



**MISSISSIPPI VALLEY CONSERVATION FOUNDATION**  
**Financial Statements**

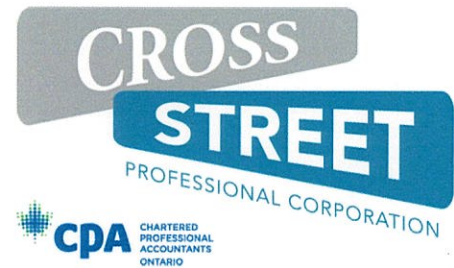
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Year Ended December 31, 2018

**MISSISSIPPI VALLEY CONSERVATION FOUNDATION**  
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Year Ended December 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Directors and Members of MISSISSIPPI VALLEY CONSERVATION FOUNDATION

I have audited the accompanying financial statements of MISSISSIPPI VALLEY CONSERVATION FOUNDATION which comprise the statements of financial position as at December 31, 2018 and the statements of net assets, operations and cash flow 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

### **Basis for Qualified Opinion**

In common with many charitable organizations, MISSISSIPPI VALLEY CONSERVATION FOUNDATION derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of MISSISSIPPI VALLEY CONSERVATION FOUNDATION. Due to the nature of the revenues, I was not able to determine whether any adjustments might be necessary to donations.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Qualified Opinion**

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenues described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of MISSISSIPPI VALLEY CONSERVATION FOUNDATION as at December 31, 2018, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a long horizontal stroke.

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

May 21, 2019  
Perth, Ontario

# MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Financial Position as at December 31,

2018

2017

## ASSETS

### Current

Cash

\$	9,541	8,486
	53,270	-

Marketable securities (note 3)

\$	62,811	8,486
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## LIABILITIES AND NET ASSETS

### Current liabilities

Accounts payable and accrued liabilities

\$	1,500	1,500
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### Net assets

Restricted (note 4)

57,585	7,887
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Unrestricted (Deficit)

3,726	(901)
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61,311	6,986
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\$	62,811	8,486
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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,

2018

2017

	Restricted	Unrestricted	Total	
Net assets (deficit), beginning of the year	\$ 7,887	(901)	6,986	8,508
Excess (deficiency) of revenue over expenses	55,219	(894)	54,325	(1,522)
	63,106	(1,795)	61,311	6,986
Internal transfer	(5,521)	5,521	-	-
Net assets, end of the year	\$ 57,585	3,726	61,311	6,986

See accompanying notes to the financial statements

## MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Operations for the year ended December 31,

2018 2017

	Restricted	General	Total	
<b>Revenue</b>				
Donations	\$ 61,855	2,507	64,362	13,489
<b>Operating expenses</b>				
Interest and bank charges	-	506	506	488
Professional fees	-	1,695	1,695	1,695
	-	2,201	2,201	2,183
<b>Excess of revenue over expenses before other items</b>	61,855	306	62,161	11,306
<b>Other items</b>				
Dividend income	429	-	429	182
Loss on disposal of investments	-	-	-	(262)
Unrealized loss on marketable securities	(7,065)	-	(7,065)	-
	(6,636)	-	(6,636)	(80)
	55,219	306	55,525	11,226
Less Donations to MVCA (note 5)	-	1,200	1,200	12,748
<b>Excess (deficiency) of revenue over expenses</b>	\$ 55,219	(894)	54,325	(1,522)

See accompanying notes to the financial statements

## MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Statement of Cash Flow for the year ended December 31,	2018	2017
<b>Cash flow from operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 54,325	(1,522)
Loss on disposal of investments	-	262
Unrealized loss on marketable securities	7,065	-
Net cash provided by (used in) operating activities	<u>61,390</u>	<u>(1,260)</u>
<b>Cash flow from investing activities</b>		
Donation of investments	(60,335)	(11,280)
Proceeds from sale of investments	-	11,018
Net cash used in investing activities	<u>(60,335)</u>	<u>(262)</u>
<b>Net increase (decrease) in cash</b>	<u>1,055</u>	<u>(1,522)</u>
Cash and cash equivalents at the beginning of the year	<u>8,486</u>	<u>10,008</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 9,541</u>	<u>8,486</u>

See accompanying notes to the financial statements



# MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements  
Year Ended December 31, 2018

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## 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, 2018

## 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:

	2018	2017
Carp River Conservation Area	\$ 29,655	79
Conservation Areas	410	397
Morris Island	1,780	1,690
Mill of Kintail	155	90
Night Sky Program	169	86
Purdon	2,895	2,715
Shoreline Restoration	19,691	-
Spring water awareness	2,250	2,250
Watershed watch	580	580
	<u>\$ 57,585</u>	<u>7,887</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:

	2018	2017
Carp River Action Plan	\$ -	10,080
Education program	1,200	2,500
Night Sky Program	-	168
	<u>\$ 1,200</u>	<u>12,748</u>

## MISSISSIPPI VALLEY CONSERVATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

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### 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.