

**The Couchiching Conservancy**  
**Financial Statements**  
For the Year Ended October 31, 2015

**Index to Financial Statements**

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## **Independent Auditors' Report**

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**To the Members of  
The Couchiching Conservancy**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Couchiching Conservancy, which comprise the statement of financial position as at October 31, 2015, and the statement of operations and changes in net assets and the statement of 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 organization derives revenue from donations and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues for the years ending October 31, 2015 and October 31, 2014 was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and special events revenue, excess of revenues over expenses, and cash flows from operations.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial position of The Couchiching Conservancy as at October 31, 2015, and the results of its operations and its cash flows for the year then ended is in accordance with Canadian accounting standards for not-for-profit organizations.



**Hehn Trickey Professional Corporation**  
**Chartered Professional Accountants**

*Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario*

Orillia, Ontario  
January 12, 2016

**The Couchiching Conservancy**  
**Statement of Financial Position**  
**As at October 31, 2015**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2015	October 31 2014
<b>Assets</b>					
<b>Current</b>					
Cash and bank	\$ 340,469	\$ -	\$ -	\$ 340,469	\$ 147,340
Short-term investments (Note 3)	-	39,950	266,170	306,120	359,363
Accounts receivable	40,231	-	-	40,231	66,681
Grants receivable	130,557	-	-	130,557	12,400
Accrued interest receivable	2,014	-	-	2,014	3,491
Interfund receivable	-	19,820	-	19,820	7,750
Prepaid expenses	3,980	-	-	3,980	150
	<b>517,251</b>	<b>59,770</b>	<b>266,170</b>	<b>843,191</b>	<b>597,175</b>
<b>Long-term investments (Note 3)</b>	<b>19,417</b>	<b>-</b>	<b>82,760</b>	<b>102,177</b>	<b>165,369</b>
<b>Endowment assets (Note 4)</b>	<b>-</b>	<b>-</b>	<b>61,857</b>	<b>61,857</b>	<b>39,420</b>
<b>Capital assets (Note 5)</b>	<b>3,035</b>	<b>3,572,989</b>	<b>-</b>	<b>3,576,024</b>	<b>3,235,592</b>
	<b>\$ 539,703</b>	<b>\$ 3,632,759</b>	<b>\$ 410,787</b>	<b>\$ 4,583,249</b>	<b>\$ 4,037,556</b>
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable	\$ 133,855	\$ -	\$ -	\$ 133,855	\$ 29,535
Interfund payable	19,820	-	-	19,820	7,751
Deferred contributions (Note 9)	163,602	-	-	163,602	88,476
	<b>317,277</b>	<b>-</b>	<b>-</b>	<b>317,277</b>	<b>125,762</b>
<b>Net Assets</b>					
Unrestricted (Note 6)	59,672	-	-	59,672	60,201
Invested in capital assets (Note 6 and 7)	3,035	3,572,989	-	3,576,024	3,235,592
Internally restricted - acquisition (Note 7)	-	59,770	-	59,770	49,189
President's reserve (Note 6)	159,719	-	-	159,719	225,589
Internally restricted - other (Note 8)	-	-	410,787	410,787	341,223
	<b>222,426</b>	<b>3,632,759</b>	<b>410,787</b>	<b>4,265,972</b>	<b>3,911,794</b>
	<b>\$ 539,703</b>	<b>\$ 3,632,759</b>	<b>\$ 410,787</b>	<b>\$ 4,583,249</b>	<b>\$ 4,037,556</b>

The accompanying notes are an integral part of these financial statements.

