

**Lake Simcoe Conservation Foundation  
Financial Statements  
Year ended December 31, 2015**

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## Independent Auditor's Report

To the Members of Lake Simcoe Conservation Foundation

We have audited the accompanying financial statements of Lake Simcoe Conservation Foundation, which comprise the statement of financial position as at December 31, 2015, and the statement of operations, changes in net assets and cash flows 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 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.

### 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 qualified audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, the entity derives revenue from fundraising and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flows from operations for the year ended December 31, 2015 and 2014, current assets as at December 31, 2015 and 2014, and net assets as at January 1, 2015 and December 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Lake Simcoe Conservation Foundation as at December 31, 2015 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

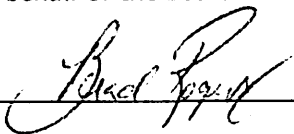
May 18, 2016  
Newmarket, Ontario

# Lake Simcoe Conservation Foundation

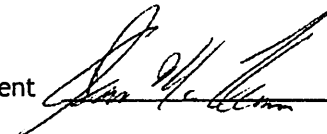
## Statement of Financial Position

December 31	2015	2014
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 464,929	\$ 374,385
Receivables	24,876	82,142
Prepaid expenses	<u>4,937</u>	<u>5,261</u>
	<u>\$ 494,742</u>	<u>\$ 461,788</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accruals	\$ 4,211	\$ 5,211
Due to LSRCA	33,236	81,694
Deferred Dinner Revenues (Note 3)	12,980	14,885
Deferred Grant Revenues (Note 3)	-	1,096
Deferred Campaign Contributions (Note 4)	<u>332,355</u>	<u>298,172</u>
	<u>382,782</u>	<u>401,058</u>
<b>Net Assets</b>		
Net assets - unrestricted	<u>111,960</u>	<u>60,730</u>
	<u>\$ 494,742</u>	<u>\$ 461,788</u>

On behalf of the Board



President



Secretary/Treasurer

See accompanying notes to the financial statements.

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## Lake Simcoe Conservation Foundation Statement of Operations and Changes in Net Assets

Year Ended December 31

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	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<b>Revenue</b>			
Government grants	\$ 50,217	\$ 47,342	\$107,088
Investment and other income	3,000	709	2,167
Campaign sourced fundraising	469,783	395,797	349,331
Dinner fundraising	<u>140,000</u>	<u>158,169</u>	<u>140,210</u>
	<u>663,000</u>	<u>602,017</u>	<u>598,796</u>
<b>Expenses</b>			
Board	3,992	4,229	6,194
Legal and Audit	4,500	3,032	3,378
Fundraising	142,647	150,767	182,385
Operating	<u>77,383</u>	<u>73,980</u>	<u>70,066</u>
	<u>228,522</u>	<u>232,008</u>	<u>262,023</u>
Net revenue before transfers	434,478	370,009	336,773
Transfers to Lake Simcoe Region Conservation Authority for Remedial projects	<u>235,000</u>	<u>318,779</u>	<u>335,400</u>
Revenue over expenses	<u>\$ 199,478</u>	51,230	1,373
Net assets, beginning of year		<u>60,730</u>	<u>59,357</u>
Net assets, end of year		<u>\$ 111,960</u>	<u>\$ 60,730</u>

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See accompanying notes to the financial statements.

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## Lake Simcoe Conservation Foundation Statement of Cash Flows

Year Ended December 31	2015	2014
<b>Operations</b>		
Revenue over expenses for the year	\$ 51,230	\$ 1,373
Changes in non-cash operating balances:		
(Increase) decrease in receivables and prepaid expenses	57,590	(67,941)
Increase (decrease) in accounts payable and accruals	(49,458)	50,399
Increase (decrease) in deferred revenue	<u>31,182</u>	<u>(10,110)</u>
Net increase (decrease) in cash and cash equivalents	90,544	(26,279)
Cash and cash equivalents, beginning of year	<u>374,385</u>	<u>400,664</u>
Cash and cash equivalents, end of year	<u>\$ 464,929</u>	<u>\$ 374,385</u>

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See accompanying notes to the financial statements.

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# Lake Simcoe Conservation Foundation

## Notes to the Financial Statements

December 31, 2015

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### 1. Nature of Operations and Summary of Significant Accounting Policies

#### a. Nature of operations

Lake Simcoe Conservation Foundation, formerly known as Lake Simcoe Region Conservation Foundation, (the "Foundation") was incorporated in October 1973 to aid the Lake Simcoe Region Conservation Authority ("LSRCA") by raising funds and serving as custodian of donations, endowment funds and gifts for conservation and environmental purposes. The Foundation is a registered charity and is not subject to income taxes under the Income Tax Act.

#### b. Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### c. Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

#### d. Contributed goods and services

The Foundation derives significant benefit from goods and 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.

