

Financial Statements of

**GRAND RIVER  
CONSERVATION  
FOUNDATION**

Year ended December 31, 2009



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## AUDITORS' REPORT

To the Board of Directors of the Grand River Conservation Foundation

We have audited the statement of financial position of the Grand River Conservation Foundation as at December 31, 2009 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Waterloo, Canada

June 4, 2010

# GRAND RIVER CONSERVATION FOUNDATION

## Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,192,322	\$ 1,128,239
Investments (note 2)	801,448	731,385
Accounts receivable	6,607	17,689
Interest receivable	1,052	2,213
Prepaid expenses	5,292	1,008
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	\$ 2,006,721	\$ 1,880,534

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 91,283	\$ 108,908
Fund balances:		
Restricted:		
Recreation fund	92,175	130,012
Reforestation fund	439,131	259,920
Environmental education fund	172,872	77,114
Land acquisition and stewardship fund	-	1,549
Undesignated funds	59,402	66,239
Partner funds	874,888	862,381
Living Classroom Fund	-	108,912
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	1,638,468	1,506,127
Endowed funds	276,970	265,499
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	\$ 2,006,721	\$ 1,880,534

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# GRAND RIVER CONSERVATION FOUNDATION

## Statement of Operations and Changes in Fund Balances

Year ended December 31, 2009, with comparative figures for 2008

	General Fund	Recreation Fund	Restoration Fund	Environmental Education Fund	Land Acq & Stewardship Fund	Undesignated Funds	Partner Funds	Living Classroom Fund	Endowed Funds	Total 2009	Total 2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>											
Donations	-	46,703	460,998	56,732	406	39,216	32,780	-	-	636,835	357,491
Grants	-	-	-	-	-	-	-	-	-	-	34,365
Book sales	-	2,628	1,592	-	-	11,264	-	-	-	15,484	12,037
Merchandising	-	-	-	-	-	-	-	-	-	-	1,300
Special events	-	-	35,391	-	-	-	-	-	-	35,391	-
Life insurance	8,874	-	-	-	-	-	-	-	-	8,874	8,992
Sponsorships	-	-	-	-	-	-	20,877	-	-	20,877	22,864
Investment income	20,530	3,322	2,932	3,827	-	-	36,015	-	11,471	78,097	(38,419)
Other income	-	-	-	-	-	-	-	-	-	-	16,337
<b>Total revenue</b>	<b>29,404</b>	<b>52,653</b>	<b>500,913</b>	<b>60,559</b>	<b>406</b>	<b>50,480</b>	<b>89,672</b>	<b>-</b>	<b>11,471</b>	<b>795,558</b>	<b>414,967</b>
<b>Expenditures:</b>											
Book purchases	-	-	-	-	-	-	-	-	-	-	150
Special events	-	-	34,717	-	-	-	-	-	-	34,717	-
Administrative support	28,162	-	-	-	-	-	-	-	-	28,162	-
Consulting	3,375	-	-	-	-	-	-	-	-	3,375	6,075
Fundraising/Campaign expenses	1,895	-	-	-	-	-	-	-	-	1,895	1,020
Life insurance	8,874	-	-	-	-	-	-	-	-	8,874	8,992
General expenses	13,934	-	-	-	-	-	-	-	-	13,934	24,497
Disbursements to											
Foundation projects	-	88,929	279,746	39,355	1,955	56,307	62,332	32,165	-	560,789	532,782
<b>Total expenditures</b>	<b>56,240</b>	<b>88,929</b>	<b>314,463</b>	<b>39,355</b>	<b>1,955</b>	<b>56,307</b>	<b>62,332</b>	<b>32,165</b>	<b>-</b>	<b>651,746</b>	<b>573,516</b>
<b>Net revenue and fund balances:</b>											
Current year excess (deficiency)	(26,836)	(36,276)	186,450	21,204	(1,549)	(5,827)	27,340	(32,165)	11,471	143,812	(158,549)
Fund balances, beginning of year	-	130,012	259,920	77,114	1,549	66,239	862,381	108,912	265,499	1,771,626	1,930,175
Interfund transfers	26,836	(1,561)	(7,239)	74,554	-	(1,010)	(14,833)	(76,747)	-	-	-
Current year (surplus) deficit	-	-	-	-	-	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>-</b>	<b>92,175</b>	<b>439,131</b>	<b>172,872</b>	<b>-</b>	<b>59,402</b>	<b>874,888</b>	<b>-</b>	<b>279,970</b>	<b>1,915,438</b>	<b>1,771,626</b>

See accompanying notes to financial statements.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements

Year ended December 31, 2009

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The Grand River Conservation Foundation (the "Foundation") is incorporated without share capital and is registered as a charitable organization under the Income Tax Act (Canada). The purpose of the Foundation is to raise money for the purpose of funding projects, related to the conservation of natural and historic resources within the watershed of the Grand River; specifically, projects that are approved by, but beyond the scope of, the statutory resources of the Grand River Conservation Authority.