**The Couchiching Conservancy**  
**Statement of Operations and Changes in Net Assets**  
**For the Year Ended October 31, 2015**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2015	Budget (Note 11)	October 31 2014
<b>Revenues</b>						
Donations (Schedule 1)	\$ 104,735	\$ 298,926	\$ 74,722	\$ 478,383	\$ 152,994	\$ 430,341
Grants (Schedule 1)	378,255	53,824	-	432,079	642,279	272,808
Interest	8,499	-	-	8,499	9,000	9,387
Merchandise and services	17,304	-	-	17,304	22,200	8,896
Miscellaneous	792	-	-	792	1,000	4,094
Special events	28,129	-	-	28,129	34,300	33,847
	<b>537,714</b>	<b>352,750</b>	<b>74,722</b>	<b>965,186</b>	<b>861,773</b>	<b>759,373</b>
<b>Expenses</b>						
Advertising and promotion	11,355	-	-	11,355	3,000	2,384
Amortization	1,445	-	-	1,445	-	1,440
Bank charges and interest	824	-	-	824	1,000	742
Dues, fees and licences	2,660	-	-	2,660	3,000	3,269
Fundraising and volunteers	8,440	-	-	8,440	7,600	10,604
General and office	4,879	-	-	4,879	6,140	10,434
Insurance	6,640	-	2,658	9,298	31,695	11,502
Materials and supplies	16,888	-	-	16,888	22,141	9,190
Printing and postage	11,241	-	-	11,241	10,527	12,911
Professional fees and closing costs	34,290	6,901	-	41,191	32,156	39,966
Property taxes and maintenance	7,613	-	-	7,613	5,950	5,347
Property and easement acquisitions	-	383,636	-	383,636	224,700	246,502
Property lease	9,990	-	-	9,990	13,970	-
Purchased merchandise	1,619	-	-	1,619	1,500	2,225
Special events	9,805	-	-	9,805	17,534	13,977
Subcontracts	115,585	-	-	115,585	218,571	96,781
Training and conference	3,120	-	-	3,120	3,000	1,521
Travel	16,101	-	-	16,101	19,859	13,163
Utilities and telephone	7,889	-	-	7,889	9,900	9,678
Wages and benefits	281,306	8,000	-	289,306	302,180	252,229
Loss on disposal of assets	-	41,759	-	41,759	-	-
	<b>551,690</b>	<b>440,296</b>	<b>2,658</b>	<b>994,644</b>	<b>934,423</b>	<b>743,865</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(13,976)</b>	<b>(87,546)</b>	<b>72,064</b>	<b>(29,458)</b>	<b>(72,650)</b>	<b>15,508</b>
<b>Interfund transfers</b>	<b>(53,868)</b>	<b>56,368</b>	<b>(2,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property and easement acquisitions</b>	<b>-</b>	<b>383,636</b>	<b>-</b>	<b>383,636</b>	<b>-</b>	<b>246,502</b>
<b>Net assets, beginning of year</b>	<b>290,270</b>	<b>3,280,301</b>	<b>341,223</b>	<b>3,911,794</b>	<b>3,911,794</b>	<b>3,649,784</b>
<b>Net assets, end of year (Note 6, 7, 8)</b>	<b>\$ 222,426</b>	<b>\$ 3,632,759</b>	<b>\$ 410,787</b>	<b>\$ 4,265,972</b>	<b>\$ 3,839,144</b>	<b>\$ 3,911,794</b>

The accompanying notes are an integral part of these financial statements.

