

The Couchiching Conservancy
Financial Statements
For the Year Ended October 31, 2024

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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, 2024, 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, 2024, 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, 2024 and 2023, current assets as at October 31, 2024 and 2023, and net assets as at November 1 and October 31 for both the October 31, 2024 and 2023 years. Our audit opinion on the financial statements for the year ended October 31, 2024 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 24, 2025

The Couchiching Conservancy
Statement of Financial Position
As at October 31, 2024

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2024	October 31 2023
Assets					
Current					
Cash and bank	\$ 368,333	\$ -	\$ -	\$ 368,333	\$ 162,771
Short-term investments (Note 3)	369,772	589,373	334,023	1,293,168	1,301,556
Accounts receivable	20,231	-	-	20,231	34,194
Government grants receivable	1,556	-	-	1,556	91,552
Accrued interest receivable	6,916	-	-	6,916	7,554
Interfund receivable (Note 8)	41,858	-	(41,858)	-	-
Prepaid expenses	9,975	-	-	9,975	12,348
	818,641	589,373	292,165	1,700,179	1,609,975
Long-term investments (Note 3)	-	-	190,977	190,977	-
Endowment assets (Note 4)	-	-	1,084,557	1,084,557	906,851
Capital assets (Note 5)	6,512	6,924,316	-	6,930,828	6,254,849
	\$ 825,153	\$ 7,513,689	\$ 1,567,699	\$ 9,906,541	\$ 8,771,675
Liabilities and Net Assets					
Current					
Accounts payable (Note 7)	\$ 42,943	\$ -	\$ -	\$ 42,943	\$ 31,961
Deferred contributions (Note 6 & 15)	393,183	-	-	393,183	388,233
	436,126	-	-	436,126	420,194
Net Assets					
Unrestricted (Note 9)	82,514	-	-	82,514	63,421
Invested in capital assets (Note 9 and 10)	6,512	6,924,316	-	6,930,828	6,254,849
Internally restricted - acquisition reserve (Note 10)	-	400,001	-	400,001	232,133
Internally restricted - President's reserve (Note 9)	300,001	-	-	300,001	163,942
Externally restricted - Corridor campaign reserve (Note 10 & 15)	-	189,372	-	189,372	235,262
Internally restricted - other (Note 11)	-	-	1,143,394	1,143,394	1,066,669
Externally restricted - other (Note 11)	-	-	424,305	424,305	335,205
	389,027	7,513,689	1,567,699	9,470,415	8,351,481
	\$ 825,153	\$ 7,513,689	\$ 1,567,699	\$ 9,906,541	\$ 8,771,675

