

**The Couchiching Conservancy**  
**Financial Statements**  
For the Year Ended October 31, 2016

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## Independent Auditors' Report

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**To the Members of  
The Couchiching Conservancy**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Couchiching Conservancy, which comprise the statement of financial position as at October 31, 2016, and the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and 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 accounting standards for not-for-profit organizations 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 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 the auditor's 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, the auditor considers 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.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from donations and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues for the years ending October 31, 2016 and October 31, 2015 was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and special events revenue, excess of revenues over expenses, and cash flows from operations.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial position of The Couchiching Conservancy as at October 31, 2016, and the results of its operations and its cash flows for the year then ended is in accordance with Canadian accounting standards for not-for-profit organizations.



**Hehn Trickey Professional Corporation**  
**Chartered Professional Accountants**

*Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario*

Orillia, Ontario  
January 10, 2017

**The Couchiching Conservancy**  
**Statement of Financial Position**  
**As at October 31, 2016**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2016	October 31 2015
<b>Assets</b>					
<b>Current</b>					
Cash and bank	\$ 131,123	\$ -	\$ -	\$ 131,123	\$ 340,469
Short-term investments (Note 3)	51,886	83,270	356,182	491,338	306,120
Accounts receivable	31,163	-	-	31,163	40,231
Grants receivable	67,471	-	-	67,471	130,557
Accrued interest receivable	915	-	-	915	2,014
Interfund receivable	-	-	-	-	19,820
Prepaid expenses	4,651	-	-	4,651	3,980
	<b>287,209</b>	<b>83,270</b>	<b>356,182</b>	<b>726,661</b>	<b>843,191</b>
<b>Long-term investments (Note 3)</b>	-	-	59,108	59,108	102,177
<b>Endowment assets (Note 4)</b>	-	-	84,579	84,579	61,857
<b>Capital assets (Note 5 and 14)</b>	<b>3,026</b>	<b>3,968,621</b>	-	<b>3,971,647</b>	<b>3,576,024</b>
	<b>\$ 290,235</b>	<b>\$ 4,051,891</b>	<b>\$ 499,869</b>	<b>\$ 4,841,995</b>	<b>\$ 4,583,249</b>
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable	\$ 35,817	\$ -	\$ -	\$ 35,817	\$ 133,855
Interfund payable	-	-	-	-	19,820
Deferred contributions (Note 9)	106,604	-	-	106,604	163,602
	<b>142,421</b>	<b>-</b>	<b>-</b>	<b>142,421</b>	<b>317,277</b>
<b>Net Assets</b>					
Unrestricted (Note 6)	57,451	-	-	57,451	59,672
Invested in capital assets (Note 6 and 7)	3,026	3,968,621	-	3,971,647	3,576,024
Internally restricted - acquisition (Note 7)	-	83,270	-	83,270	59,770
President's reserve (Note 6)	87,337	-	-	87,337	159,719
Internally restricted - other (Note 8)	-	-	499,869	499,869	410,787
	<b>147,814</b>	<b>4,051,891</b>	<b>499,869</b>	<b>4,699,574</b>	<b>4,265,972</b>
	<b>\$ 290,235</b>	<b>\$ 4,051,891</b>	<b>\$ 499,869</b>	<b>\$ 4,841,995</b>	<b>\$ 4,583,249</b>

The accompanying notes are an integral part of these financial statements.

