

**The Couchiching Conservancy**  
**Financial Statements**  
For the Year Ended October 31, 2020

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## Independent Auditors' Report

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### 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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at October 31, 2020 and 2019, and net assets as at November 1 and October 31 for both the October 31, 2020 and 2019 years. Our audit opinion on the financial statements for the year ended October 31, 2020 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  
January 25, 2021

**The Couchiching Conservancy**  
**Statement of Financial Position**  
**As at October 31, 2020**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2020	October 31 2019
<b>Assets</b>					
<b>Current</b>					
Cash and bank	\$ 396,954	\$ -	\$ -	\$ 396,954	\$ 149,675
Short-term investments (Note 3)	-	404,570	341,250	745,820	332,236
Accounts receivable	14,682	-	-	14,682	87,767
Government grants receivable	5,845	-	-	5,845	33,566
Accrued interest receivable	6,207	-	-	6,207	4,340
Interfund receivable	-	45,212	-	45,212	2,324
Prepaid expenses	4,975	-	-	4,975	5,030
	<b>428,663</b>	<b>449,782</b>	<b>341,250</b>	<b>1,219,695</b>	614,938
<b>Long-term investments (Note 3)</b>	-	-	-	-	200,146
<b>Endowment assets (Note 4)</b>	-	-	644,013	644,013	481,321
<b>Capital assets (Note 5)</b>	1,704	5,333,053	-	5,334,757	5,069,983
	<b>\$ 430,367</b>	<b>\$ 5,782,835</b>	<b>\$ 985,263</b>	<b>\$ 7,198,465</b>	<b>\$ 6,366,388</b>
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable (Note 6)	\$ 34,401	\$ -	\$ -	\$ 34,401	\$ 45,325
Interfund payable	25,468	-	19,744	45,212	2,324
Deferred contributions (Note 7)	102,076	227,955	-	330,031	147,767
	<b>161,945</b>	<b>227,955</b>	<b>19,744</b>	<b>409,644</b>	195,416
<b>Net Assets</b>					
Unrestricted (Note 8)	89,381	-	-	89,381	72,809
Invested in capital assets (Note 8 and 9)	1,704	5,333,053	-	5,334,757	5,069,983
Internally restricted - acquisition (Note 9)	-	221,827	-	221,827	163,973
President's reserve (Note 8)	177,337	-	-	177,337	117,337
Internally restricted - other (Note 10)	-	-	722,314	722,314	568,665
Externally restricted - other (Note 11)	-	-	243,205	243,205	178,205
	<b>268,422</b>	<b>5,554,880</b>	<b>965,519</b>	<b>6,788,821</b>	6,170,972
	<b>\$ 430,367</b>	<b>\$ 5,782,835</b>	<b>\$ 985,263</b>	<b>\$ 7,198,465</b>	<b>\$ 6,366,388</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, 2020**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2020	Budget (Note 14)	October 31 2019
<b>Revenues</b>						
Donations (Schedule 1)	\$ 289,945	\$ 278,789	\$ 73,357	\$ 642,091	\$ 916,481	\$ 417,292
Grants (Schedule 1)	210,996	214,843	-	425,839	291,787	361,129
Investment income	11,051	15,124	58,822	84,997	5,000	47,552
Merchandise and services	8,704	-	-	8,704	9,700	7,204
Miscellaneous	9,495	-	-	9,495	1,000	20
Special events	51,672	-	-	51,672	45,000	43,797
	<b>581,863</b>	<b>508,756</b>	<b>132,179</b>	<b>1,222,798</b>	<b>1,268,968</b>	<b>876,994</b>
<b>Expenses</b>						
Advertising and promotion	429	2,082	-	2,511	3,500	1,686
Amortization	781	9,771	-	10,552	-	10,552
Bank charges and interest	1,936	-	-	1,936	1,700	1,706
Dues, fees and licences	3,135	-	-	3,135	3,100	2,773
Fundraising and volunteers	3,178	40	-	3,218	13,050	5,697
General and office	7,656	4,915	-	12,571	13,726	11,886
Insurance	8,020	-	-	8,020	8,000	7,764
Materials and supplies	2,874	-	-	2,874	5,850	7,037
Printing and postage	5,990	-	-	5,990	12,440	12,468
Professional fees and closing costs	32,305	18,685	-	50,990	77,343	40,498
Property taxes and maintenance	12,183	-	-	12,183	8,715	7,789
Property and easement acquisitions	-	275,326	-	275,326	446,791	260,000
Property lease	17,591	-	-	17,591	18,175	14,270
Purchased merchandise	1,050	-	-	1,050	1,050	5,739
Special events	1,120	-	-	1,120	8,000	9,297
Subcontracts	23,925	-	-	23,925	31,916	66,296
Training and conference	1,881	-	-	1,881	4,900	4,529
Travel	7,356	-	-	7,356	9,549	14,635
Utilities and telephone	7,506	-	-	7,506	7,705	6,696
Wages and benefits	395,256	35,284	-	430,540	405,854	408,818
	<b>534,172</b>	<b>346,103</b>	<b>-</b>	<b>880,275</b>	<b>1,081,364</b>	<b>900,136</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>47,691</b>	<b>162,653</b>	<b>132,179</b>	<b>342,523</b>	<b>187,604</b>	<b>(23,142)</b>
<b>Interfund transfers</b>	<b>28,100</b>	<b>(114,570)</b>	<b>86,470</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property and easement acquisitions</b>	<b>-</b>	<b>275,326</b>	<b>-</b>	<b>275,326</b>	<b>-</b>	<b>281,211</b>
<b>Net assets, beginning of year</b>	<b>192,631</b>	<b>5,231,471</b>	<b>746,870</b>	<b>6,170,972</b>	<b>6,170,972</b>	<b>5,912,903</b>
<b>Net assets, end of year (Note 8, 9, 10 and 11)</b>	<b>\$ 268,422</b>	<b>\$ 5,554,880</b>	<b>\$ 965,519</b>	<b>\$ 6,788,821</b>	<b>\$ 6,358,576</b>	<b>\$ 6,170,972</b>