## 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant policies are described below:

### (a) Fund accounting:

In order to ensure observance of the limitations and restrictions on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. These funds are held in accordance with the objectives specified by the donors, or in accordance with directives issued by the Board of Directors.

For financial reporting purposes, the accounts have been classified in the following funds:

- (i) Restricted funds include amounts that are restricted in accordance with the objectives as specified by the donors. These funds are considered to be restricted as they can only be used for specified purposes.
- (ii) Endowed funds are resources that are required to be maintained by the Foundation on a permanent basis. Revenue of the endowed fund is limited to amounts that have been restricted for endowment purposes by the external contributor.

Investment income earned is generally allocated to funds other than the endowed fund, at the discretion of the Board of Directors.

### (b) Revenue recognition:

Endowed funds contributions are recognized as revenue in the endowed fund. Other donor-restricted contributions are recognized as revenue of the restricted fund. All contributions are recognized in revenue when received.

Pledges to donate funds to the Foundation are not recorded in the accounts until such time as funds are received.

### (c) Cash and cash equivalents:

Cash and cash equivalents consist of balances held with banks.

Donated materials contributed to the Foundation are recorded at fair value when provided.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements, page 2

Year ended December 31, 2009

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## 1. Significant accounting policies (continued):

### (d) Investments:

Investments are recorded at fair value. Investment income includes interest, dividends, distribution from pooled funds, realized gains (losses) and the net change in unrealized gains (losses) for the year. Investment income earned is allocated to endowment funds on a pro-rata basis. Other investment income is generally allocated to other funds at the discretion of the Board of Directors.

### (e) Change in accounting policy:

Effective January 1, 2009, the Foundation adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments - Recognition and Measurement". Under the standard, all financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently recorded at fair value or amortized cost depending on the classification selected for the financial instrument. Financial assets are classified as either "held-for-trading", "held-to-maturity", "available-for-sale" or "loans and receivables" and financial liabilities are classified as either "held-for-trading" or "other liabilities". Financial assets and liabilities classified as held-for-trading are measured at fair value with change in fair value recorded in the statement of operations. Financial assets classified as held-to-maturity or loans and receivables and financial liability classified as other liabilities are subsequently measured at amortized cost using the effective interest method. Available-for-sale financial assets that have a quoted price in an active market are measured at fair value with change in fair value recorded in fund balances. Such gains or losses are reclassified to the statement of operations when the related financial asset is disposed of or when the decline in value is considered to be other-than-temporary.

The Foundation has classified its financial instruments as follows:

- Accounts receivable are classified as loans and receivables.
- Cash, cash equivalents and investments are classified as held-for-trading.
- Accounts payable and accrued liabilities are classified as other liabilities.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements, page 3

Year ended December 31, 2009

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## 2. Investments:

Investments consist of:

	Market 2009	Market 2008
Fixed income	\$ 480,408	\$ 529,160
Equities	321,040	202,225
	<u>\$ 801,448</u>	<u>\$ 731,385</u>

## 3. Life insurance policies:

During 2000 and 2008, the Foundation was given life insurance policies with a face value of approximately \$140,000, under which it is the owner and beneficiary and annual donations are received to cover the premiums. As the realizable amount under the policies is not certain, the Foundation will record the benefits when the proceeds are received.

## 4. Related entities:

Grand River Conservation Authority:

The Foundation raises funds to finance operations and capital expenditures, as directed by the Foundation's donors, for the Grand River Conservation Authority (the "Authority"), which is an independent organization. Although the Authority is a separate entity and disburses funds at the discretion of its own Board of Directors, the Chairman of the Authority is a permanent member of the Foundation Board. The accounts of the Grand River Conservation Authority are not included in these financial statements.

During 2009, the Foundation contributed \$495,812 (2008 - \$477,430) to fund projects carried out by the Authority. At December 31, 2009, the net amount due from the Foundation to the Authority is \$83,543 (2008 - \$95,145).

## 5. Donations in-kind:

Donations include \$2,525 (2008 - \$4,904) of in-kind donations at estimated fair value.

## 6. Statement of cash flows:

A separate statement of cash flows has not been presented, since cash flows from operating, investing and financing activities are readily apparent from the other financial statements.

## 7. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.