**The Couchiching Conservancy**  
**Statement of Operations and Changes in Net Assets**  
**For the Year Ended October 31, 2016**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2016	Budget (Note 11)	October 31 2015
<b>Revenues</b>						
Donations (Schedule 1)	\$ 146,512	\$ 254,288	\$ 91,455	\$ 492,255	\$ 201,764	\$ 478,383
Grants (Schedule 1)	381,154	89,204	-	470,358	576,588	432,079
Interest	11,120	-	-	11,120	6,000	8,499
Merchandise and services	21,503	-	-	21,503	22,300	17,304
Miscellaneous	3,100	-	-	3,100	1,700	792
Special events	23,356	-	-	23,356	20,000	28,129
	<b>586,745</b>	<b>343,492</b>	<b>91,455</b>	<b>1,021,692</b>	<b>828,352</b>	<b>965,186</b>
<b>Expenses</b>						
Advertising and promotion	4,856	-	-	4,856	2,000	11,355
Amortization (Note 14)	1,426	4,886	-	6,312	-	1,445
Bank charges and interest	847	-	-	847	850	824
Dues, fees and licences	2,898	-	-	2,898	3,150	2,660
Fundraising and volunteers	2,590	-	-	2,590	8,000	8,440
General and office	9,461	-	-	9,461	12,092	4,879
Insurance	7,413	-	2,373	9,786	32,140	9,298
Materials and supplies	3,333	-	-	3,333	6,119	12,162
Printing and postage	7,420	-	-	7,420	14,017	10,872
Professional fees and closing costs	35,197	4,396	-	39,593	40,214	41,191
Property taxes and maintenance	6,449	-	-	6,449	5,500	7,613
Property and easement acquisitions	-	400,518	-	400,518	126,327	383,636
Property lease	15,269	-	-	15,269	13,970	9,990
Purchased merchandise	2,419	-	-	2,419	1,900	1,619
Special events	8,819	-	-	8,819	13,825	9,805
Subcontracts	156,502	-	-	156,502	191,504	120,310
Training and conference	2,126	-	-	2,126	3,200	3,120
Travel	10,435	-	-	10,435	15,428	16,471
Utilities and telephone	8,806	-	-	8,806	7,596	7,889
Wages and benefits	284,669	5,500	-	290,169	283,196	289,306
Loss on disposal of assets	-	-	-	-	-	41,759
	<b>570,935</b>	<b>415,300</b>	<b>2,373</b>	<b>988,608</b>	<b>781,028</b>	<b>994,644</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>15,810</b>	<b>(71,808)</b>	<b>89,082</b>	<b>33,084</b>	<b>47,324</b>	<b>(29,458)</b>
<b>Interfund transfers</b>	<b>(90,422)</b>	<b>90,422</b>	<b>-</b>	<b>-</b>	<b>(47,300)</b>	<b>-</b>
<b>Property and easement acquisitions</b>	<b>-</b>	<b>400,518</b>	<b>-</b>	<b>400,518</b>	<b>-</b>	<b>383,636</b>
<b>Net assets, beginning of year</b>	<b>222,426</b>	<b>3,632,759</b>	<b>410,787</b>	<b>4,265,972</b>	<b>4,265,972</b>	<b>3,911,794</b>
<b>Net assets, end of year (Note 6, 7, 8)</b>	<b>\$ 147,814</b>	<b>\$ 4,051,891</b>	<b>\$ 499,869</b>	<b>\$ 4,699,574</b>	<b>\$ 4,265,996</b>	<b>\$ 4,265,972</b>

The accompanying notes are an integral part of these financial statements.

