation
Continuity of Reserves
Schedule 1

Year ended December 31, 2022, with comparative information for 2021

2022	Balance, beginning of year	Appropriation (to) from Operations	Balance, end of year
Bonspiel	\$ -	\$ -	\$ -
Community Engagement	-	140,211	140,211
Conservation Gala	251,562	57,741	309,303
Conservation Projects	-	16,600	16,600
Conservation Youth Corp	-	31,844	31,844
Corporate Volunteer Program	10,200	(10,200)	-
Credit Valley Trail	102,066	75,391	177,457
CVCA Special Projects	189,650	(158,934)	30,716
Dod's & McNair Memorial Forest	27,470	(20,564)	6,906
Endowment	9,571	-	9,571
General Donations	210,478	79,500	289,978
Island Lake Conservation Area	77,326	(2,000)	75,326
Land Securement	14,285	2,010	16,295
Memorial Bench Program	550	(550)	-
Morphology Exhibit	968	-	968
Parks	-	37,183	37,183
Ratray Marsh Conservation Area	45,214	-	45,214
	\$ 939,340	\$ 248,232	\$ 1,187,572

2021	Balance, beginning of year	Appropriation (to) from Operations	Balance, end of year
Bonspiel	\$ 16,706	\$ (16,706)	\$ -
Canoe the Credit	23,608	(23,608)	-
Conservation Gala	88,498	163,064	251,562
Conservation Youth Corp	38,891	(38,891)	-
Corporate Volunteer Program	18,080	(7,880)	10,200
Credit Valley Trail	65,632	36,434	102,066
CVCA Special Projects	188,613	1,037	189,650
Dod's & McNair Memorial Forest	10,650	16,820	27,470
Endowment	7,499	2,072	9,571
General Donations	128,367	82,111	210,478
Island Lake Conservation Area	86,587	(9,261)	77,326
Land Securement	11,108	3,177	14,285
Memorial Bench Program	-	550	550
Morphology Exhibit	-	968	968
Ratray Marsh Conservation Area	29,087	16,127	45,214
	\$ 713,326	\$ 226,014	\$ 939,340