**The Couchiching Conservancy**  
**Statement of Cash Flows**  
**As at October 31, 2015**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2015	October 31 2014
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Excess (deficiency) of revenues over expenses	\$ (13,976)	\$ (87,546)	\$ 72,064	\$ (29,458)	\$ 15,508
Items not involving cash					
Amortization of capital assets	1,445	-	-	1,445	1,440
Loss on disposal of assets	-	41,758	-	41,758	-
Property and easement acquisitions	-	383,636	-	383,636	246,502
Interfund transfers	(53,868)	56,368	(2,500)	-	-
	(66,399)	394,216	69,564	397,381	263,450
Changes in non-cash working capital balances					
Accounts receivable	26,449	-	-	26,449	(15,369)
Grants receivable	(118,157)	-	-	(118,157)	(6,795)
Accrued interest receivable	1,477	-	-	1,477	(639)
Prepaid expenses	(3,830)	-	-	(3,830)	5,760
Accounts payable	104,320	-	-	104,320	10,157
Deferred contributions	83,126	(8,000)	-	75,126	1,234
Change in interfund balances	12,294	(12,069)	(225)	-	-
	39,280	374,147	69,339	482,766	257,798
<b>Investing and financing activities</b>					
Property and easement acquisition	-	(383,636)	-	(383,636)	(246,502)
Purchase of furniture and equipment	-	-	-	-	(2,734)
Purchase of long term investments	18,852	-	44,341	63,193	182,228
Purchase of endowment assets	-	-	(22,437)	(22,437)	(19,936)
	18,852	(383,636)	21,904	(342,880)	(86,944)
<b>Increase in cash during the year</b>	<b>58,132</b>	<b>(9,489)</b>	<b>91,243</b>	<b>139,886</b>	<b>170,854</b>
<b>Cash, beginning of year</b>	<b>282,337</b>	<b>49,439</b>	<b>174,927</b>	<b>506,703</b>	<b>335,849</b>
<b>Cash, end of year</b>	<b>\$ 340,469</b>	<b>\$ 39,950</b>	<b>\$ 266,170</b>	<b>\$ 646,589</b>	<b>\$ 506,703</b>
<b>Represented by</b>					
Cash and bank	\$ 340,469	\$ -	\$ -	\$ 340,469	\$ 147,340
Short-term investments	-	39,950	266,170	306,120	359,363
	\$ 340,469	\$ 39,950	\$ 266,170	\$ 646,589	\$ 506,703

The accompanying notes are an integral part of these financial statements.

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# The Couchiching Conservancy

## Notes to Financial Statements

### October 31, 2015

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#### 1. Significant Accounting Policies

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

**Nature of Organization** The Couchiching Conservancy was incorporated without share capital under the laws of Canada on November 4, 1993. The objects of the organization are as follows:

- a) To preserve, protect, restore and improve the natural environment of the Couchiching Severn region.
- b) To encourage and foster an understanding and awareness of the natural environment and its value in enhancing our quality of life.
- c) To acquire, maintain and preserve lands, or interests in lands, of ecological, recreational, scientific, scenic, heritage or open space value.
- d) To promote and undertake research and data collection on the natural environment and to distribute the findings to the public.

The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Fund Accounting** The organization follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities, which include the stewardship of existing properties and the indirect costs of property acquisition. This fund reports unrestricted resources and restricted operating grants.

The President's Reserve Fund is part of the operating fund created by a motion of the Board of Directors for future core operating expenditures of the organization.

The Acquisition and Capital Fund reports the assets, liabilities, revenues and direct expenses related to the organization's property acquisitions. The Board of Directors established this fund for the purpose of acquiring lands in accordance with the organization's objectives.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**1. Significant Accounting Policies (continued)**

**Fund Accounting (continued)**

The Other Fund encompasses the Property Protection Reserve Fund, The Carden Conservation Reserve Fund and the Heartwood Fund Endowment.

The Property Protection Reserve Fund reports the assets, revenues and expenditures related to the organization's property protection investments. The Board established this fund to provide investment income to maintain properties acquired, as well as to provide a source of funds for the enforcement of ecological conditions covering properties owned, protected under a conservation easement or under a management agreement.

The Carden Conservation Reserve Fund reports the assets, revenues and expenditures related to funds designated by the organization to be used directly for conservation activities on the Carden Plain. A committee is to be established to authorize the expenditure of these funds.

The Heartwood Fund Endowment was established with the purpose of providing the Couchiching Conservancy with a stable and ongoing funding stream with the intention of further increasing the permanency of the organization. It is to be used for operations, stewardship and further investment. It is not to be used for land acquisitions.

**Revenue Recognition**

Restricted contributions and grants are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue of the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from merchandise sales, services and special events is recognized at the time of shipment, when the service is rendered or when the event occurs.

Interest income is recognized as it is earned.



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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**1. Significant Accounting Policies (continued)**

**Contributed Materials  
and Services**

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Volunteers contribute their time to assist the organization in carrying out its various activities. Volunteer contributions are not recognized in the financial statements because of the difficulty of determining their fair market value.

**Financial Instruments**

*Initial and subsequent measurement*

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

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at cost or amortized cost include cash, short-term investments, accounts receivable, grants receivable, accrued interest receivable, interfund receivable and long-term investments.