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

**The Couchiching Conservancy**  
**Statement of Cash Flows**  
**As at October 31, 2020**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2020	October 31 2019
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Excess (deficiency) of revenues over expenses	\$ 47,691	\$ 162,653	\$ 132,179	\$ 342,523	\$ (23,142)
Items not involving cash					
Amortization of capital assets	781	9,771	-	10,552	10,552
Property and easement acquisitions	-	275,326	-	275,326	281,211
Interfund transfers	28,100	(114,570)	86,470	-	-
	<b>76,572</b>	<b>333,180</b>	<b>218,649</b>	<b>628,401</b>	<b>268,621</b>
Changes in non-cash working capital balances					
Accounts receivable	13,084	60,000	-	73,084	(52,242)
Government grants receivable	27,721	-	-	27,721	9,296
Accrued interest receivable	(1,867)	-	-	(1,867)	(2,098)
Prepaid expenses	55	-	-	55	(850)
Accounts payable	(10,923)	-	-	(10,923)	6,526
Deferred contributions	527	181,737	-	182,264	45,931
Change in interfund balances	23,144	(45,212)	22,068	-	-
	<b>128,313</b>	<b>529,705</b>	<b>240,717</b>	<b>898,735</b>	<b>275,184</b>
<b>Investing and financing activities</b>					
Property and easement acquisition	-	(275,326)	-	(275,326)	(281,211)
Purchase of furniture and equipment	-	-	-	-	(2,489)
Purchase of long term investments	-	-	200,146	200,146	26,843
Purchase of endowment assets	-	-	(162,692)	(162,692)	(14,414)
	<b>-</b>	<b>(275,326)</b>	<b>37,454</b>	<b>(237,872)</b>	<b>(271,271)</b>
<b>Increase in cash during the year</b>	<b>128,313</b>	<b>254,379</b>	<b>278,171</b>	<b>660,863</b>	<b>3,913</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>268,641</b>	<b>150,191</b>	<b>63,079</b>	<b>481,911</b>	<b>477,998</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 396,954</b>	<b>\$ 404,570</b>	<b>\$ 341,250</b>	<b>\$ 1,142,774</b>	<b>\$ 481,911</b>
<b>Represented by</b>					
Cash and bank	\$ 396,954	\$ -	\$ -	\$ 396,954	\$ 149,675
Short-term investments (Note 3)	-	404,570	341,250	745,820	332,236
	<b>\$ 396,954</b>	<b>\$ 404,570</b>	<b>\$ 341,250</b>	<b>\$ 1,142,774</b>	<b>\$ 481,911</b>

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

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# The Couchiching Conservancy

## Notes to Financial Statements

### October 31, 2020

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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, 2020**

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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, 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.



