

The Couchiching Conservancy
Financial Statements
For the Year Ended October 31, 2019

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Independent Auditors' Report

**To the Members of
The Couchiching Conservancy**

Qualified Opinion

We have audited the accompanying financial statements of The Couchiching Conservancy, which comprise the statement of financial position as at October 31, 2019, and the statements of operations and changes in net assets 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 effect of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of The Couchiching Conservancy as at October 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Couchiching Conservancy derives revenue from donations and special events, 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 Couchiching Conservancy. Therefore, we were not able to determine whether any adjustments might be necessary to donations, special events revenues, net assets, and cash flows from operations for the years ended October 31, 2019 and 2018, current assets as at October 31, 2019 and 2018, and net assets as at November 1 and October 31 for both the October 31, 2019 and 2018 years. Our audit opinion on the financial statements for the year ended October 31, 2019 was modified 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

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.

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 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 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 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.

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.



Hehn Trickey Professional Corporation Chartered Professional Accountants

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

Orillia, Ontario
February 5, 2020

The Couchiching Conservancy
Statement of Financial Position
As at October 31, 2019

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2019	October 31 2018
Assets					
Current					
Cash and bank	\$ 149,675	\$ -	\$ -	\$ 149,675	\$ 76,644
Short-term investments (Note 3)	118,966	150,191	-	332,236	401,354
Accounts receivable	27,767	60,000	63,079	87,767	35,524
Government grants receivable	33,566	-	-	33,566	42,862
Accrued interest receivable	4,340	-	-	4,340	2,242
Interfund receivable	-	-	2,324	2,324	10,951
Prepaid expenses	5,030	-	-	5,030	4,180
	339,344	210,191	65,403	614,938	573,757
Long-term investments (Note 3)	-	-	200,146	200,146	226,989
Endowment assets (Note 4)	-	-	481,321	481,321	466,907
Capital assets (Note 5)	2,485	5,067,498	-	5,069,983	4,796,835
	\$ 341,829	\$ 5,277,689	\$ 746,870	\$ 6,366,388	\$ 6,064,488
Liabilities and Net Assets					
Current					
Accounts payable (Note 6)	\$ 45,325	\$ -	\$ -	\$ 45,325	\$ 38,800
Interfund payable	2,324	-	-	2,324	10,951
Deferred contributions (Note 7)	101,549	46,218	-	147,767	101,834
	149,198	46,218	-	195,416	151,585
Net Assets					
Unrestricted (Note 8)	72,809	-	-	72,809	78,304
Invested in capital assets (Note 8 and 9)	2,485	5,067,498	-	5,069,983	4,796,835
Internally restricted - acquisition (Note 9)	-	163,973	-	163,973	201,246
President's reserve (Note 8)	117,337	-	-	117,337	117,337
Internally restricted - other (Note 10)	-	-	568,665	568,665	540,976
Externally restricted - other (Note 11)	-	-	178,205	178,205	178,205
	192,631	5,231,471	746,870	6,170,972	5,912,903
	\$ 341,829	\$ 5,277,689	\$ 746,870	\$ 6,366,388	\$ 6,064,488

The Couchiching Conservancy Statement of Operations and Changes in Net Assets For the Year Ended October 31, 2019