Financial liabilities measured at cost or amortized cost include accounts payable and interfund payable.

*Impairment*

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization 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.

**Investments**

Short and long-term investments are recorded at cost with the exception of any investments in equity instruments that are quoted in an active market which are measured at fair value.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**1. Significant Accounting Policies (continued)**

**Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount.

Furniture and equipment are included in the Operating Fund. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture and equipment	- 10 years straight line basis
Computer equipment	- 5 years straight line basis

The purchase of property and easements by the Acquisition and Capital Fund are charged to the statement of operations and changes in fund balances in the period of acquisition. These acquisitions are then transferred to the balance sheet as capital assets and in the fund balances as an investment in capital assets.

**Use of Estimates**

The preparation of financial statements in accordance Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Cash and Cash  
Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and short-term investments.

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**2. Financial Instruments**

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principle risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk and liquidity risk.

(a) Credit risk:

The organization is exposed to credit risk with respect to accounts receivable, grants receivable, accrued interest receivable, short-term investments and long-term investments. The organization assesses, on a continuous basis, the accounts receivable on the basis of amounts it is virtually certain to receive. The credit risk with respect to the short-term and long-term investments is insignificant since the majority are held in large financial institutions.

(b) Liquidity risk:

The organization's exposure to liquidity risk is dependent on the receipt of funds from its major funding sources and other related fundraising sources, whether in the form of grant revenue, fundraising or interest.

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**3. Investments**

	<u>2015</u>	<u>2014</u>
Savings account	\$ 636	\$ 8,642
Mortgage receivable, 3% due July 2016, principal and interest due annually of \$20,000, secured by land	19,417	38,269
Guaranteed investment certificate with interest at 2.5%, maturing in March 2015	-	6,255
Guaranteed investment certificate with interest at 2.2% maturing in January 2015	-	50,000
Guaranteed investment certificate with interest at 2.4% maturing in January 2016	50,000	50,000
Guaranteed investment certificate with interest at 1.6% maturing in June 2014	-	8,000
Guaranteed investment certificate with interest stepped at 1.55%, 1.70% and 2.3%, maturing in June 2016	19,949	19,949

(Continued)

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**3. Investments (continued)**

	<u>2015</u>	<u>2014</u>
Guaranteed investment certificate with interest stepped at 1.55%, 1.70% and 2.3%, maturing in June 2016	<b>16,875</b>	16,875
Guaranteed investment certificate with interest at 2.2% maturing in April 2014	-	100,000
Guaranteed investment certificate with interest at 2.2% maturing in May 2015	-	9,966
Guaranteed investment certificate with interest stepped at 1.50%, 2.35% and 3.0%, maturing in January 2017	<b>5,528</b>	5,446
Guaranteed investment certificate with interest at 2.0% maturing in June 2015	-	34,500
Guaranteed investment certificate with interest at 1.35% maturing in June 2015	-	150,000
Guaranteed investment certificate with interest stepped at 1.50%, 2.35% and 3.0%, maturing in June 2017	<b>27,232</b>	26,830
Guaranteed investment certificate with interest at 1.35% maturing in June 2016	<b>8,160</b>	-
Advantage savings account with interest at 1%	<b>210,500</b>	-
Guaranteed investment certificate with interest stepped at 1.45% and 1.75% at 2.50%, maturing in February 2018	<b>50,000</b>	-
	<b>408,297</b>	524,732
Less amounts due or available within one year included in current assets as short-term investments	<b>306,120</b>	359,363
	<b>\$ 102,177</b>	<b>\$ 165,369</b>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

**4. Endowment Assets**

Endowment assets relate to the cash surrender value of an insurance policy at October 31, 2015.

