



Grant Thornton

Financial Statements

The Lake Simcoe Conservation Foundation

December 31, 2009

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Grant Thornton

Auditors' Report

To the Members of the
The Lake Simcoe Conservation Foundation

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We have audited the statement of financial position of The Lake Simcoe Conservation Foundation (the "Foundation") as at December 31, 2009 and the statements of financial activities and changes in net assets 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.

Except as outlined in the following paragraph, 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 common with many charitable organizations, the Foundation derives revenue from donations and other fund raising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this area was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, net income, assets or net assets.

In our opinion, except for the effect of adjustments, if any, which might have determined to be necessary had we been able to satisfy ourselves as to the completeness of donation revenue, 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 financial activities and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Grant Thornton LLP

Markham, Canada
April 26, 2010

Chartered Accountants
Licensed Public Accountants

The Lake Simcoe Conservation Foundation

Statement of Financial Activities and Changes in Net Assets

Year Ended December 31

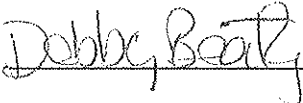
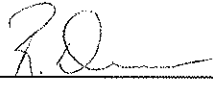
	2009 <u>Budget</u> (Unaudited)	2009 <u>Actual</u>	2008 <u>Actual</u>
Revenue			
Donations	\$ 40,000	\$ 36,500	\$ 20,000
Investment income	30,000	4,109	23,306
Fundraising events	141,500	107,498	143,601
Campaigns	486,398	248,728	360,289
Appropriations from reserves	<u>5,838</u>	<u>172,480</u>	<u>181,951</u>
	<u>703,736</u>	<u>569,315</u>	<u>729,147</u>
Expenditures			
Administrative support and expenses	142,568	79,133	88,683
Board expenses	500	100	7,058
Professional fees	5,000	3,090	1,695
Campaign and marketing expenses	98,750	49,769	69,920
Fundraising events	<u>50,650</u>	<u>123,301</u>	<u>109,337</u>
	<u>297,468</u>	<u>255,393</u>	<u>276,693</u>
Net revenue before transfers	406,268	313,922	452,454
Transfers to Lake Simcoe Region Conservation Authority for			
Remedial projects	-	265,000	407,000
General operations	<u>-</u>	<u>-</u>	<u>30,000</u>
	<u>-</u>	<u>265,000</u>	<u>437,000</u>
Excess of revenue over expenditures	\$ <u>406,268</u>	48,922	15,454
Transfer to deferred contributions		<u>87,405</u>	<u>60,462</u>
Net (expenditure)		(38,483)	(45,008)
Net assets, beginning of year		<u>113,254</u>	<u>158,262</u>
Net assets, end of year		\$ <u>74,771</u>	\$ <u>113,254</u>

See accompanying notes to the financial statements.

The Lake Simcoe Conservation Foundation
Statement of Financial Position

December 31	2009	2008
Assets		
Current		
Cash	\$ 387,334	\$ 59,916
Investments (Note 3)	101,393	574,366
Receivables	<u>16,676</u>	<u>4,065</u>
	<u>\$ 505,603</u>	<u>\$ 638,347</u>
Liabilities		
Current		
Payables and accruals	\$ 3,594	\$ 20,201
Due to Lake Simcoe Region Conservation Authority	27,945	47,568
Deferred revenue (Note 4)	27,044	-
Reserves (Note 5)	<u>372,249</u>	<u>457,324</u>
	430,832	525,093
Net Assets		
Net assets - unrestricted	<u>74,771</u>	<u>113,254</u>
	<u>\$ 505,603</u>	<u>\$ 638,347</u>

On behalf of the Board


 _____ President
 
 _____ Secretary/Treasurer

See accompanying notes to the financial statements.

The Lake Simcoe Conservation Foundation

Notes to the Financial Statements

December 31, 2009

1. Nature of operations

The 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 non-profit organization and is not subject to income taxes under the Income Tax Act.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principals for not-for-profit organizations. The most significant accounting policies are as follows:

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.

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.

Financial instruments – recognition and measurement

Effective January 2007, the Foundation adopted Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855, Financial Instruments – Recognition and Measurement. This new Handbook Section provides comprehensive requirements for the recognition and measurement of financial instruments.

Under this new standard, all financial instruments on the balance sheet 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 investments as held for trading. The receivables are classified as loans and receivables. The payables and accruals are classified as other financial liabilities.

