

Financial Statements of

**CREDIT VALLEY
CONSERVATION FOUNDATION**

Years ended December 31, 2012 and 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 statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of revenue and expenditures and changes in operating fund balance and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.



Page 2

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, verification of these revenues was limited to the amounts recorded in the records of Credit Valley Conservation Foundation.

Therefore, we were not able to determine whether, as at December 31, 2012, December 31, 2011, and January 1, 2011 and for the years ended December 31, 2012 and December 31, 2011, any adjustments might be necessary to donations and excess (deficiency) of revenue over expenditures reported in the statements of revenue and expenditures, excess (deficiency) of revenue over expenditures reported in the statements of cash flows and assets and operating fund balances reported in the statements 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, 2012, December 31, 2011 and January 1, 2011, and its results of operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 24, 2013
Toronto, Canada

CREDIT VALLEY CONSERVATION FOUNDATION

Statements of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
Assets			
Cash	\$ 452,568	\$ 421,082	\$ 216,969
Accounts receivable	-	587	176
	<u>\$ 452,568</u>	<u>\$ 421,669</u>	<u>\$ 217,145</u>

Liabilities and Fund Balances

Liabilities:			
Accounts payable and accrued liabilities	\$ 266,909	\$ 60	\$ 848
Fund balances:			
Operating	15,792	16,559	16,722
Reserves (note 3) (Schedule)	169,867	405,050	199,575
	<u>185,659</u>	<u>421,609</u>	<u>216,297</u>
	<u>\$ 452,568</u>	<u>\$ 421,669</u>	<u>\$ 217,145</u>

See accompanying notes to financial statements.

On behalf of the Board:



(Vice-Chair)

 for

Chair



Treasurer

CREDIT VALLEY CONSERVATION FOUNDATION

Statements of Revenue and Expenditures and Changes in Operating Fund Balance

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Donations	\$ 548,251	\$ 504,334
Interest	5,439	4,200
	<u>553,690</u>	<u>508,534</u>
Expenditures:		
Amounts contributed to Credit Valley Conservation Authority (note 4)	747,580	273,380
Amounts contributed to the Community Foundation of Mississauga - Endowment Fund	15,000	—
Fundraising	25,120	27,942
Service charges and other	1,940	1,900
	<u>789,640</u>	<u>303,222</u>
Excess (deficiency) of revenue over expenditures	(235,950)	205,312
Operating fund balance, beginning of year	16,559	16,722
Appropriation from (to) reserves, net (Schedule)	235,183	(205,475)
Operating fund balance, end of year	<u>\$ 15,792</u>	<u>\$ 16,559</u>

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash provided (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (235,950)	\$ 205,312
Change in non-cash operating items:		
Decrease (increase) in accounts receivable	587	(411)
Increase (decrease) in accounts payable and accrued liabilities	266,849	(788)
Increase in cash	31,486	204,113
Cash, beginning of year	421,082	216,969
Cash, end of year	\$ 452,568	\$ 421,082

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements

Years ended December 31, 2012 and 2011

On January 1, 2012, Credit Valley Conservation Foundation (the "Foundation") adopted Canadian Public Sector Accounting Standards. The Foundation has also elected to apply the 4200 standards for government not-for-profit organizations. These are the first financial statements prepared in accordance with these public sector accounting standards.

In accordance with the transitional provisions in Public Sector Accounting Standards, the Foundation has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is January 1, 2011 and all comparative information provided has been presented by applying public sector accounting standards.

There were no adjustments to fund balances as at January 1, 2011 or excess of revenue over expenditures for the year ended December 31, 2011 as a result of the transition to public sector accounting standards.

1. Significant accounting policies:

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.

(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) Revenue recognition:

The Foundation follows the deferral method of accounting for donations.

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

Externally restricted donations are recognized as revenue in the year in which the related expenses are recognized.

CREDIT VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

1. Significant accounting policies (continued):

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 2012, the Foundation received \$30,799 of such donations-in-kind (2011 - \$37,704).

(c) 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.

(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.

2. Change in accounting policy:

On January 1, 2012, the Foundation adopted Public Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. The adoption of this standard resulted in no change to the financial statements.

3. 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)

Years ended December 31, 2012 and 2011

4. Amounts contributed to Credit Valley Conservation Authority:

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

2012	
AD Latornell Conference Subsidy	\$ 30,000
Conservation Youth Corp	131,776
Dods & McNair Memorial Forest	19,131
Donations/Grants-CVCA Special Projects	165,110
Elora Cataract Trailway	50
Island Lake Community Trails	359,702
Memorial Bench Program	1,500
Ratray Marsh Living Discovery	(33,371)
Terra Cotta Amphitheatre	47,500
Fundraising costs	26,182
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	\$ 747,580

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
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	\$ 273,380

CREDIT VALLEY CONSERVATION FOUNDATION

Schedules of Continuity of Reserves

Years ended December 31, 2012 and 2011

2012	Balance, beginning of year	Appropriation from (to) operations	Balance, end of year
Endowment Fund	\$ —	\$ 130	\$ 130
Environment Youth Corps	2,648	97,352	100,000
Donation Grants-CVCA Special Projects	65,700	(65,679)	21
Island Lake Memorial Forest	11,105	(7,670)	3,435
Island Lake Community Trails	192,699	(158,527)	34,172
Ratray Marsh Living Discovery	37,311	(14,180)	23,131
Terra Cotta Living Centre	25,228	(24,651)	577
Undesigned Donations (Post-June 22, 2012)	—	6,898	6,898
Undesigned Donations (Pre-June 22, 2012)	70,359	(67,627)	2,732
Undesigned Donations (Golf Tournament)	—	(1,229)	(1,229)
	\$ 405,050	\$ (235,183)	\$ 169,867

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
Donation Grants-CVCA Special Projects	—	65,700	65,700
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
Memorial Bench Program	900	(900)	—
	\$ 199,575	\$ 205,475	\$ 405,050