**5. Capital Assets**

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Acquisition and Capital Fund</b>				
Land - Alexander Hope-Smith Nature Reserve	145,000	-	145,000	145,000
Land - Bluebird Ranch	233,018	-	233,018	233,018
Land - Butler Property	9,552	-	9,552	9,552
Land - Carthew Bay Reserve	80,800	-	80,800	80,800
Land - Church Woods	750,000	-	750,000	750,000
Land - Church Woods Road Allowance	2	-	2	2
Land - Elliott Woods	100,000	-	100,000	100,000
Land - Fawcett Nature Reserve	45,000	-	45,000	45,000
Land - Grant Wetlands	147,500	-	147,500	147,500
Land - Hewetson Property	77,000	-	77,000	77,000
Land - Jennett Woods	175,000	-	175,000	175,000
Land - McDarker Wetlands	16,752	-	16,752	16,752
Land - McIsaac Wetlands	20,000	-	20,000	20,000
Land - Prospect Marsh	82,500	-	82,500	82,500
Land - Roehl Reserve	23,105	-	23,105	23,105
Land - Starr Property	114,194	-	114,194	114,194
Land - Thomas Agnew Reserve	45,000	-	45,000	45,000
Land - Waterthrush Woods	16,000	-	16,000	16,000
Land - Wolf Run Alvar	184,261	-	184,261	184,261
Land, building - Grant Woods	555,113	-	555,113	463,136
Land - Turnbull Ranch	299,400	-	299,400	-
Easement - Agnew Property	30,000	-	30,000	30,000
Easement - Ironside Property	35,540	-	35,540	35,540
Easement - Konda Property	1	-	1	1
Easement - Larsen Property	198,500	-	198,500	198,500
Easement - Leadbeater Property	48,000	-	48,000	48,000
Easement - Mack Williams	75,000	-	75,000	75,000
Easement - Probst Property	36,750	-	36,750	36,750
Easement - Russell Property	7,500	-	7,500	7,500
Easement - Scout Valley	1	-	1	1
Easement - Turnbull Property	-	-	-	49,500
Easement - Wilkins Property	22,500	-	22,500	22,500
	<b>3,572,989</b>	-	<b>3,572,989</b>	3,231,112

(Continued)

**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

**5. Capital Assets (continued)**

	<u>2015</u>		<u>2014</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Operating Fund</b>				
Furniture and fixtures	6,359	6,058	301	761
Computer equipment	6,288	3,554	2,734	3,719
	<u>12,647</u>	<u>9,612</u>	<u>3,035</u>	<u>4,480</u>
	<u>\$ 3,585,636</u>	<u>\$ 9,612</u>	<u>\$ 3,576,024</u>	<u>\$ 3,235,592</u>

The easements for the Konda Property and Scout Valley have been recognized at a nominal value of \$1 each and the Church Woods road allowance has been recognized at a nominal value of \$2. Valuations were not necessary to obtain these easements and property, and due to the cost of obtaining appraisals, fair market valuations were not completed and are not planned.

**6. Operating Funds**

	<u>2015</u>		<u>2014</u>	
<b>Unrestricted</b>				
Balance, beginning of year	\$ 60,201	\$	55,456	
Deficit for the year	(12,531)		(8,748)	
Interfund transfers for mortgage principal payment, SARBEX surplus and Carden Wildlife Checklist	12,002		13,493	
	<u>59,672</u>		<u>60,201</u>	
<b>Invested in Capital Assets</b>				
Balance, beginning of year	4,480		3,186	
Surplus (deficit) for the year	(1,445)		1,294	
	<u>3,035</u>		<u>4,480</u>	
<b>President's Reserve - Internally Restricted</b>				
Balance, beginning of year	225,589		243,892	
Interfund transfers for mortgage principal payment and building renovations	(65,870)		(18,303)	
	<u>159,719</u>		<u>225,589</u>	
	<u>\$ 222,426</u>	\$	<u>290,270</u>	

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**7. Acquisition and Capital Funds**

	<u>2015</u>	<u>2014</u>
<b>Invested in Capital Assets</b>		
Balance, beginning of year	\$ 3,231,112	\$ 2,984,610
Surplus (deficit) for the year	(41,759)	-
Property and easement acquisitions	<u>383,636</u>	<u>246,502</u>
	<u>3,572,989</u>	<u>3,231,112</u>
<b>Acquisition Reserve Fund</b>		
Balance, beginning of year	49,189	49,439
Surplus (deficit) for the year	(45,787)	(250)
Interfund transfers for building renovations and SARBEX surplus	<u>56,368</u>	-
	<u>59,770</u>	<u>49,189</u>
	<u>\$ 3,632,759</u>	<u>\$ 3,280,301</u>