The Lake Simcoe Conservation Foundation

Notes to the Financial Statements

December 31, 2009

2. Summary of significant accounting policies (continued)

The gain or loss arising from a change in the fair value of a financial asset or a financial liability classified as held for trading is reported on the statement of operations in the period in which it arises.

The adoption of this new standard had no impact on the Foundation's financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

Statement of cash flows

A statement of cash flows is not presented as it would not provide any additional meaningful information to the reader.

Adoption of new standard

Effective January 1, 2009, Conservation Ontario adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

CICA 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance. This has been disclosed in Note 6 of the financial statements.

CICA 4400 – Financial Statement Presentation by Not-for-Profit Organizations, has been amended to permit a Not-for-Profit Organization to present net assets invested in capital assets as a category of internally restricted net assets and clarification of presentation of revenue and expenses on a gross basis when the entity is acting as the principal in a transaction. The adoption of this Handbook Sections has not had a material effect on the Company's financial statements.

CICA 4470 – Disclosure of Allocated Expenses by Not-for-Profit Organization, establishes disclosure standards for a Not-for-Profit Organization that classified its expenses by function and allocated its expenses to a number of functions to which the expenses relate. This has been disclosed in Note 7 of the financial statements.

The Lake Simcoe Conservation Foundation

Notes to the Financial Statements

December 31, 2009

2. Summary of significant accounting policies (continued)

Future accounting changes

New Canadian Institute of Chartered Accountants ("CICA") Handbook Sections have been released effective January 1, 2010. However, Conservation Ontario does not expect that these new sections will have material impact on the financial statements.

3. Financial instruments

The fair values of cash, short term deposits, receivables, payables and accruals, due to Lake Simcoe Region Conservation Authority and deferred contribution approximate their carrying value because of the short term to their expected realization or settlement.

The Foundation's investments are classified as held-for-trading investments. As at December 31, 2009, they consist of guaranteed investment certificate as set out below:

	<u>Market Value</u>
Guaranteed investment certificate, bearing interest at the rate of 0.25%	\$ 100,601

4. Deferred revenue

Deferred revenue consists of funds held for the following projects

	<u>2009</u>	<u>2008</u>
Friends of Scanlon (Ontario Trillium Foundation)	\$ 25,544	-
Prepaid sponsorship – 2010 Conservation Dinner	<u>1,500</u>	<u>-</u>
	<u>\$ 27,044</u>	<u>-</u>

The Lake Simcoe Conservation Foundation

Notes to the Financial Statements

December 31, 2009

5. Reserves

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:

	Balance January 1 <u>2009</u>	Balance Net Contributions	Transfer to LSRCA	Balance December 31 <u>2009</u>
Land Acquisition	1,795	-	-	1,795
Keeping Kids in Conservation	1,067	140	-	1,207
Opening the Door to the Environment	4,675	2,020	3,000	3,695
Greening the Greenspace	1,656	-	-	1,656
Lake Simcoe Fund	113,992	105,914	80,000	139,906
Holland Marsh Project	276,733	10,500	182,000	105,233
East Holland Subwater	57,042	61,311	-	118,353
Research	364	40	-	404
	<u>\$ 457,324</u>	<u>\$ 179,926</u>	<u>\$ 265,000</u>	<u>\$ 372,249</u>

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

6. Capital disclosure

The capital structure of the Foundation consists of endowment funds, internally restricted research reserve fund and unrestricted fund.

The Foundation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide the appropriate level of benefits and services to its members and stakeholders. Specifically, the endowment funds which are subject to donor and Board imposed restrictions have corresponding segregated investments equal to the endowment funds. Also, the internally restricted research reserve fund sets aside investments in an amount at least equal to future research grants approved by the Board to honour its commitments.

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. For the year ended December 31, 2009, the Foundation has complied with all externally imposed capital restrictions.

The Lake Simcoe Conservation Foundation

Notes to the Financial Statements

December 31, 2009

7. Expense allocation

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

	<u>2009</u>		<u>2008</u>
Administration	\$ 54,994	\$	57,593
Promotional materials	28,000		39,269
Fundraising events	84,293		66,652
Board expenses	<u>3,500</u>		<u>5,610</u>
Total	\$ <u>170,787</u>	\$	<u>169,124</u>