

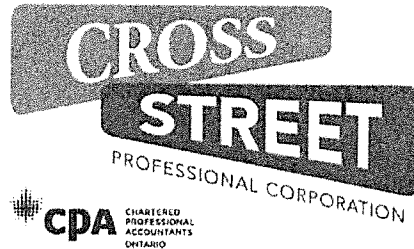
MISSISSIPPI VALLEY CONSERVATION FOUNDATION
Financial Statements

Year Ended December 31, 2019

MISSISSIPPI VALLEY CONSERVATION FOUNDATION
Index to the Financial Statements
Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Qualified Opinion

I have audited the financial statements of MISSISSIPPI VALLEY CONSERVATION FOUNDATION which comprise the statement of financial position as at December 31, 2019, and the statements of operations, net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of MISSISSIPPI VALLEY CONSERVATION FOUNDATION as at December 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was unable to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019.

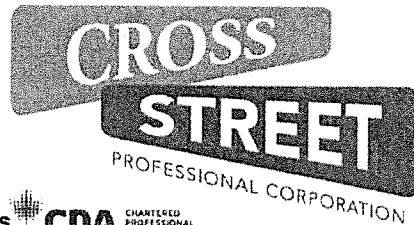
I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

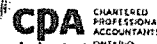
Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud 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.



Auditor's Responsibilities for the Audit of the Financial Statements



My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

I 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 I identify during my audit.

A handwritten signature in black ink, appearing to read "C. Smith", is written over a horizontal line.

Cross Street Professional Corporation
Authorized to practise public accounting by Chartered Professional Accountants of Ontario

Perth, ON
October 14, 2020

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Financial Position as at December 31,

2019

2018

ASSETS

Current

Cash

Marketable securities (note 3)

\$	81,470	9,542
	-	53,270
\$	81,470	62,812

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities (note 5)

\$	3,957	1,500
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Net assets

Restricted (note 4)

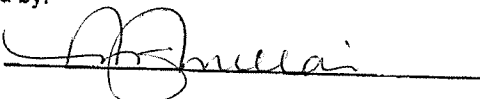
Unrestricted

	70,596	57,585
	6,917	3,727
	77,513	61,312
\$	81,470	62,812

See accompanying notes to the financial statements

Approved by:

Director:



Director:

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Net Assets for the year ended December 31,

2019

2018

	Restricted	Unrestricted	Total	
Net assets, beginning of the year	\$ 57,585	3,727	61,312	6,986
Excess of revenue over expenses	14,457	1,744	16,201	54,326
	72,042	5,471	77,513	61,312
Internal transfer	(1,446)	1,446	-	-
Net assets, end of the year	\$ 70,596	6,917	77,513	61,312

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Operations for the year ended December 31,

2019 2018

	Restricted	General	Total	
Revenue				
Donations	\$ 6,860	6,623	13,483	64,363
Operating expenses				
Donation fees	-	237	237	-
Interest and bank charges	-	490	490	506
Postage	-	257	257	-
Professional fees	-	1,895	1,895	1,695
	-	2,879	2,879	2,201
Excess of revenue over expenses before other items	6,860	3,744	10,604	62,162
Other items				
Dividend income	526	-	526	429
Gain on disposal of investments	6	-	6	-
Unrealized gain (loss) on marketable securities	7,065	-	7,065	(7,065)
	7,597	-	7,597	(6,636)
	14,457	3,744	18,201	55,526
Less Donations to MVCA (note 5)	-	2,000	2,000	1,200
Excess of revenue over expenses	\$ 14,457	1,744	16,201	54,326

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Cash Flow for the year ended December 31,

	2019	2018
Cash flow from operating activities		
Excess of revenue over expenses	\$ 16,201	54,326
Items not affecting cash:		
Gain on disposal of investments	(6)	-
Unrealized (gain) loss on marketable securities	(7,065)	7,065
Accounts payable and accrued liabilities	2,457	-
Net cash provided by operating activities	<u>11,587</u>	<u>61,391</u>
Cash flow from investing activities		
Donation of investments	-	(60,335)
Proceeds from sale of investments	60,341	-
Net cash provided by (used in) investing activities	<u>60,341</u>	<u>(60,335)</u>
Net increase in cash	<u>71,928</u>	<u>1,056</u>
Cash and cash equivalents at the beginning of the year	<u>9,542</u>	<u>8,486</u>
Cash and cash equivalents at the end of the year	<u>\$ 81,470</u>	<u>9,542</u>

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements
Year Ended December 31, 2019

1. Description of Foundation

Mississippi Valley Conservation Foundation is a charitable public foundation exempt from income taxes under paragraph 149(l)(f) of the Income Tax Act as a registered charity. The purpose of the Foundation is to raise funds and provide volunteer support for the conservation and educational programs of Mississippi Valley Conservation Authority.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank balances and cash on hand.

Fund accounting

The Foundation follows the restricted fund method of accounting. The restricted fund reports the revenue, expenses and net assets related to specific donations. The general fund reports the revenue, expenses and net assets related to general donations and fundraising. The Foundation allocates 10% of restricted donations to the general fund to assist with administrative expenses.

Revenue recognition

Donations and dividends are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrealized gains or losses on marketable securities reflect the change in fair value.

Financial Instruments

Initial and subsequent measurement

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in operations in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in operations in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in operations over the life of the instrument using the straight-line method.

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements
Year Ended December 31, 2019

Impairment

For financial assets measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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 the reported amounts of revenues and expenses for the periods covered.

Volunteer services

The Foundation receives the services of volunteers, the cost of which cannot be reasonably estimated, therefore no representation of this revenue and expense has been included in these financial statements.

3. Marketable Securities

Marketable securities consist of 785 donated shares of Toronto-Dominion Bank. These shares are reported at market value.

4. Restricted Net Assets

Restricted net assets represent donations held for a specific purpose and consist of:

	2019	2018
Carp River Conservation Area		
Conservation Areas	\$ 38,474	29,655
Morris Island	824	410
Mill of Kintail	1,780	1,780
Night Sky Program	155	155
Purdon	259	169
Shoreline Restoration	3,165	2,896
Spring water awareness	23,109	19,691
Watershed watch	2,250	2,250
	580	580
	<u>\$ 70,596</u>	<u>67,585</u>

5. Related Party Transactions

All funds raised by the Foundation are donated to the Mississippi Valley Conservation Authority to support the conservation and education programs of the Authority. The Foundation is subject to significant influence by the Authority due to Board membership and administrative support.

Donations to Mississippi Valley Conservation Authority:

	2019	2018
Education program	\$ 2,000	1,200

Amounts owing to Mississippi Valley Conservation Authority of \$ 2,257 (2018 - \$nil) for donations and postage is included in accounts payable and accrued liabilities.

MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements
Year Ended December 31, 2019

6. Financial Instruments

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risk is broken down below.

Liquidity risk:

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market prices. The Foundation's investments expose it to this risk, which comprises other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in listed shares for which the value fluctuates with the quoted market price.