



Financial Statements

**The Conservation Foundation of Greater Toronto**

December 31, 2010

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## Independent auditor's report

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To the Members of

### **The Conservation Foundation of Greater Toronto**

We have audited the accompanying financial statements of The Conservation Foundation of Greater Toronto which comprise the statement of financial position as at December 31, 2010, the statements of revenue and expenditures and fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Conservation Foundation of Greater Toronto at December 31, 2010, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
April 27, 2011

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

# The Conservation Foundation of Greater Toronto

## Statement of Revenue and Expenditures and Fund Balances

Year Ended December 31

	<u>Projects Fund</u>	<u>B. Harper Bull Fellowship Awards Fund (Note 3)</u>	<u>Ontario Conservation Journeys Program</u>	<u>Operating Fund</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b>Revenue</b>						
Donations, grants and fundraising	\$ 1,931,175	\$ -	\$ -	\$ 29,835	\$ 1,961,010	\$ 1,724,465
Investment income	6,180	1,810	2,741	23,826	34,557	46,427
Unrealized (loss) gain in market value of investments	-	-	-	(5,167)	(5,167)	1,225
	<u>1,937,355</u>	<u>1,810</u>	<u>2,741</u>	<u>48,494</u>	<u>1,990,400</u>	<u>1,772,117</u>
<b>Expenditures</b>						
Grants to the Toronto and Region Conservation Authority	1,343,569	-	26,500	-	1,370,069	1,361,719
Scholarships (Note 3)	-	1,500	-	-	1,500	-
Grant to Oak Ridges Moraine Land Trust	47,591	-	-	-	47,591	55,704
Administration, operating and fundraising (Note 4)	423,694	-	-	109,859	533,553	520,189
	<u>1,814,854</u>	<u>1,500</u>	<u>26,500</u>	<u>109,859</u>	<u>1,952,713</u>	<u>1,937,612</u>
<b>Excess (deficiency) of revenue over expenditures</b>	122,501	310	(23,759)	(61,365)	37,687	(165,495)
Fund balances, beginning of year	<u>1,133,511</u>	<u>54,867</u>	<u>130,914</u>	<u>(30,410)</u>	<u>1,288,882</u>	<u>1,454,377</u>
<b>Fund balances, end of year</b>	\$ <u>1,256,012</u>	\$ <u>55,177</u>	\$ <u>107,155</u>	\$ <u>(91,775)</u>	\$ <u>1,326,569</u>	\$ <u>1,288,882</u>

See accompanying notes to the financial statements.

# The Conservation Foundation of Greater Toronto

## Statement of Financial Position

December 31

2010

2009

### Assets

#### Current

Cash and cash equivalents	\$ 80,489	\$ 300,071
Investments	1,670,921	1,148,422
Accounts receivable	52,808	3,076
Interest receivable	<u>1,073</u>	<u>111</u>
	<u>\$ 1,805,291</u>	<u>\$ 1,451,680</u>

### Liabilities

#### Current

Payables and accruals	\$ 94,727	\$ 91,613
Due to Toronto and Region Conservation Authority (Note 5)	<u>383,995</u>	<u>71,185</u>
	<u>478,722</u>	<u>162,798</u>

### Fund Balances

Projects Fund	1,256,012	1,133,511
B. Harper Bull Fellowship Awards Fund	55,177	54,867
Ontario Conservation Journeys Program	107,155	130,914
Operating Fund deficit	<u>(91,775)</u>	<u>(30,410)</u>
	<u>1,326,569</u>	<u>1,288,882</u>
	<u>\$ 1,805,291</u>	<u>\$ 1,451,680</u>

On behalf of the Board

 Chair

 Executive Director

See accompanying notes to the financial statements.

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# The Conservation Foundation of Greater Toronto

## Notes to the Financial Statements

December 31, 2010

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### 1. Nature of operations

The mission of The Conservation Foundation of Greater Toronto ("Foundation") is to develop public support and participation in the achievement of a liveable community through natural and cultural heritage resource conservation. The Foundation works to achieve its mission mainly through financial support of projects of the Toronto and Region Conservation Authority.

The Foundation is a registered charity and, as such, is exempt from income taxes. To maintain this status, the Foundation is required to comply with certain requirements as specified in the Income Tax Act (Canada) for public foundations.

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### 2. Summary of significant accounting policies

#### Fund accounting

The Foundation uses the restricted fund method for reporting contributions subject to external restrictions. Expenditures with respect to administrative and operating expenses are charged to the Operating Fund. Expenditures for projects and for scholarships awarded are charged to the appropriate fund. Revenue is allocated to the respective funds as explained below. Transfers between the funds are approved by the Board of Directors.

#### Donations and grants

Donations and grants are recorded when received and are allocated to the fund specified by the donor.

Donations-in-kind are recorded at estimated fair market value. During 2010, the Foundation received and disbursed \$37,676 of such donations-in-kind (2009 – \$19,765).

#### Sponsorship revenues

Sponsorship revenues are donations for various events that the Foundation organizes. These revenues are recognized and recorded when the event has occurred and collection is reasonably assured.

#### Contributed services

The Foundation derives significant benefit from services donated by volunteers. Since these services are not normally purchased by the Foundation and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

#### Investments

Investments are classified as held for trading, consist of guaranteed investment certificates and government bonds carried at fair value with gains and losses recognized in the Statement of Revenue and Expenditures.