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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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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 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.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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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, 2020**

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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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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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**3. Investments**

	<u>2020</u>	2019
Advantage savings account with interest at 0%	\$ 71	\$ 72
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	<b>364,109</b>	226,773
Guaranteed investment certificate with interest at 1.5% maturing in January 2021	<b>75,000</b>	75,000
Guaranteed investment certificate with interest at 2.25% maturing in January 2021	<b>76,575</b>	-
Guaranteed investment certificate with interest at 2.25% maturing in February 2021	<b>71,000</b>	-
Guaranteed investment certificate with interest at 1.5% maturing in June 2021	<b>30,382</b>	-
Guaranteed investment certificate with interest stepped at 1.50%, 2.0% and 2.5%, maturing in December 2020	<b>72,471</b>	71,050
Guaranteed investment certificate with interest stepped at 2.25%, 2.4% and 2.45%, maturing in February 2021	<b>55,394</b>	54,096
Guaranteed investment certificate with interest stepped at 1.30%, 1.71% and 2.70%, maturing in June 2020	-	29,581
Advantage savings account with interest at 0.55%	<b>818</b>	810
Guaranteed investment certificate with interest at 2.1%, maturing in January 2020	-	<u>75,000</u>
	<b>745,820</b>	532,382
Less amounts due or available within one year included in current assets as short-term investments	<b>745,820</b>	<u>332,236</u>
	<b>\$ -</b>	<b>\$ 200,146</b>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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**4. Endowment Assets**

	<u>2020</u>	<u>2019</u>
<b>Heartwood Endowment Fund</b>		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	<b>\$ 317,822</b>	\$ 222,397
Cash surrender value of an insurance policy	<b>82,986</b>	80,719
	<b><u>400,808</u></b>	<u>303,116</u>
<b>Stewardship Endowment Fund</b>		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	<b>243,205</b>	178,205
	<b><u>\$ 644,013</u></b>	<u>\$ 481,321</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 2020 - \$2,000 (2019 - \$2,000). The value of this endowment fund at October 31, 2020 was \$39,158 (2019 - \$38,595). As this endowment fund is not controlled by the conservancy, the value of the fund is not reflected in these financial statements.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

**5. Capital Assets**

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Acquisition and Capital Fund</b>				
Building - Grant Woods	\$ 439,708	\$ 43,970	\$ 395,738	\$ 405,509
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	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 - Taylor Nature Reserve	210,326	-	210,326	-
Land - Thomas Agnew Reserve	45,000	-	45,000	45,000

(Continued)

**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

**5. Capital Assets (continued)**

	<u>2020</u>		<u>2019</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Acquisition and Capital Fund (continued)</b>				
Land - Turnbull Ranch	\$ 299,400	\$ -	\$ 299,400	\$ 299,400
Land - Waterthrush Woods	16,000	-	16,000	16,000
Land - Whitney Wetland Nature Reserve	65,000	-	65,000	-
Land - Wolf Run Alvar	184,261	-	184,261	184,261
	<u>5,377,023</u>	<u>43,970</u>	<u>5,333,053</u>	<u>5,067,498</u>
<b>Operating Fund</b>				
Furniture and fixtures	6,359	6,359	-	-
Computer equipment	10,194	8,490	1,704	2,485
	<u>16,553</u>	<u>14,849</u>	<u>1,704</u>	<u>2,485</u>
	<u>\$ 5,393,576</u>	<u>\$ 58,819</u>	<u>\$ 5,334,757</u>	<u>\$ 5,069,983</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>2020</u>		<u>2019</u>	
Government liabilities	\$ 8,821	\$	17,073	\$
Accrued liabilities	25,580	\$	28,252	\$
	<u>\$ 34,401</u>	<u>\$</u>	<u>45,325</u>	<u>\$</u>