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2019	Budget (Note 13)	October 31 2018
Revenues						
Donations (Schedule 1)	\$ 227,976	\$ 139,958	\$ 25,113	\$ 393,047	\$ 226,400	\$ 645,186
Grants (Schedule 1)	295,374	90,000	-	385,374	275,771	679,843
Investment income	7,150	8,143	32,259	47,552	10,000	37,948
Merchandise and services	7,204	-	-	7,204	7,500	30,081
Miscellaneous	20	-	-	20	1,000	594
Special events	43,797	-	-	43,797	43,000	22,096
	581,521	238,101	57,372	876,994	563,671	1,415,748
Expenses						
Advertising and promotion	1,686	-	-	1,686	1,500	2,432
Amortization	781	9,771	-	10,552	-	10,896
Bank charges and interest	1,706	-	-	1,706	1,000	1,029
Dues, fees and licences	2,773	-	-	2,773	3,000	3,002
Fundraising and volunteers	5,697	-	-	5,697	8,900	6,715
General and office	11,886	-	-	11,886	9,910	9,278
Insurance	7,764	-	-	7,764	8,500	11,987
Materials and supplies	7,037	-	-	7,037	5,981	4,669
Printing and postage	12,468	-	-	12,468	9,900	9,537
Professional fees and closing costs	31,541	8,957	-	40,498	61,580	61,519
Property taxes and maintenance	7,789	-	-	7,789	6,500	7,072
Property and easement acquisitions	-	260,000	-	260,000	-	573,334
Property lease	14,270	-	-	14,270	14,682	15,147
Purchased merchandise	5,739	-	-	5,739	4,000	-
Special events	9,297	-	-	9,297	2,000	4,672
Subcontracts	66,296	-	-	66,296	49,384	48,749
Training and conference	4,529	-	-	4,529	3,500	1,771
Travel	14,335	300	-	14,635	12,983	10,268
Utilities and telephone	6,696	-	-	6,696	7,200	7,015
Wages and benefits	397,818	11,000	-	408,818	351,963	354,431
	610,108	290,028	-	900,136	562,483	1,143,523
Excess (deficiency) of revenues over expenses	(28,587)	(51,927)	57,372	(23,142)	1,188	272,225
Interfund transfers	24,800	4,883	(29,683)	-	-	-
Property and easement acquisitions	-	281,211	-	281,211	-	626,978
Net assets, beginning of year	196,418	4,997,304	719,181	5,912,903	5,912,903	5,013,700
Net assets, end of year (Note 8, 9, 10 and 11)	\$ 192,631	\$ 5,231,471	\$ 746,870	\$ 6,170,972	\$ 5,914,091	\$ 5,912,903

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

The Couchiching Conservancy
Statement of Cash Flows
As at October 31, 2019

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2019	October 31 2018
Cash provided by (used in)					
Operating activities					
Excess (deficiency) of revenues over expenses items not involving cash	\$ (28,587)	\$ (51,927)	\$ 57,372	\$ (23,142)	\$ 272,225
Amortization of capital assets	781	9,771	-	10,552	10,896
Property and easement acquisitions	-	281,211	-	281,211	626,978
Interfund transfers	24,799	4,884	(29,683)	-	-
	(3,007)	243,939	27,689	268,621	910,099
Changes in non-cash working capital balances					
Accounts receivable	7,758	(60,000)	-	(52,242)	(9,153)
Government grants receivable	9,296	-	-	9,296	(14,041)
Accrued interest receivable	(2,098)	-	-	(2,098)	(1,224)
Prepaid expenses	(850)	-	-	(850)	10,156
Accounts payable	6,526	-	-	6,526	12,886
Deferred contributions	(286)	46,217	-	45,931	(396,912)
Change in interfund balances	13,275	-	(13,275)	-	-
	30,614	230,156	14,414	275,184	511,811
Investing and financing activities					
Property and easement acquisition	-	(281,211)	-	(281,211)	(626,978)
Purchase of furniture and equipment	(2,489)	-	-	(2,489)	-
Purchase of long term investments	-	-	26,843	26,843	-
Purchase of endowment assets	-	-	(14,414)	(14,414)	(134,477)
Proceeds on sale of long-term investments	-	-	-	-	(198,279)
	(2,489)	(281,211)	12,429	(271,271)	(959,734)
Increase (decrease) in cash during the year	28,125	(51,055)	26,843	3,913	(447,923)
Cash, beginning of year	240,516	201,246	36,236	477,998	925,921
Cash, end of year	\$ 268,641	\$ 150,191	\$ 63,079	\$ 481,911	\$ 477,998
Represented by					
Cash and bank	\$ 149,675	\$ -	\$ -	\$ 149,675	\$ 76,644
Short-term investments (Note 3)	118,966	150,191	63,079	332,236	401,354
	\$ 268,641	\$ 150,191	\$ 63,079	\$ 481,911	\$ 477,998

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

The Couchiching Conservancy

Notes to Financial Statements

October 31, 2019

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.

