

LOWER THAMES VALLEY CONSERVATION

FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lower Thames Valley Conservation Foundation:

Opinion

We have audited the accompanying financial statements of Lower Thames Valley Conservation Foundation, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Lower Thames Valley Conservation Foundation as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

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 my 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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.

London, Ontario
April 21, 2020

Marcus & Associates LLP
Chartered Professional Accountants
Licensed Public Accountants

LOWER THAMES VALLEY CONSERVATION FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 194,638	\$ 113,401
Accounts receivable	12,910	40
HST recoverable	<u>621</u>	<u>948</u>
	<u>\$ 208,169</u>	<u>\$ 114,389</u>

LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 81,055	\$ 8,676
Deferred Contributions (Note 3)	<u>118,949</u>	<u>99,225</u>
Total Liabilities	200,004	107,901
Net Assets:		
Unrestricted	<u>8,165</u>	<u>6,488</u>
	<u>\$ 208,169</u>	<u>\$ 114,389</u>

Approved By the Board of Directors

_____ Director

_____ Director

LOWER THAMES VALLEY CONSERVATION FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Revenues:		
Government grants (Note 3)	\$ 71,900	\$ -
Memorial Forests (Note 2)	10,863	8,501
Office and stationary administration fees	2,257	985
Special projects	1,076	979
Donations	<u>146</u>	<u>100</u>
	<u>86,242</u>	<u>10,565</u>
Expenses:		
Longwoods feasibility study (Note 3)	71,900	-
Memorial Forests (Note 2)	5,985	4,827
Audit fees	3,274	3,274
Bookkeeping fees	1,680	1,640
Special projects	1,076	979
Office and stationery	650	673
Student bursary	<u>-</u>	<u>500</u>
	<u>84,565</u>	<u>11,893</u>
Excess (Deficiency) Of Revenues Over Expenses	<u>\$ 1,677</u>	<u>\$ (1,328)</u>

LOWER THAMES VALLEY CONSERVATION FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Balance At Beginning Of The Year	\$ 6,488	\$ 7,816
Excess (Deficiency) Of Revenues Over Expenses	<u>1,677</u>	<u>(1,328)</u>
Balance At End Of The Year	<u>\$ 8,165</u>	<u>\$ 6,488</u>

LOWER THAMES VALLEY CONSERVATION FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Deficiency of revenues over expenses for the year	\$ 1,677	\$ (1,328)
Changes in non-cash working capital:		
Decrease (increase) in:		
Accounts receivable	(12,870)	808
HST recoverable	327	(430)
Increase (decrease) in:		
Accounts payable and accrued liabilities	72,379	(3,206)
Deferred contributions	<u>19,724</u>	<u>66,778</u>
Net Increase In Cash During The Year	81,237	62,622
Cash At Beginning Of The Year	<u>113,401</u>	<u>50,779</u>
Cash At End Of The Year	<u>\$ 194,638</u>	<u>\$ 113,401</u>

LOWER THAMES VALLEY CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

Nature Of Organization:

Lower Thames Valley Conservation Foundation (LTVCF) is incorporated under the Federal Corporations Act as a not-for-profit organization and is a registered charity within the meaning of the Income Tax Act (Canada). LTVCF promotes public education, awareness and participation in conservation.

1. Summary of Significant Accounting Policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Revenue Recognition:

LTVCF follows the deferral method of accounting for contributions, which include donations and government grants.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Investment income includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on investment income.

(b) Investments:

Investments are recorded at fair value and is based on the year end quoted market bid price. Unrealized gains and losses are included directly in net assets or deferred contributions as appropriate.

LOWER THAMES VALLEY CONSERVATION FOUNDATION

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1. Significant Accounting Policies (Cont'd):

(c) Financial Instruments:

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operations in the period in which the gain or loss occurs. Changes in the fair value of the investments are recorded in the statement of operations.

The fair value of the financial instrument is the estimated amount that LTVCF would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

The fair value of investments is the estimated amount that LTVCF would receive to settle the investment as at the reporting date.

(d) Use Of Estimates:

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they became known. Actual results could differ from those estimates.

2. Memorial Forests:

Donations were received and expenses made for the following Memorial Forests during the year.

	<u>2019</u>		<u>2018</u>	
	<u>Donations</u>	<u>Expenses</u>	<u>Donations</u>	<u>Expenses</u>
C.M. Wilson	\$ 10,332	\$ 5,644	\$ 8,081	\$ 4,572
Bothwell Forest	252	126	75	19
Tilbury Northside	234	150	309	195
Big Bend	45	65	-	22
Sharon Creek	<u>-</u>	<u>-</u>	<u>36</u>	<u>19</u>
Total	<u>\$ 10,863</u>	<u>\$ 5,985</u>	<u>\$ 8,501</u>	<u>\$ 4,827</u>

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DECEMBER 31, 2019

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3. Deferred Contributions:

Deferred contributions related to operating expenses of future periods represent unspent externally restricted grants and donations. Changes in the deferred contributions balance are as follows:

	<u>2019</u>	<u>2018</u>
<u>Carey Trail:</u>		
Balance at beginning of the year	\$ 11,676	\$ 9,698
Add amounts received related to future periods	1,000	2,957
Less related expenses incurred	<u>(1,076)</u>	<u>(979)</u>
Balance at end of the year	<u>11,600</u>	<u>11,676</u>
<u>Sharon Creek:</u>		
Balance at end of the year - no activity	<u>22,749</u>	<u>22,749</u>
<u>Longwoods Conservation Area Redevelopment Feasibility Study:</u>		
Balance at beginning of the year	64,800	-
Add amounts received related to future periods	7,100	64,800
Less related expenses incurred	<u>(71,900)</u>	<u>-</u>
Balance at end of the year	<u>-</u>	<u>64,800</u>
<u>Longwoods Boardwalk Replacement:</u>		
Balance at beginning of the year	-	-
Add amounts received related to future periods	<u>84,600</u>	<u>-</u>
Balance at end of the year	<u>84,600</u>	<u>-</u>
	<u>\$ 118,949</u>	<u>\$ 99,225</u>

LTVCF has entered into an agreement with the Lower Thames Valley Conservation Authority to deliver the Longwoods Conservation Area Redevelopment Feasibility Study and complete the Longwoods Boardwalk Replacement program that has been funded by the Ontario Trillium Foundation. Under the agreement, LTVCF reimburses the Lower Thames Valley Conservation Authority for the costs of these projects once the expenses have occurred and the project objectives have been met.

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4. Financial Risks:

Unless otherwise noted, it is the board's opinion that LTVCF is not exposed to significant interest, credit or foreign exchange risk arising from LTVCF's financial statements.

5. Other Matter:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, 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 disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, which may also have a direct impact on LTVCF's operations and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on LTVCF is not known at this time.