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, 2024

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2024	Budget (Note 13)	October 31 2023
Revenues						
Donations (Schedule 1) (Note 15)	\$ 401,955	\$ 723,300	\$ 45,725	\$ 1,170,980	\$ 1,128,979	\$ 848,933
Grants (Schedule 1)	285,200	153,827	-	439,027	497,835	692,769
Investment income (loss) (Note 4)	359,657	-	-	359,657	42,000	61,413
Merchandise and services	7,875	-	-	7,875	17,500	16,718
Miscellaneous	-	-	-	-	1,000	579
Special events	69,095	-	-	69,095	58,000	55,658
	1,123,782	877,127	45,725	2,046,634	1,745,314	1,676,070
Expenses						
Advertising and promotion	986	3,647	-	4,633	4,500	520
Amortization	2,262	9,771	-	12,033	1,800	11,381
Bank charges and interest	8,175	-	-	8,175	6,000	6,015
Dues, fees and licences	4,201	-	-	4,201	3,750	4,291
Fundraising and volunteers	7,393	-	-	7,393	8,900	6,147
General and office	13,909	2,595	-	16,504	27,349	22,154
Insurance	8,837	-	-	8,837	9,000	7,886
Materials and supplies	24,777	-	-	24,777	72,830	20,348
Printing and postage	6,239	-	-	6,239	7,500	4,331
Professional fees and closing costs	43,180	21,085	-	64,265	59,955	56,760
Property taxes and maintenance	13,462	-	-	13,462	14,000	6,665
Property and easement acquisitions	-	718,629	-	718,629	742,500	765,763
Property lease	18,656	-	-	18,656	19,068	19,068
Purchased merchandise	362	-	-	362	-	-
Special events	5,149	-	-	5,149	5,500	6,426
Subcontracts	34,182	-	-	34,182	54,493	44,809
Training and conference	11,195	-	-	11,195	11,706	2,907
Travel	8,821	1,651	-	10,472	13,246	10,113
Utilities and telephone	8,358	-	-	8,358	11,160	8,070
Wages and benefits	540,973	94,205	-	635,178	603,084	588,422
	761,117	851,583	-	1,612,700	1,676,341	1,592,076
Excess (deficiency) of revenues over expenses (Note 15)	362,665	25,544	45,725	433,934	68,973	83,994
Interfund transfers	(206,763)	86,663	120,100	-	-	-
Property and easement acquisitions	-	685,000	-	685,000	-	771,005
Net assets, beginning of year , as previously stated	233,125	6,716,482	1,401,874	8,351,481	8,351,481	7,241,805
Prior period error (Note 15)	-	-	-	-	-	254,677
Net assets, beginning of year , as restated (Note 15)	233,125	6,716,482	1,401,874	8,351,481	8,351,481	7,496,482
Net assets, end of year (Note 9, 10, 11 and 15)	\$ 389,027	\$ 7,513,689	\$ 1,567,699	\$ 9,470,415	\$ 8,420,454	\$ 8,351,481

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

The Couchiching Conservancy
Statement of Cash Flows
As at October 31, 2024

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2024	October 31 2023
Cash provided by (used in)					
Operating activities					
Excess of revenues over expenses (expenses over revenues) (Note 15)	\$ 362,665	\$ 25,544	\$ 45,725	\$ 433,934	\$ 83,994
Items not involving cash					
Amortization of capital assets	2,262	9,771	-	12,033	11,381
Property and easement acquisitions	-	685,000	-	685,000	771,005
Interfund transfers	(156,763)	36,663	120,100	-	-
	208,164	756,978	165,825	1,130,967	866,380
Changes in non-cash working capital balances					
Accounts receivable	13,963	-	-	13,963	(25,106)
Government grants receivable	52,396	37,600	-	89,996	(82,351)
Accrued interest receivable	638	-	-	638	(6,219)
Prepaid expenses	2,373	-	-	2,373	(3,130)
Accounts payable	10,982	-	-	10,982	(8,684)
Deferred contributions (Note 15)	4,950	-	-	4,950	250,414
Change in interfund balances	(42,881)	-	42,881	-	-
	250,585	794,578	208,706	1,253,869	991,304
Investing and financing activities					
Property and easement acquisition	-	(685,000)	-	(685,000)	(771,005)
Purchase of furniture and equipment	(3,012)	-	-	(3,012)	(3,042)
Purchase of long term investments	-	-	(190,977)	(190,977)	-
Purchase of endowment assets, investment income and increase in cash surrender value of insurance policy	-	-	(177,706)	(177,706)	(192,374)
	(3,012)	(685,000)	(368,683)	(1,056,695)	(966,421)
Increase in cash during the year	247,573	109,578	(159,977)	197,174	24,883
Cash and cash equivalents, beginning of year	540,532	429,795	494,000	1,464,327	1,439,444
Cash and cash equivalents, end of year	\$ 788,105	\$ 539,373	\$ 334,023	\$ 1,661,501	\$ 1,464,327
Represented by					
Cash and bank	\$ 368,333	\$ -	\$ -	\$ 368,333	\$ 162,771
Short-term investments (Note 3)	369,772	589,373	334,023	1,293,168	1,301,556
	\$ 738,105	\$ 589,373	\$ 334,023	\$ 1,661,501	\$ 1,464,327

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

The Couchiching Conservancy

Notes to Financial Statements

October 31, 2024

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 objectives 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 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 Corridor Campaign Reserve is part of the acquisition and capital fund and is comprised of restricted contributions received for the purchase of properties within the corridor.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

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 Endowment Fund.