**The Couchiching Conservancy**  
**Statement of Cash Flows**  
**As at October 31, 2016**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2016	October 31 2015
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Excess (deficiency) of revenues over expenses	\$ 15,810	\$ (71,808)	\$ 89,082	\$ 33,084	\$ (29,458)
Items not involving cash					
Amortization of capital assets	1,426	4,886	-	6,312	1,445
Loss on disposal of assets	-	-	-	-	41,758
Property and easement acquisitions	-	400,518	-	400,518	383,636
Interfund transfers	(90,422)	90,422	-	-	-
	(73,186)	424,018	89,082	439,914	397,381
Changes in non-cash working capital balances					
Accounts receivable	9,068	-	-	9,068	26,449
Grants receivable	63,085	-	-	63,085	(118,157)
Accrued interest receivable	1,099	-	-	1,099	1,477
Prepaid expenses	(671)	-	-	(671)	(3,830)
Accounts payable	(98,037)	-	-	(98,037)	104,320
Deferred contributions	(56,998)	-	-	(56,998)	75,126
Change in interfund balances	(19,820)	19,820	-	-	-
	(175,460)	443,838	89,082	357,460	482,766
<b>Investing and financing activities</b>					
Property and easement acquisition	-	(400,518)	-	(400,518)	(383,636)
Purchase of furniture and equipment	(1,417)	-	-	(1,417)	-
Purchase of long term investments	19,417	-	23,652	43,069	63,193
Purchase of endowment assets	-	-	(22,722)	(22,722)	(22,437)
	18,000	(400,518)	930	(381,588)	(342,880)
<b>Increase (decrease) in cash during the year</b>	<b>(157,460)</b>	<b>43,320</b>	<b>90,012</b>	<b>(24,128)</b>	<b>139,886</b>
<b>Cash, beginning of year</b>	<b>340,469</b>	<b>39,950</b>	<b>266,170</b>	<b>646,589</b>	<b>506,703</b>
<b>Cash, end of year</b>	<b>\$ 183,009</b>	<b>\$ 83,270</b>	<b>\$ 356,182</b>	<b>\$ 622,461</b>	<b>\$ 646,589</b>
<b>Represented by</b>					
Cash and bank	\$ 131,123	\$ -	\$ -	\$ 131,123	\$ 340,469
Short-term investments	51,886	83,270	356,182	491,338	306,120
	\$ 183,009	\$ 83,270	\$ 356,182	\$ 622,461	\$ 646,589

The accompanying notes are an integral part of these financial statements.

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# The Couchiching Conservancy

## Notes to Financial Statements

### October 31, 2016

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#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Nature of Organization** The Couchiching Conservancy was incorporated without share capital under the laws of Canada on November 4, 1993. The objects of the organization are as follows:

- a) To preserve, protect, restore and improve the natural environment of the Couchiching Severn region.
- b) To encourage and foster an understanding and awareness of the natural environment and its value in enhancing our quality of life.
- c) To acquire, maintain and preserve lands, or interests in lands, of ecological, recreational, scientific, scenic, heritage or open space value.
- d) To promote and undertake research and data collection on the natural environment and to distribute the findings to the public.

The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Fund Accounting** The organization follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities, which include the stewardship of existing properties and the indirect costs of property acquisition. This fund reports unrestricted resources and restricted operating grants.

The President's Reserve Fund is part of the operating fund created by a motion of the Board of Directors for future core operating expenditures of the organization.

The Acquisition and Capital Fund reports the assets, liabilities, revenues and direct expenses related to the organization's property acquisitions. The Board of Directors established this fund for the purpose of acquiring lands in accordance with the organization's objectives.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**1. Significant Accounting Policies (continued)**

**Fund Accounting (continued)**

The Other Fund encompasses the Property Protection Reserve Fund, The Carden Conservation Reserve Fund and the Heartwood Fund Endowment.

The Property Protection Reserve Fund reports the assets, revenues and expenditures related to the organization's property protection investments. The Board established this fund to provide investment income to maintain properties acquired, as well as to provide a source of funds for the enforcement of ecological conditions covering properties owned, protected under a conservation easement or under a management agreement.

The Carden Conservation Reserve Fund reports the assets, revenues and expenditures related to funds designated by the organization to be used directly for conservation activities on the Carden Plain. A committee is to be established to authorize the expenditure of these funds.

The Heartwood Fund Endowment was established with the purpose of providing the Couchiching Conservancy with a stable and ongoing funding stream with the intention of further increasing the permanency of the organization. It is to be used for operations, stewardship and further investment. It is not to be used for land acquisitions.

**Revenue Recognition**

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

Revenue from merchandise sales, services and special events is recognized at the time of shipment, when the service is rendered or when the event occurs.

Interest income is recognized as it is earned.



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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**1. Significant Accounting Policies (continued)**

**Contributed Materials  
and Services**

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Volunteers contribute their time to assist the organization in carrying out its various activities. Volunteer contributions are not recognized in the financial statements because of the difficulty of determining their fair market value.

**Financial Instruments**

*Initial and subsequent measurement*

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at cost or amortized cost include cash, short-term investments, accounts receivable, grants receivable, accrued interest receivable, interfund receivable and long-term investments.