**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

**7. Deferred Contributions**

	<u>2020</u>	<u>2019</u>
<b>Operating Fund</b>		
<b>Citizen Science</b>		
Balance, beginning of year	\$ 10,233	\$ 19,281
Plus: contributions received	43,080	39,563
Less: contributions spent	<u>(27,685)</u>	<u>(48,611)</u>
Balance, end of year	<u>25,628</u>	10,233
<b>Tides</b>		
Balance, beginning of year	45,000	25,000
Plus: contributions received	-	45,000
Less: contributions spent	<u>(45,000)</u>	<u>(25,000)</u>
Balance, end of year	<u>-</u>	45,000
<b>Schad</b>		
Balance, beginning of year	2,100	2,200
Plus: contributions received	-	6,000
Less: contributions spent	<u>(2,100)</u>	<u>(6,100)</u>
Balance, end of year	<u>-</u>	2,100
<b>Other Project</b>		
Balance, beginning of year	2,072	-
Plus: contributions received	55,939	2,300
Less: contributions spent	<u>(25,572)</u>	<u>(228)</u>
Balance, end of year	<u>32,439</u>	2,072
<b>Heartwood Operating</b>		
Balance, beginning of year	4,007	4,007
Plus: contributions received	-	-
Less: contributions spent	<u>-</u>	<u>-</u>
Balance, end of year	<u>4,007</u>	4,007



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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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**7. Deferred Contributions (continued)**

	<u>2020</u>	<u>2019</u>
<b>SARBEX - Bluebird</b>		
Balance, beginning of year	22,993	22,135
Plus: contributions received	8,500	3,610
Less: contributions spent	<u>(6,635)</u>	<u>(2,752)</u>
Balance, end of year	<u>24,858</u>	<u>22,993</u>
<b>SARBEX - Other</b>		
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>
<b>Gosling</b>		
Balance, beginning of year	-	14,067
Plus: contributions received	25,000	-
Less: contributions spent	<u>(25,000)</u>	<u>(14,067)</u>
Balance, end of year	<u>-</u>	<u>-</u>
<b>Total Operating Fund</b>	<u>102,076</u>	<u>101,549</u>
<b>Acquisition and Capital Fund</b>		
Balance, beginning of year	46,218	-
Plus: contributions received	669,704	128,171
Less: contributions spent	<u>(487,967)</u>	<u>(81,953)</u>
Balance, end of year	<u>227,955</u>	<u>46,218</u>
<b>Total Deferred Contributions</b>	<u>\$ 330,031</u>	<u>\$ 147,767</u>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

**8. Operating Funds**

	<u>2020</u>	<u>2019</u>
<b>Unrestricted</b>		
Balance, beginning of year	\$ 72,809	\$ 78,304
Surplus (deficit) for the year	48,472	(30,295)
Interfund transfer for SARBEX surplus	(7,554)	(13,026)
Interfund transfer for investment income	71,679	37,826
Interfund transfer for property protection fund donation	(36,025)	-
Interfund transfer of operating surplus to president's reserve	(60,000)	-
	<u>89,381</u>	<u>72,809</u>
Balance, end of year	<u>89,381</u>	<u>72,809</u>
<b>Invested in Capital Assets</b>		
Balance, beginning of year	2,485	777
Computer equipment purchases	-	2,489
Amortization for the year	(781)	(781)
	<u>1,704</u>	<u>2,485</u>
Balance, end of year	<u>1,704</u>	<u>2,485</u>
<b>President's Reserve - Internally Restricted</b>		
Balance, beginning and end of year	117,337	117,337
Interfund transfer for operating surplus	60,000	-
	<u>177,337</u>	<u>117,337</u>
Balance, end of year	<u>177,337</u>	<u>117,337</u>
	<u>\$ 268,422</u>	<u>\$ 192,631</u>