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# The Conservation Foundation of Greater Toronto

## Notes to the Financial Statements

December 31, 2010

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### 2. Summary of significant accounting policies (continued)

#### Investments (continued)

Interest income is recognized as income in the operating fund except where restrictions dictate that the income be allocated to a specific fund. Restricted investment income is recognized as revenue of the related fund.

#### Financial instruments – recognition and measurement

Financial instruments on the statement of financial position are classified as either held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale, or other financial liabilities categories and are measured at fair market value or, in limited circumstances, at amortized cost.

The Foundation has classified its cash and cash equivalents and investments as held for trading. The receivables are classified as loans and receivables. The payables and accruals and due to Toronto and Region Conservation Authority are classified as other financial liabilities.

Any change in the fair value of a financial asset or a financial liability classified as held for trading is reported on the statement of revenue and expenditures in the period in which it arises.

The fair values of cash and cash equivalents, investments, accounts receivables, payables and accruals, and amount due to Toronto and Region Conservation Authority approximate their carrying value because of the short term to their expected realization or settlement.

#### Cash and cash equivalents

The Foundation considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.

#### Statement of cash flows

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.



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# The Conservation Foundation of Greater Toronto

## Notes to the Financial Statements

December 31, 2010

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### 2. Summary of significant accounting policies (continued)

#### Future Accounting Policies

In September 2010, the Accounting Standards Board (AcSB) decided that the final standards for CICA Handbook Part III – Accounting Standards for Not-for-Profit Organizations will be substantially the same as proposed in the exposure draft that was issued in March 2010.

Part III is proposed to include existing Not-for-Profit Organization (NFPO) standards 4400-4470 as well as the following standards from Part II, modified specifically to NFPOs.

- Section 1000 *Financial statement concepts*
- Section 1100 *Generally accepted accounting principles*
- Section 1400 *General standards of financial statement presentation*
- Section 1500 *First-time adoption*

The AcSB proposes that NFPOs should apply these standards for fiscal years beginning on or after January 1, 2012. The adoption of these standards is not expected to have a material impact on the Foundation's financial statements.

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### 3. B. Harper Bull Fellowship Awards Fund

The B. Harper Bull Fellowship Awards Fund was established through a legacy from the Estate of Mr. B. Harper Bull and is supported by specified donations. The funds are invested in short term investments and the related investment income is restricted and recognized in the fund and disbursed in the form of awards to students engaged in conservation and environmental studies, on a bi-annual basis.

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4. Administration, operating and fundraising expenditures	<u>2010</u>	<u>2009</u>
Salaries, wages and benefits	\$ 69,260	\$ 67,042
Office and general	22,192	15,599
Computer equipment and software	6,956	6,315
Legal and audit fees	7,343	3,426
Travel and meetings	<u>4,108</u>	<u>3,905</u>
	109,859	96,287
Fundraising	<u>423,694</u>	<u>423,902</u>
	\$ <u>533,553</u>	\$ <u>520,189</u>

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### 5. Due to the Toronto and Region Conservation Authority

The amounts due to the Toronto and Region Conservation Authority are non-interest bearing, unsecured and have no specified repayment terms.

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# The Conservation Foundation of Greater Toronto

## Notes to the Financial Statements

December 31, 2010

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### 6. Capital disclosure

The capital structure of the Foundation consists of externally restricted funds and an operating fund deficit.

The Foundation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to ensure adequate funding for projects that achieve a liveable community through natural and cultural heritage resource conservation.

The net assets invested in externally restricted funds are intended for use on specific projects, normally in accordance with the terms of the donor.

The operating fund deficit is a result of operating expenditures exceeding unrestricted revenues.

The Foundation manages the amount of fund balances in proportion to risk, manages its capital structure and makes adjustments in light of economic conditions and the risk characteristics of the underlying assets. Given the operating fund deficit the Foundation has been relying on borrowings from the Toronto and Region Conservation Authority to finance operating working capital.

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### 7. Expense allocation

Salaries and benefits are allocated based on staff estimates of time spent on each functional area.

In 2010, \$69,260 (2009 - \$67,042) of salaries and benefits were allocated to the operating fund while \$233,966 (2009 - \$225,084) of salaries and benefits were allocated to the project fund.

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# The Conservation Foundation of Greater Toronto

## Notes to the Financial Statements

December 31, 2010

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### 8. Comparison to budget

The following comparison of budget to actual for 2010 is provided for information purposes. Budget amounts are unaudited.

	2010 <u>Budget</u>	2010 <u>Actual</u>
<b>Revenue</b>		
Donations and grants	\$ 2,072,500	\$ 1,961,010
Investment income	31,800	34,557
Unrealized loss in market value of investments	<u>-</u>	<u>(5,167)</u>
	<u>2,104,300</u>	<u>1,990,400</u>
<b>Expenditures</b>		
Grants to the Toronto and Region Conservation Authority	1,965,600	1,370,069
Grant to Oak Ridges Moraine Land Trust	37,500	47,591
Administrative and operating	93,700	109,859
Fundraising	406,150	423,694
Scholarships and other	<u>5,700</u>	<u>1,500</u>
	<u>2,508,650</u>	<u>1,952,713</u>
<b>(Deficiency) excess of revenue over expenditures</b>	<b>\$ <u>(404,350)</u></b>	<b>\$ <u>37,687</u></b>