Financial liabilities measured at cost or amortized cost include accounts payable and interfund payable.

*Impairment*

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**Investments**

Short and long-term investments are recorded at cost with the exception of any investments in equity instruments that are quoted in an active market which are measured at fair value.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**1. Significant Accounting Policies (continued)**

**Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount.

Furniture and equipment are included in the Operating Fund, buildings are included in the Acquisition Fund. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	- 45 years straight line basis
Furniture and equipment	- 10 years straight line basis
Computer equipment	- 5 years straight line basis

The purchase of property and easements by the Acquisition and Capital Fund are charged to the statement of operations and changes in fund balances in the period of acquisition. These acquisitions are then transferred to the balance sheet as capital assets and in the fund balances as an investment in capital assets.

**Use of Estimates**

The preparation of financial statements in accordance Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Cash and Cash  
Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and short-term investments.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**2. Financial Instruments**

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principle risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk and liquidity risk.

(a) Credit risk:

The organization is exposed to credit risk with respect to accounts receivable, grants receivable, accrued interest receivable, short-term investments and long-term investments. The organization assesses, on a continuous basis, the accounts receivable on the basis of amounts it is virtually certain to receive. The credit risk with respect to the short-term and long-term investments is insignificant since the majority are held in large financial institutions.

(b) Liquidity risk:

The organization's exposure to liquidity risk is dependent on the receipt of funds from its major funding sources and other related fundraising sources, whether in the form of grant revenue, fundraising or interest.

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**3. Investments**

	<u>2016</u>	<u>2015</u>
Savings account	\$ 1	\$ 636
Mortgage receivable, 3% due July 2016, principal and interest due annually of \$20,000, secured by land	-	19,417
Guaranteed investment certificate with interest at 0.9%, maturing in June 2018	<b>8,383</b>	-
Community Foundation of Orillia managed fund, redeemable	<b>105,230</b>	-
Guaranteed investment certificate with interest at 2.4% maturing in January 2016	-	50,000
Guaranteed investment certificate with interest stepped at 1.55%, 1.70% and 2.3%, maturing in June 2016	-	19,949

(Continued)

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**3. Investments (continued)**

	<u>2016</u>	<u>2015</u>
Guaranteed investment certificate with interest stepped at 1.55%, 1.70% and 2.3%, maturing in June 2016	-	16,875
Guaranteed investment certificate with interest stepped at 1.50%, 2.35% and 3.0%, maturing in January 2017	<b>5,658</b>	5,528
Guaranteed investment certificate with interest stepped at 1.50%, 2.35% and 3.0%, maturing in June 2017	<b>27,874</b>	27,232
Guaranteed investment certificate with interest at 1.35% maturing in June 2016	-	8,160
Advantage savings account with interest at 1%	<b>352,575</b>	210,500
Guaranteed investment certificate with interest stepped at 1.45%, 1.75% and 2.50%, maturing in February 2018	<b>50,725</b>	50,000
	<b>550,446</b>	408,297
Less amounts due or available within one year included in current assets as short-term investments	<b>491,338</b>	306,120
	<b>\$ 59,108</b>	<b>\$ 102,177</b>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

**4. Endowment Assets**

Endowment assets relate to the cash surrender value of an insurance policy at October 31, 2016.