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, and is to be used for the stewardship of lands within the Natural Area Conservation Plan. Investment income earned on these funds is unrestricted and is reported in the operating fund.

The Heartwood Endowment Fund 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. Investment income earned on these funds is unrestricted and is reported in the operating fund.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition The organization follows the restricted fund method whereby restricted contributions and grants are recognized in the fund corresponding to the purpose for which they were contributed. In the absence of a corresponding restricted fund, restricted contributions and grants are deferred and recognized as revenue of the general fund in the year in which the related expenses are incurred. Endowment contributions are recognized as revenue of the other fund. Unrestricted contributions and grants are recognized as revenues of the general fund. Contribution and grants are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Investment income is recognized quarterly from the fund statements provided by The Community Foundation of Orillia and Area (CFOA) and annually from the statements provided by BMO Life Assurance Company. Investment income from CFOA includes realized income and unrealized gains and losses (Note 4). CFOA reports on a quarterly calendar basis, thus investment income is only reported up to September 30th of each fiscal year. Investment income is unrestricted and is reported in the operating fund

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

1. Significant Accounting Policies (continued)

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, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. 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, accounts receivable, government grants receivable and accrued interest receivable.

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

Financial assets measured at fair value include short-term investments and endowment assets.

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

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 and buildings are included in the Acquisition and Capital 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 net assets in the period of acquisition. These acquisitions are then transferred to the statement of financial position 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, 2024

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, liquidity risk and other price 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 investment income.

(c) Other price risk:

The portion of the organization's investments in publicly-traded securities exposes the organization to price risks as equity investments are subject to price changes in an open market. The company does not use derivative instruments to alter the effects of this risk.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

3. Short-term Investments

	<u>2024</u>	<u>2023</u>
Advantage savings account with interest at 0%	\$ 74	\$ 73
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results (Note 4)	1,240,763	1,070,643
Guaranteed investment certificate with interest at 4.6% maturing in November 2023	-	105,840
Guaranteed investment certificate with interest at 4.65% maturing in April 2024	-	50,000
Guaranteed investment certificate with interest at 4.60% maturing in October 2024	-	75,000
Guaranteed investment certificate with interest at 4.9% maturing in April 2025	52,331	-
Guaranteed investment certificate with interest at 3.8%, maturing in June 2016	80,269	-
Guaranteed investment certificate with interest at 5.4%, maturing in November 2025	110,708	-
	\$ 1,484,145	\$ 1,301,556
Less amounts due or available within one year included in current assets as short-term investments	1,293,168	1,301,556
	\$ 190,977	\$ -

The Community Foundation of Orillia managed fund balance represents the fund balance at September 30 of the related fiscal year.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

4. Endowment Assets

	<u>2024</u>	<u>2023</u>
Heartwood Endowment Fund		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	\$ 572,088	\$ 483,024
Cash surrender value of an insurance policy	<u>88,164</u>	<u>88,622</u>
	<u>660,252</u>	<u>571,646</u>
Stewardship Endowment Fund		
Community Foundation of Orillia managed fund, redeemable, earnings vary depending on quarterly results	<u>424,305</u>	<u>335,205</u>
	<u>\$ 1,084,557</u>	<u>\$ 906,851</u>
Investment Income (Loss)		
Meridian Credit Union - GICs	\$ 11,831	\$ 10,969
Community Foundation of Orillia	<u>348,284</u>	<u>52,173</u>
BMO Life Assurance Company	<u>(458)</u>	<u>(1,729)</u>
	<u>\$ 359,657</u>	<u>\$ 61,413</u>

The above investment income is unrestricted and as a result, is recognized in the operating fund.

The insurance policy is held by the BMO Life Assurance Company and consists of a guaranteed interest account. Investment income includes interest income and market value adjustments.