The Couchiching Conservancy

Notes to Financial Statements

October 31, 2019

1. Significant Accounting Policies (continued)

Fund Accounting (continued)

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

The Stewardship Endowment Fund was established in accordance with funding agreements for the purchase of particular properties. The investment income from these funds is to be used for the stewardship of lands within the Natural Area Conservation Plan.

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. The investments held in this Endowment Fund are invested based on a long-term time horizon.

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 using the effective interest method.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

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 and contributions are recognized at their fair value at the date of contribution if fair value can be reasonably estimated.

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.

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

3. Investments

	<u>2019</u>	<u>2018</u>
Advantage savings account with interest at 0%	\$ 72	\$ 80
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	226,773	299,893
Guaranteed investment certificate with interest at 1.5% maturing in January 2021	75,000	75,000
Guaranteed investment certificate with interest stepped at 1.50%, 2.0% and 2.5%, maturing in December 2020	71,050	70,000
Guaranteed investment certificate with interest stepped at 2.25%, 2.4% and 2.45%, maturing in February 2021	54,096	52,906
Guaranteed investment certificate with interest stepped at 1.30%, 1.71% and 2.70%, maturing in June 2020	29,581	29,085
Advantage savings account with interest at 1.4%	810	101,379
Guaranteed investment certificate with interest at 2.1%, maturing in January 2020	75,000	-
	532,382	628,343
Less amounts due or available within one year included in current assets as short-term investments	332,236	401,354
	\$ 200,146	\$ 226,989

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

4. Endowment Assets

	<u>2019</u>	<u>2018</u>
Heartwood Endowment Fund		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	\$ 222,397	\$ 210,559
Cash surrender value of an insurance policy	<u>80,719</u>	<u>78,143</u>
	<u>303,116</u>	<u>288,702</u>
Stewardship Endowment Fund		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	<u>178,205</u>	<u>178,205</u>
	<u>\$ 481,321</u>	<u>\$ 466,907</u>

In addition to the endowment funds above, the Community Foundation of Orillia and Area controls the Land Stewardship Endowment Fund which grants investment income to the Conservancy annually 2019 - \$2,000 (2018 - \$2,000). The value of this endowment fund at October 31, 2019 was \$38,595 (2018 - \$38,371). As this endowment fund is not controlled by the conservancy, the value of the fund is not reflected in these financial statements.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

5. Capital Assets

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Acquisition and Capital Fund				
Building - Grant Woods	\$ 439,708	\$ 34,199	\$ 405,509	\$ 415,280
Easement - Agnew Property	30,000	-	30,000	30,000
Easement - Dale	125,000	-	125,000	125,000
Easement - Deadman	46,500	-	46,500	46,500
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 - Ling	181,000	-	181,000	181,000
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
Easement - Wilkins Property	22,500	-	22,500	22,500
Land - Adams Property	220,000	-	220,000	220,000
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 - Grant Woods	288,423	-	288,423	288,423
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 - Mclsaac Wetlands	20,000	-	20,000	20,000
Land - Pitts Property	281,211	-	281,211	-
Land - Prospect Marsh	82,500	-	82,500	82,500
Land - Roehl Reserve	23,105	-	23,105	23,105
Land - Ron Reid Nature Reserve	501,979	-	501,979	501,979
Land - Starr Property	114,194	-	114,194	114,194
Land - Thomas Agnew Reserve	45,000	-	45,000	45,000

(Continued)

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

5. Capital Assets (continued)

	<u>2019</u>		<u>2018</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Acquisition and Capital Fund (continued)				
Land - Turnbull Ranch	\$ 299,400	\$ -	\$ 299,400	\$ 299,400
Land - Waterthrush Woods	16,000	-	16,000	16,000
Land - Wolf Run Alvar	184,261	-	184,261	184,261
	<u>5,101,697</u>	<u>34,199</u>	<u>5,067,498</u>	<u>4,796,058</u>
Operating Fund				
Furniture and fixtures	6,359	6,359	-	-
Computer equipment	10,194	7,709	2,485	777
	<u>16,553</u>	<u>14,068</u>	<u>2,485</u>	<u>777</u>
	<u>\$ 5,118,250</u>	<u>\$ 48,267</u>	<u>\$ 5,069,983</u>	<u>\$ 4,796,835</u>

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.