**5. Capital Assets**

			2016	2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Acquisition and Capital Fund</b>				
Land - Alexander Hope-Smith Nature Reserve	145,000	-	145,000	145,000
Land - Bluebird Ranch	233,018	-	233,018	233,018
Land - Butler Property	9,552	-	9,552	9,552
Land - Carthew Bay Reserve	80,800	-	80,800	80,800
Land - Church Woods	750,000	-	750,000	750,000
Land - Church Woods Road Allowance	2	-	2	2
Land - Elliott Woods	100,000	-	100,000	100,000
Land - Fawcett Nature Reserve	45,000	-	45,000	45,000
Land - Grant Wetlands	147,500	-	147,500	147,500
Land - Hewetson Property	77,000	-	77,000	77,000
Land - Jennett Woods	175,000	-	175,000	175,000
Land - McDarker Wetlands	16,752	-	16,752	16,752
Land - McIsaac Wetlands	20,000	-	20,000	20,000
Land - Prospect Marsh	82,500	-	82,500	82,500
Land - Roehl Reserve	23,105	-	23,105	23,105
Land - Starr Property	114,194	-	114,194	114,194
Land - Thomas Agnew Reserve	45,000	-	45,000	45,000
Land - Waterthrush Woods	16,000	-	16,000	16,000
Land - Wolf Run Alvar	184,261	-	184,261	184,261
Land - Grant Woods (Note 14)	288,423	-	288,423	288,423
Building - Grant Woods (Note 14)	439,708	4,886	434,822	266,690
Land - Turnbull Ranch	299,400	-	299,400	299,400
Easement - Agnew Property	30,000	-	30,000	30,000
Easement - Ironside Property	35,540	-	35,540	35,540
Easement - Konda Property	1	-	1	1
Easement - Larsen Property	198,500	-	198,500	198,500
Easement - Leadbeater Property	48,000	-	48,000	48,000
Easement - Mack Williams	75,000	-	75,000	75,000
Easement - Probst Property	36,750	-	36,750	36,750
Easement - Russell Property	7,500	-	7,500	7,500
Easement - Scout Valley	1	-	1	1

(Continued)

**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

**5. Capital Assets (continued)**

	<b>2016</b>		<b>2015</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
<b>Acquisition and Capital Fund (continued)</b>				
Easement - Wilkins Property	22,500	-	22,500	22,500
Easement - Deadman	46,500	-	46,500	-
Easement - Ling	181,000	-	181,000	-
	<b>3,973,507</b>	<b>4,886</b>	<b>3,968,621</b>	<b>3,572,989</b>
<b>Operating Fund</b>				
Furniture and fixtures	6,359	6,359	-	301
Computer equipment	7,705	4,679	3,026	2,734
	<b>14,064</b>	<b>11,038</b>	<b>3,026</b>	<b>3,035</b>
	<b>\$ 3,987,571</b>	<b>\$ 15,924</b>	<b>\$ 3,971,647</b>	<b>\$ 3,576,024</b>

The easements for the Konda Property and Scout Valley have been recognized at a nominal value of \$1 each and the Church Woods road allowance has been recognized at a nominal value of \$2. Valuations were not necessary to obtain these easements and property, and due to the cost of obtaining appraisals, fair market valuations were not completed and are not planned.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**6. Operating Funds**

	<u>2016</u>	<u>2015</u>
<b>Unrestricted</b>		
Balance, beginning of year	\$ 59,672	\$ 60,201
Surplus (deficit) for the year	15,819	(12,531)
Interfund transfers for mortgage principal payment, SARBEX surplus and building renovations	<u>(18,040)</u>	<u>12,002</u>
	<u>57,451</u>	<u>59,672</u>
<b>Invested in Capital Assets</b>		
Balance, beginning of year	3,035	4,480
Deficit for the year	<u>(9)</u>	<u>(1,445)</u>
	<u>3,026</u>	<u>3,035</u>
<b>President's Reserve - Internally Restricted</b>		
Balance, beginning of year	159,719	225,589
Interfund transfers for mortgage principal payment and building renovations	<u>(72,382)</u>	<u>(65,870)</u>
	<u>87,337</u>	<u>159,719</u>
	<u>\$ 147,814</u>	<u>\$ 222,426</u>

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**7. Acquisition and Capital Funds**

	<u>2016</u>	<u>2015</u>
<b>Invested in Capital Assets</b>		
Balance, beginning of year	\$ 3,572,989	\$ 3,231,112
Deficit for the year	(4,886)	(41,759)
Property and easement acquisitions	<u>400,518</u>	<u>383,636</u>
	<u>3,968,621</u>	<u>3,572,989</u>
<b>Acquisition Reserve Fund</b>		
Balance, beginning of year	59,770	49,189
Deficit for the year	(66,922)	(45,787)
Interfund transfers for building renovations and SARBEX surplus	<u>90,422</u>	<u>56,368</u>
	<u>83,270</u>	<u>59,770</u>
	<u>\$ 4,051,891</u>	<u>\$ 3,632,759</u>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**8. Other Internally Restricted Funds**