The Community Foundation of Orillia (CFOA) holds funds in trust for The Couchiching Conservancy in a pooled fund with other funds that are invested with Connor, Clark and Lunn. It reports the investment income quarterly. The pooled investment fund at October 31, 2024 consists of fixed income, Canadian equity, Canadian income equity, global equity, alternative investments and hedge strategies. Investment income includes dividend and interest income, realized investment gains and losses on the sale of investments and unrealized gains and losses on investments measured at fair value. As the organization's funds are pooled with CFOA's other funds, it is not possible to separate the realized investment income from its unrealized income.

The earnings and unrealized gains (losses) reflect CFOA investment income earned from October 1 to September 30 of the related fiscal year.

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 - 2024 - \$2,200 (2023 - \$2,200). The value of this endowment fund at October 31, 2024 was \$40,912 (2023 - \$36,667). 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, 2024

5. Capital Assets

			2024			2023
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Acquisition and Capital Fund						
Building - Grant Woods	\$ 439,708	\$ 83,054	\$ 356,654	\$	366,425	
Easement - Agnew Property	-	-	-		30,000	
Easement - Dale	125,000	-	125,000		125,000	
Easement - Deadman	46,500	-	46,500		46,500	
Easement - Frantzke	191,000	-	191,000		191,000	
Easement - Hancock	95,000	-	95,000		95,000	
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 - 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 - Agnew-Melnyk Nature Reserve	121,000	-	121,000		-	
Land - Alexander Hope-Smith Nature Reserve	145,000	-	145,000		145,000	
Land - Berndt-Campbell Lane	3,342	-	3,342		3,342	
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 - Cedar Grove Nature Reserve	59,000	-	59,000		-	
Land - Church Woods	750,000	-	750,000		750,000	
Land - Church Woods Road Allowance	2	-	2		2	
Land - Deverell-Morton Reserve	471,033	-	471,033		471,033	
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 - Marley Reserve	71,000	-	71,000		71,000	
Land - McDarker Wetlands	16,752	-	16,752		16,752	
Land - McIsaac Wetlands	20,000	-	20,000		20,000	

(Continued)

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

5. Capital Assets (continued)

			2024	2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Acquisition and Capital Fund (continued)				
Land - Mitchell-Bruce Nature Reserve	535,000	-	535,000	-
Land - Nicholson Nature Reserve	100,000	-	100,000	100,000
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	210,326
Land - Thomas Agnew Reserve	45,000	-	45,000	45,000
Land - Turnbull Ranch	299,400	-	299,400	299,400
Land - Turnbull Road Allowance	13,972	-	13,972	13,972
Land - Waterthrush Woods	16,000	-	16,000	16,000
Land - Whitney Wetland Nature Reserve	65,000	-	65,000	65,000
Land - Wolf Run Alvar	184,261	-	184,261	184,261
	7,007,370	83,054	6,924,316	6,249,087
Operating Fund				
Furniture and fixtures	6,359	6,359	-	-
Computer equipment	15,798	9,286	6,512	5,762
	22,157	15,645	6,512	5,762
	\$ 7,029,527	\$ 98,699	\$ 6,930,828	\$ 6,254,849

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.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

6. Deferred Contributions

	<u>2024</u>	<u>2023</u>
Citizen Science		
Balance, beginning of year	\$ 275,842	\$ 10,945
Plus: contributions received	210,067	437,838
Less: contributions spent	<u>(206,299)</u>	<u>(172,941)</u>
Balance, end of year	<u>279,610</u>	<u>275,842</u>
Ironside - Website		
Balance, beginning of year	-	-
Plus: contributions received	8,000	-
Less: contributions spent	<u>(2,000)</u>	<u>-</u>
Balance, end of year	<u>6,000</u>	<u>-</u>
Non-Project		
Balance, beginning of year	2,600	-
Plus: contributions received	-	2,600
Less: contributions spent	<u>(2,600)</u>	<u>-</u>
Balance, end of year	<u>-</u>	<u>2,600</u>
Other Project		
Balance, beginning of year	-	10,939
Plus: contributions received	6,675	13,039
Less: contributions spent	<u>(4,017)</u>	<u>(23,978)</u>
Balance, end of year	<u>2,658</u>	<u>-</u>
Heartwood Operating		
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>	<u>4,007</u>
SARBEX		
Balance, beginning of year	105,784	111,928
Plus: contributions received	56,502	2,809
Less: contributions spent	<u>(61,378)</u>	<u>(8,953)</u>
Balance, end of year	<u>100,908</u>	<u>105,784</u>
Total Deferred Contributions (Note 15)	<u>\$ 393,183</u>	<u>\$ 388,233</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