**9. Acquisition and Capital Funds**

	<u>2020</u>	<u>2019</u>
<b>Invested in Capital Assets</b>		
Balance, beginning of year	\$ 5,067,498	\$ 4,796,058
Amortization for the year	(9,771)	(9,771)
Property and easement acquisitions	275,326	281,211
	<u>5,333,053</u>	<u>5,067,498</u>
Balance, end of year	<u>5,333,053</u>	<u>5,067,498</u>
<b>Acquisition Reserve Fund</b>		
Balance, beginning of year	163,973	201,246
Surplus (deficit) for the year	172,424	(42,156)
Interfund transfer for SARBEX surplus	7,554	13,026
Interfund transfer for investment income	(15,124)	(8,143)
Interfund transfer for stewardship endowment fund	(65,000)	-
Interfund transfer for property protection reserve fund	(42,000)	-
	<u>221,827</u>	<u>163,973</u>
Balance, end of year	<u>221,827</u>	<u>163,973</u>
	<u>\$ 5,554,880</u>	<u>\$ 5,231,471</u>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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**10. Other Internally Restricted Funds**

	<u>2020</u>	<u>2019</u>
<b>Property Protection Reserve Fund</b>		
Balance, beginning of year	\$ 242,225	\$ 242,223
Surplus for the year	17,082	9,792
Interfund transfer for property protection	-	2
Interfund transfer for investment income	(17,082)	(9,792)
Interfund transfer for donation income	36,025	-
Interfund transfer from acquisition fund	42,000	-
	<u>320,250</u>	<u>242,225</u>
Balance, end of year	<u>320,250</u>	<u>242,225</u>
<b>Carden Conservation Reserve Fund</b>		
Balance, beginning of year	21,000	21,000
Surplus for the year	1,481	849
Interfund transfer for investment income	(1,481)	(849)
	<u>21,000</u>	<u>21,000</u>
Balance, end of year	<u>21,000</u>	<u>21,000</u>
<b>Heartwood Fund Endowment</b>		
Balance, beginning of year	305,440	277,753
Surplus for the year	101,049	39,527
Interfund transfer for investment income	(25,425)	(11,840)
	<u>381,064</u>	<u>305,440</u>
Balance, end of year	<u>381,064</u>	<u>305,440</u>
	<u>\$ 722,314</u>	<u>\$ 568,665</u>

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**11. Other Externally Restricted Funds**

	<u>2020</u>	<u>2019</u>
<b>Stewardship Endowment Fund</b>		
Balance, beginning of year	178,205	178,205
Surplus for the year	12,567	7,204
Interfund transfer for property stewardship endowment	65,000	-
Interfund transfer for investment income	(12,567)	(7,204)
	<u>243,205</u>	<u>178,205</u>
	<u>\$ 243,205</u>	<u>\$ 178,205</u>

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**12. Subsequent event**

On January 14, 2021, a 75 acre parcel of property was donated to the organization with an appraised value of \$71,000.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2020**

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**13. Commitments**

The organization has committed \$200,000 to Nature Conservancy of Canada for the purchase of a 1,300 acre site, in return for rights for the habitat offsets.

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

The minimum annual lease payments for the next two years is as follows:

2021	\$	17,463
2022		4,366

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**14. Budget Information**

The budget figures presented for comparison purposes are unaudited.

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**15. Contributed Materials and Services**

These statements include \$52,052 (2019 - \$53,800) of contributed materials and services (including volunteer labour) that have been recorded at their fair value at the time of contribution.

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**16. COVID-19**

The outbreak of the Coronavirus pandemic ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to businesses and organizations globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments, nor the impact on the financial position and financial results of the organization in future periods.

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**17. Comparative Figures**

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

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**The Couchiching Conservancy**  
**Schedule 1 - Donations and Grant Revenue**  
**For the Year Ended October 31, 2020**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2020	October 31 2019
<b>Donations</b>					
General	\$ 228,854	\$ 40,124	\$ 73,357	\$ 342,335	\$ 298,829
In kind - general	33,682	-	-	33,682	35,348
In kind - membership	12,705	5,665	-	18,370	18,452
Membership	14,704	-	-	14,704	12,663
Property and easements	-	233,000	-	233,000	52,000
	<b>\$ 289,945</b>	<b>\$ 278,789</b>	<b>\$ 73,357</b>	<b>\$ 642,091</b>	<b>\$ 417,292</b>
<b>Grant Revenue</b>					
Government of Canada	\$ 27,184	\$ -	\$ -	\$ 27,184	\$ 66,420
Other	183,812	214,843	-	398,655	294,709
	<b>\$ 210,996</b>	<b>\$ 214,843</b>	<b>\$ -</b>	<b>\$ 425,839</b>	<b>\$ 361,129</b>