6. Accounts Payable

	<u>2019</u>		<u>2018</u>	
Government liabilities	\$ 17,073	\$	12,394	\$
Accrued liabilities	28,252	\$	26,406	\$
	<u>\$ 45,325</u>	<u>\$</u>	<u>38,800</u>	<u>\$</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

7. Deferred Contributions

	<u>2019</u>	<u>2018</u>
Operating Fund		
Citizen Science		
Balance, beginning of year	\$ 19,281	\$ 22,664
Plus: contributions received	39,563	33,382
Less: contributions spent	<u>(48,611)</u>	<u>(36,765)</u>
Balance, end of year	<u>10,233</u>	19,281
Haak Property		
Balance, beginning of year	-	393,645
Plus: contributions received	-	237,491
Less: contributions spent	<u>-</u>	<u>(631,136)</u>
Balance, end of year	<u>-</u>	-
Tides		
Balance, beginning of year	25,000	25,000
Plus: contributions received	45,000	45,000
Less: contributions spent	<u>(25,000)</u>	<u>(45,000)</u>
Balance, end of year	<u>45,000</u>	25,000
Schad		
Balance, beginning of year	2,200	3,200
Plus: contributions received	6,000	-
Less: contributions spent	<u>(6,100)</u>	<u>(1,000)</u>
Balance, end of year	<u>2,100</u>	2,200
Other Project		
Balance, beginning of year	-	-
Plus: contributions received	2,300	-
Less: contributions spent	<u>(228)</u>	<u>-</u>
Balance, end of year	<u>2,072</u>	-
Heartwood Operating		
Balance, beginning of year	4,007	4,007
Plus: contributions received	-	1,209
Less: contributions spent	<u>-</u>	<u>(1,209)</u>
Balance, end of year	<u>4,007</u>	4,007

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

7. Deferred Contributions (continued)

SARBEX - Bluebird		
Balance, beginning of year	22,135	25,362
Plus: contributions received	3,610	-
Less: contributions spent	<u>(2,752)</u>	<u>(3,227)</u>
Balance, end of year	<u>22,993</u>	<u>22,135</u>
SARBEX - Other		
Balance, beginning of year	15,144	15,144
Plus: contributions received	-	-
Less: contributions spent	<u>-</u>	<u>-</u>
Balance, end of year	<u>15,144</u>	<u>15,144</u>
Gosling		
Balance, beginning of year	14,067	9,724
Plus: contributions received	-	23,000
Less: contributions spent	<u>(14,067)</u>	<u>(18,657)</u>
Balance, end of year	<u>-</u>	<u>14,067</u>
Total Operating Fund	<u>101,549</u>	101,834
Acquisition and Capital Fund		
Balance, beginning of year	-	-
Plus: contributions received	128,171	-
Less: contributions spent	<u>(81,953)</u>	<u>-</u>
Balance, end of year	<u>46,218</u>	<u>-</u>
Total Deferred Contributions	<u>\$ 147,767</u>	<u>\$ 101,834</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

8. Operating Funds

	<u>2019</u>	<u>2018</u>
Unrestricted		
Balance, beginning of year	\$ 78,304	\$ 70,793
Surplus (deficit) for the year	(30,295)	(3,954)
Interfund transfer for SARBEX surplus	(13,026)	(19,200)
Interfund transfer for investment income	37,826	30,665
	<u>72,809</u>	<u>78,304</u>
Balance, end of year	<u>72,809</u>	78,304
Invested in Capital Assets		
Balance, beginning of year	777	1,902
Computer equipment purchases	2,489	-
Amortization for the year	(781)	(1,125)
	<u>2,485</u>	<u>777</u>
Balance, end of year	<u>2,485</u>	777
President's Reserve - Internally Restricted		
Balance, beginning and end of year	<u>117,337</u>	<u>117,337</u>
	<u>\$ 192,631</u>	<u>\$ 196,418</u>