7. Accounts Payable

	<u>2024</u>	<u>2023</u>
Government liabilities	\$ 11,307	\$ 11,824
Accrued liabilities	31,647	20,137
	\$ 42,954	\$ 31,961

8. Interfund balances

The interfund balances are non-interest bearing and carry no formal terms of repayment.

9. Operating Fund

	<u>2024</u>	<u>2023</u>
Unrestricted		
Balance, beginning of year	\$ 63,421	\$ 64,818
Deficit for the year (Note 15)	361,915	(32,397)
Interfund transfer from property protection fund for tree removal at Church Woods	-	31,000
Interfund transfer of operating surplus to president's reserve	(136,059)	-
Interfund transfer of operating surplus to acquisition reserve	(167,868)	-
Interfund transfer of operating surplus to property protection fund	(31,000)	-
Interfund transfer to acquisition reserve for Agnew-Melnyk land acquisition costs	(7,895)	-
Balance, end of year	82,514	63,421
Invested in Capital Assets		
Balance, beginning of year	5,762	4,330
Computer equipment purchases	3,012	3,042
Amortization for the year	(2,262)	(1,610)
Balance, end of year	6,512	5,762
President's Reserve - Internally Restricted		
Balance, beginning and end of year	163,942	163,942
Interfund transfer of operating surplus	136,059	-
Balance, end of year	300,001	163,942
	\$ 389,027	\$ 233,125

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

10. Acquisition and Capital Fund

	<u>2024</u>	<u>2023</u>
Invested in Capital Assets		
Balance, beginning of year	\$ 6,249,087	\$ 5,487,853
Amortization for the year	(9,771)	(9,771)
Property and easement acquisitions	<u>685,000</u>	<u>771,005</u>
Balance, end of year	<u>6,924,316</u>	6,249,087
Acquisition Reserve - Internally Restricted		
Balance, beginning of year	232,133	232,133
Surplus (deficit) for the year (Note 15)	81,205	92,000
Interfund transfer of operating surplus	167,868	-
Interfund transfer to stewardship endowment fund regarding Mitchell Bruce and Cedar Grove nature reserve purchases	(89,100)	-
Interfund transfer to stewardship endowment fund regarding the Deverell-Morton purchase	-	(92,000)
Interfund transfer from operating fund for Agnew-Melnyk land acquisition costs	<u>7,895</u>	-
Balance, end of year	<u>400,001</u>	232,133
Corridor Campaign Reserve - Externally Restricted (Note 15)		
Balance, beginning of year, as previously stated	-	-
Prior period error	<u>235,262</u>	254,677
Balance, beginning of year, as restated	235,262	254,677
Deficit for the year	<u>(45,890)</u>	<u>(19,415)</u>
Balance, end of year	<u>189,372</u>	235,262
	<u>\$ 7,513,689</u>	<u>\$ 6,716,482</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

11. Other Fund

	<u>2024</u>	<u>2023</u>
Property Protection Reserve Fund		
Balance, beginning of year	\$ 469,000	\$ 500,000
Interfund transfer of operating surplus	31,000	-
Interfund transfer to operating fund for tree removal at Church Woods	-	(31,000)
	<u>500,000</u>	<u>469,000</u>
Carden Conservation Reserve Fund		
Balance, beginning and end of year	<u>25,000</u>	25,000
Heartwood Endowment Fund		
Balance, beginning of year	572,669	520,524
Surplus for the year (Note 15)	45,725	52,145
	<u>618,394</u>	<u>572,669</u>
Balance, end of year - internally restricted	<u>1,143,394</u>	<u>1,066,669</u>
Stewardship Endowment Fund		
Balance, beginning of year	335,205	243,205
Transfer from the acquisition fund regarding the Deverell-Morton property	-	92,000
Interfund transfer from the acquisition fund regarding Mitchell Bruce and Cedar Grove nature reserve purchases	89,100	-
	<u>424,305</u>	<u>335,205</u>
Balance, end of year - externally restricted	<u>424,305</u>	<u>335,205</u>
	<u>\$ 1,567,699</u>	<u>\$ 1,401,874</u>