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**8. Other Internally Restricted Funds**

	<u>2015</u>	<u>2014</u>
<b>Property Protection Reserve Fund</b>		
Balance, beginning of year	\$ 263,560	\$ 257,250
Interfund transfers	-	6,310
	<u>263,560</u>	<u>263,560</u>
<b>Carden Conservation Reserve Fund</b>		
Balance, beginning of year	23,500	25,000
Interfund transfers for Carden Wildlife Checklist	(2,500)	(1,500)
	<u>21,000</u>	<u>23,500</u>
<b>Heartwood Fund Endowment</b>		
Balance, beginning of year	54,163	30,951
Net contributions for the year	72,064	23,212
	<u>126,227</u>	<u>54,163</u>
	<u>\$ 410,787</u>	<u>\$ 341,223</u>

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**9. Deferred Contributions**

	<u>2015</u>	<u>2014</u>
<b>Operating Fund</b>		
Church Woods	\$ 3,695	\$ 4,695
Stewardship Tides	-	23,139
Grant Woods Building Renovation	79,309	-
Ironside	8,174	-
Habitat Stewardship Protection	18,591	-
Lake Simcoe Clean-Up Fund	-	7,500
Carden Other	-	4,115
Copeland - Non-Trillium	-	4,923
Bobolink Habitat	15,264	-
Heartwood Operating	3,925	4,104
SARBEX - Bluebird	19,500	32,000
SARBEX	15,144	-
	<u>163,602</u>	<u>80,476</u>
<b>Acquisition and Capital Fund</b>		
Acquisition	-	8,000
	<u>\$ 163,602</u>	<u>\$ 88,476</u>

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**10. Commitments**

The organization has begun renovations on the Grant Woods building and as part of these renovations has entered into a contract for the Geothermal system. As at October 31, 2015, a balance of \$20,475 is owing on this contract.

As part of a habitat offset agreement, the organization has signed an agreement to lease a property in the Township of Carden for the period from February 2015 to January 2020. The lease carries a cost of \$13,970 per year and the organization may lease the property for an additional 2 years at a cost of \$17,463 per year.

The minimum annual lease payments for the next four years are as follows:

2016	\$	13,970
2017		13,970
2018		13,970
2019		13,970

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**The Couchiching Conservancy**  
**Notes to Financial Statements**  
**October 31, 2015**

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**11. Budget Information**

The budget figures presented for comparison purposes are unaudited. They have been reclassified to conform with the financial statement presentation.

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**12. Contributed Materials and Services**

These statements include \$24,400 (2014 - \$23,499) of contributed materials and services and \$41,026 of contributed capital assets that have been recorded at their fair value at the time of contribution.

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**The Couchiching Conservancy**  
**Schedule 1 - Donations and Grant Revenue**  
**For the Year Ended October 31, 2015**

	Operating Fund	Acquisition & Capital Fund	Other Fund	October 31 2015	October 31 2014
<b>Donations</b>					
General	\$ 65,942	\$ 8,000	\$ 74,722	\$ 148,664	\$ 141,164
In kind - general	-	-	-	-	1,280
In kind - membership	24,400	41,026	-	65,426	22,219
Membership	14,393	-	-	14,393	19,178
Property and easements	-	249,900	-	249,900	246,500
	<b>\$ 104,735</b>	<b>\$ 298,926</b>	<b>\$ 74,722</b>	<b>\$ 478,383</b>	<b>\$ 430,341</b>
<b>Grant Revenue</b>					
Government of Canada	\$ 51,909	\$ -	\$ -	\$ 51,909	\$ 35,746
Province of Ontario	71,727	-	-	71,727	77,638
Other	254,619	53,824	-	308,443	159,424
	<b>\$ 378,255</b>	<b>\$ 53,824</b>	<b>\$ -</b>	<b>\$ 432,079</b>	<b>\$ 272,808</b>