9. Acquisition and Capital Funds

	<u>2019</u>	<u>2018</u>
Invested in Capital Assets		
Balance, beginning of year	\$ 4,796,058	\$ 4,178,850
Amortization for the year	(9,771)	(9,771)
Property and easement acquisitions	281,211	626,979
	<u>5,067,498</u>	<u>4,796,058</u>
Balance, end of year	<u>5,067,498</u>	4,796,058
Acquisition Reserve Fund		
Balance, beginning of year	201,246	106,032
Surplus (deficit) for the year	(42,156)	237,101
Interfund transfer for SARBEX surplus	13,026	19,200
Interfund transfer for investment income	(8,143)	(4,218)
Interfund transfer for stewardship endowment fund	-	(100,000)
Interfund transfer for property protection reserve fund	-	(56,869)
	<u>163,973</u>	<u>201,246</u>
Balance, end of year	<u>163,973</u>	201,246
	<u>\$ 5,231,471</u>	<u>\$ 4,997,304</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

10. Other Internally Restricted Funds

	<u>2019</u>	<u>2018</u>
Property Protection Reserve Fund		
Balance, beginning of year	\$ 242,223	\$ 185,355
Surplus for the year	9,792	7,109
Interfund transfer for property protection	2	56,868
Interfund transfer for investment income	<u>(9,792)</u>	<u>(7,109)</u>
Balance, end of year	<u>242,225</u>	<u>242,223</u>
Carden Conservation Reserve Fund		
Balance, beginning of year	21,000	21,000
Surplus for the year	849	805
Interfund transfer for investment income	<u>(849)</u>	<u>(805)</u>
Balance, end of year	<u>21,000</u>	<u>21,000</u>
Heartwood Fund Endowment		
Balance, beginning of year	277,753	254,226
Surplus for the year	39,527	35,224
Interfund transfer for investment income	<u>(11,840)</u>	<u>(11,697)</u>
Balance, end of year	<u>305,440</u>	<u>277,753</u>
	<u>\$ 568,665</u>	<u>\$ 540,976</u>

11. Other Externally Restricted Funds

	<u>2019</u>	<u>2018</u>
Stewardship Endowment Fund		
Balance, beginning of year	178,205	78,205
Surplus for the year	7,204	6,835
Interfund transfer for property stewardship endowment	-	100,000
Interfund transfer for investment income	<u>(7,204)</u>	<u>(6,835)</u>
	<u>\$ 178,205</u>	<u>\$ 178,205</u>

12. 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 2020 is \$3,493. Subsequent to the year end, the organization exercised the option to extend the lease for two years.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2019

13. Budget Information

The budget figures presented for comparison purposes are unaudited.

14. Contributed Materials and Services

These statements include \$53,800 (2018 - \$44,613) of contributed materials and services (including volunteer labour) that have been recorded at their fair value at the time of contribution.

15. Subsequent Events

Subsequent to year end, the organization received a \$102,300 grant from The Nature Conservancy of Canada to partially fund the purchase of the Pitts Property acquired in the current fiscal year.

Furthermore, the Whitney Property was donated to the organization subsequent to year end at an estimated value of \$100,000.

The Couchiching Conservancy
Schedule 1 - Donations and Grant Revenue
For the Year Ended October 31, 2019

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2019	October 31 2018
Donations					
General	\$ 167,518	\$ 81,953	\$ 25,113	\$ 274,584	\$ 466,349
In kind - general	35,348	-	-	35,348	24,956
In kind - membership	12,447	6,005	-	18,452	19,657
Membership	12,663	-	-	12,663	9,224
Property and easements	-	52,000	-	52,000	125,000
	<u>\$ 227,976</u>	<u>\$ 139,958</u>	<u>\$ 25,113</u>	<u>\$ 393,047</u>	<u>\$ 645,186</u>
Grant Revenue					
Government of Canada	\$ 66,420	\$ -	\$ -	\$ 66,420	\$ 89,041
Other	228,954	90,000	-	318,954	590,802
	<u>\$ 295,374</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ 385,374</u>	<u>\$ 679,843</u>