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

12. Commitments

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 exercised the option to extend the property lease for an additional 2 years at a cost of \$17,463 per year. On December 8, 2021, an agreement was reached to extend the lease for another five years from February 2022 to January 2027 at a cost of \$17,463 per year.

In addition, the organization committed to leasing another property in the Township of Carden for an initial period of October 2016 to September 2021. The lease carries a cost of \$1,305 per year. The organization reached an agreement to further extend the lease to September 2027 at the same cost per year.

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

2025	\$	18,768
2026		18,768
2027		4,366

13. Budget Information

The budget figures presented for comparison purposes are unaudited.

14. Contributed Materials and Services

These statements include \$62,861 (2023 - \$84,482) of contributed materials and services (including volunteer labour) that have been recorded at their fair value at the time of contribution.

The Couchiching Conservancy
Notes to Financial Statements
October 31, 2024

15. Prior Period Error Correction

During the 2024 audit, it was discovered the organization had improperly allocated unrestricted investment income to the acquisition, property protection and carden reserve funds, as well as the endowment funds. The income was subsequently transferred back to the operating fund. The investment income should have been recognized as revenue of the operating fund.

This error has resulted in a restatement of the 2023 comparative figures as follows:

Operating Fund:

- deficit for the year decreasing from \$79,157 to \$32,397 (decrease of \$46,760)
- Interfund transfer for investment income decreasing from \$46,760 to Nil (decrease of \$46,760).

Acquisition and Capital Fund:

- surplus for the year decreasing from \$100,444 to \$92,000 (decrease of \$8,444)
- Interfund transfer for investment income decreasing from \$8,444 to Nil (decrease of \$8,444).

Other Fund (in total):

- surplus for the year decreasing from \$84,041 to \$45,725 (decrease of \$38,316)
- Interfund transfer for investment income decreasing from \$38,316 to Nil (decrease of \$38,316).

The investment income correction had no effect on the 2023 investment income, excess (deficiency) of revenues over expenses, interfund transfers or net assets totals at October 31, 2023.

Furthermore, the organization erroneously deferred unspent contributions for the purchase of land. These unspent contributions should have been recognized as revenue of the acquisition & capital fund, and any unspent portion shown in an externally restricted reserve fund.

This error has resulted in a restatement of the 2023 comparative figures as follows:

Deferred contributions decreased from \$623,495 to \$388,233 (decrease of \$235,262)

Net assets - externally restricted - Corridor Campaign reserve, increased from Nil to \$235,262 (increase of \$235,262)

Donations decreased from \$868,348 to 848,933 (decrease of \$19,415)

Net assets, beginning of year, increased from \$7,241,805 to \$7,496,482 (increase of \$254,677)

These correction resulted in the 2023 excess of revenues over expenses decreasing from \$103,409 to \$83,994 (decrease of \$19,415).

The Couchiching Conservancy
Schedule 1 - Donations and Grant Revenue
For the Year Ended October 31, 2024

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2024	October 31 2023
Donations					
General (Note 15)	\$ 327,436	\$ 37,100	\$ 45,725	\$ 410,261	\$ 372,775
In kind - general	50,261	-	-	50,261	66,344
In kind - membership	11,400	1,200	-	12,600	18,138
Membership	12,858	-	-	12,858	13,676
Property and easements	-	685,000	-	685,000	378,000
	\$ 401,955	\$ 723,300	\$ 45,725	\$ 1,170,980	\$ 848,933
Grant Revenue					
Province of Ontario	7,200	-	-	7,200	10,730
Other	278,000	153,827	-	431,827	682,039
	\$ 285,200	\$ 153,827	\$ -	\$ 439,027	\$ 692,769