	<u>2016</u>	<u>2015</u>
<b>Property Protection Reserve Fund</b>		
Balance, beginning and end of year	<b>\$ 263,560</b>	\$ 263,560
<b>Carden Conservation Reserve Fund</b>		
Balance, beginning of year	<b>21,000</b>	23,500
Interfund transfers for Carden Wildlife Checklist	-	(2,500)
	<b>21,000</b>	21,000
<b>Heartwood Fund Endowment</b>		
Balance, beginning of year	<b>126,227</b>	54,163
Net contributions for the year	<b>89,083</b>	72,064
	<b>215,310</b>	126,227
	<b>\$ 499,869</b>	\$ 410,787

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**9. Deferred Contributions**

	<u>2016</u>	<u>2015</u>
<b>Operating Fund</b>		
Church Woods	\$ -	\$ 3,695
Stewardship Tides	<b>25,000</b>	-
Grant Woods Building Renovation	-	79,309
Ironside	<b>4,835</b>	8,174
Habitat Stewardship Protection	-	18,591
Lake Simcoe Clean-Up Fund	<b>910</b>	-
Bobolink Habitat	<b>7,067</b>	15,264
Heartwood Operating	<b>4,007</b>	3,925
SARBEX - Bluebird	<b>32,145</b>	19,500
SARBEX	<b>15,144</b>	15,144
Gosling	<b>2,496</b>	-
Motus Stations	<b>15,000</b>	-
	<b>\$ 106,604</b>	\$ 163,602

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2016**

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**10. Commitments**

As part of a habitat offset agreement, the organization has signed an agreement to lease a property in the Township of Carden for the period from February 2015 to January 2020. The lease carries a cost of \$13,970 per year and the organization may lease the property for an additional 2 years at a cost of \$17,463 per year.

The minimum annual lease payments for the next four years are as follows:

2017	\$	13,970
2018		13,970
2019		13,970
2020		3,493

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**11. Budget Information**

The budget figures presented for comparison purposes are unaudited. They have been reclassified to conform with the financial statement presentation.

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**12. Contributed Materials and Services**

These statements include \$19,063 (2015 - \$24,400) of contributed materials and services and \$26,788 (2015 - \$41,026) of contributed capital assets that have been recorded at their fair value at the time of contribution.

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**13. Comparative Figures**

Certain prior year figures have been reclassified to conform to the current year presentation.

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**14. Grant Woods Property**

During the 2016 audit, it was discovered the organization had not been recording amortization on the Grant Woods Building. The Couchiching Conservancy completed substantial renovations to the building in the current year and has determined that recording amortization on a go forward basis straight-line over 45 years would be appropriate. The cost of the building was separated from the land in both the current and the prior year in Note 5.

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**The Couchiching Conservancy**  
**Schedule 1 - Donations and Grant Revenue**  
**For the Year Ended October 31, 2016**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2016	October 31 2015
<b>Donations</b>					
General	\$ 114,828	\$ -	\$ 91,455	\$ 206,283	\$ 148,664
In kind - general	113	-	-	113	-
In kind - membership	18,950	26,788	-	45,738	65,426
Membership	12,621	-	-	12,621	14,393
Property and easements	-	227,500	-	227,500	249,900
	<b>\$ 146,512</b>	<b>\$ 254,288</b>	<b>\$ 91,455</b>	<b>\$ 492,255</b>	<b>\$ 478,383</b>
<b>Grant Revenue</b>					
Government of Canada	\$ 37,144	\$ -	\$ -	\$ 37,144	\$ 51,909
Province of Ontario	60,055	-	-	60,055	71,727
Other	283,955	89,204	-	373,159	308,443
	<b>\$ 381,154</b>	<b>\$ 89,204</b>	<b>\$ -</b>	<b>\$ 470,358</b>	<b>\$ 432,079</b>