#### e. Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value at each statement of financial position date. Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments measured at cost or amortized cost are capitalized and amortized over the expected life of the instrument using the straight-line method.

The Foundation's financial instruments comprise cash and cash equivalents which are recorded at fair value and receivables which are recorded at amortized cost.

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# Lake Simcoe Conservation Foundation

## Notes to the Financial Statements

December 31, 2015

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### f. 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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The principal estimates used in the preparation of these financial statements include significant accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

### g. Allocations of expenses

The Foundation allocates Human Resources Costs based on the time spent by staff for operations, fundraising activities and Board activities.

### h. Cash and cash equivalents

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

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## 2. Cash and cash equivalents

	<u>2015</u>	<u>2014</u>
Cash	\$ 314,664	\$ 374,385
Guaranteed investment certificate, interest at .75%, maturing January 5, 2016	<u>150,265</u>	-
	<u>\$464,929</u>	<u>\$ 374,385</u>

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## 3. Deferred revenues

Deferred revenue consists of funds held for the following projects:

	<u>2015</u>	<u>2014</u>
2016 Foundation Dinner Fundraiser	\$ 12,980	\$ 14,885
Ontario Trillium Foundation	-	<u>1,096</u>
	<u>\$ 12,980</u>	<u>\$ 15,981</u>

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# Lake Simcoe Conservation Foundation

## Notes to the Financial Statements

December 31, 2015

### 4. Deferred campaign contributions

The Foundation raises funds through campaign contributions for specific aspects of conservation. The following summary reports the activity related to each of these conservation purposes for the year:

	January 1, 2015	Net Campaign Funds Raised	Transfer to LSRCA	Transfers to Income	December 31, 2015
Land Acquisition	\$ 1,795	\$ -			\$ 1,795
Protection	2,552	-		-	2,552
<b>Protection</b>	<b>4,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,347</b>
Bird Banding	4,428	-	-	-	4,428
Research	404	-	-	-	404
Discovery Play Garden	13,501	-	-	-	13,501
Dog Park	3,168	415	-	-	3,583
Scanlon Events	2,973	4,967	-	3,027	4,913
Education	(24,470)	375	-	2,204	(26,299)
<b>Education</b>	<b>4</b>	<b>5,757</b>	<b>-</b>	<b>5,231</b>	<b>530</b>
Holland Marsh Project	584	-	584	-	-
Lake Simcoe Social & Franklin Fishing	9,956	8,306	13,541	4,721	-
East Holland Subwater	47,165	-	47,165	-	-
Tree Memorial	46,763	13,913	-	55	60,621
Restoration	2,140	44,106	38,710	-	7,536
Polar Dip	18,414	4,185	-	329	22,270
Conservation Days	-	4,688	-	589	4,099
Inspiring Greener Communities	29,558	60,975	-	6,813	83,720
<b>Restoration</b>	<b>154,580</b>	<b>136,173</b>	<b>100,000</b>	<b>12,507</b>	<b>178,246</b>
Lake Simcoe Fund General	120,405	175,411	171,436	-	124,380
Fishing Santa	11,753	3,375	-	-	15,128
Marinas	7,083	3,000	-	359	9,724
<b>General</b>	<b>139,241</b>	<b>181,786</b>	<b>171,436</b>	<b>359</b>	<b>149,232</b>
	<b>\$ 298,172</b>	<b>\$ 323,716</b>	<b>\$ 271,436</b>	<b>\$ 18,097</b>	<b>\$ 332,355</b>

A detailed description of each deferred contribution category is available from the Foundation.



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# Lake Simcoe Conservation Foundation

## Notes to the Financial Statements

December 31, 2015

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### 5. Expense allocation

Wages and benefits are allocated between operations, fundraising, and Board, based on the time spent by staff in each of these categories. The allocation is as follows:

	<u>2015</u>	<u>2014</u>
Operations	\$ 66,533	\$ 61,571
Fundraising events	75,827	104,668
Board expenses	<u>3,992</u>	<u>5,791</u>
Total	<u>\$ 146,352</u>	<u>\$ 172,030</u>

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### 6. Related party transactions

The Lake Simcoe Region Conservation Authority exercises economic interest over the Foundation as the Foundation was established to raise funds and obtain resources for the exclusive use of the Authority. During the year, the Foundation contributed \$318,779 (2014 - \$335,400) towards projects in the Authority. Additionally, the Authority received from the Foundation \$145,411 (2014 - \$262,490) for expense reimbursement of Foundation related expenses.

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### 7. Comparative information

Certain comparative amounts have been reclassified to conform to the financial statement presentation in the current year.

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### 8. Financial instruments risks

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the Foundation's receivables are from developers and government sources. The risk has not changed from the previous year. As well, the Foundation's bank accounts are held at a Canadian chartered bank.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting financial obligations as they fall due. The Foundation mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due. Liquidity risk arises from accounts payable and accrued liabilities. The risk has not changed from the previous year.