

Rideau Valley Conservation Foundation
Financial Statements
December 31, 2021

Rideau Valley Conservation Foundation Contents

For the year ended December 31, 2021

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Management's Responsibility

To the Members of Rideau Valley Conservation Foundation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.



Diane Downey, Executive Director

To the Members of Rideau Valley Conservation Foundation:

Opinion

We have audited the financial statements of Rideau Valley Conservation Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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.

We 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 we identify during our audit.

Cornwall, Ontario

June 15, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Rideau Valley Conservation Foundation

Statement of Financial Position

As at December 31, 2021

	<i>Unrestricted fund</i>	<i>Restricted fund</i>	<i>Endowment fund</i>	<i>Invested in conservation land and agreements</i>	2021	2020
Assets						
Current						
Cash	1,382,374	-	-	-	1,382,374	1,245,906
Accounts receivable	136,742	-	2,772	-	139,514	165,508
Current portion of investments (Note 3)	-	-	63,934	-	63,934	63,619
Interfund balances	-	1,321,422	-	-	1,321,422	1,223,304
	1,519,116	1,321,422	66,706	-	2,907,244	2,698,337
Conservation lands and agreements (Note 4)	-	-	-	2,346,988	2,346,988	1,644,278
Investments (Note 3)	-	-	535,087	-	535,087	424,790
	1,519,116	1,321,422	601,793	2,346,988	5,789,319	4,767,405
Liabilities						
Current						
Accounts payable and accruals	13,097	-	-	-	13,097	32,977
Due to Rideau Valley Conservation Authority (Note 5)	-	136,476	-	-	136,476	310,889
Interfund balances	1,286,350	-	35,072	-	1,321,422	1,223,304
	1,299,447	136,476	35,072	-	1,470,995	1,567,170
Deferred revenue (Note 6)	-	123,206	-	-	123,206	271,467
	1,299,447	259,682	35,072	-	1,594,201	1,838,637
Net Assets						
Fund Balances (Note 7)	219,669	1,061,740	566,721	2,346,988	4,195,118	2,928,768
	1,519,116	1,321,422	601,793	2,346,988	5,789,319	4,767,405

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Rideau Valley Conservation Foundation Statement of Operations

For the year ended December 31, 2021

	<i>Unrestricted fund</i>	<i>Restricted fund</i>	<i>Endowment fund</i>	<i>Invested in conservation land and agreements</i>	2021	2020
Revenue						
Donations - in kind	-	-	-	693,000	693,000	165,500
Species at risk funds	63,812	391,854	3,648	-	459,314	361,191
Donation - general	13,927	64,063	23,706	-	101,696	68,558
Investment income	1,466	15,255	31,047	-	47,768	15,290
HST rebate and other	12,632	-	-	-	12,632	14,253
Project funding shorelines naturalization	-	-	-	-	-	40,771
Government project funding	-	100,000	-	-	100,000	2,000
	91,837	571,172	58,401	693,000	1,414,410	667,563
Expenses						
Donations to the Rideau Valley Conservation Authority	-	133,057	-	-	133,057	297,107
Professional fees	6,774	-	-	-	6,774	12,274
Advertising	3,287	-	-	-	3,287	7,649
Licences and fees	2,689	-	-	-	2,689	1,385
Office supplies	1,045	-	-	-	1,045	629
Bank charges and interest	506	-	-	-	506	20
Fundraising	442	-	-	-	442	854
Supplies	-	184	-	-	184	-
Travel	76	-	-	-	76	-
Remembrance Park Cenotaph	-	-	-	-	-	1,549
	14,819	133,241	-	-	148,060	321,467
Excess of revenue over expenses	77,018	437,931	58,401	693,000	1,266,350	346,096

The accompanying notes are an integral part of these financial statements

Rideau Valley Conservation Foundation Statement of Changes in Net Assets

For the year ended December 31, 2021

	<i>Unrestricted fund</i>	<i>Restricted fund</i>	<i>Endowment fund</i>	<i>Invested in conservation land and agreements</i>	2021	<i>2020</i>
Net assets, beginning of year	152,361	623,809	508,320	1,644,278	2,928,768	2,582,672
Excess of revenue over expenses	77,018	437,931	58,401	693,000	1,266,350	346,096
Transfer	(9,710)	-	-	9,710	-	-
Net assets, end of year	219,669	1,061,740	566,721	2,346,988	4,195,118	2,928,768

The accompanying notes are an integral part of these financial statements

Rideau Valley Conservation Foundation

Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	1,266,350	346,096
Non-cash increase in investments	(46,304)	(7,265)
Donations in-kind	(693,000)	(165,500)
Changes in working capital accounts		
Accounts receivable	25,994	(44,549)
Accounts payable and accruals	(19,880)	28,897
Deferred revenue	(148,261)	(48,502)
	384,899	109,177
Financing		
Advances from related party	136,476	310,889
Repayment of advances from related party	(310,889)	(229,134)
	(174,413)	81,755
Investing		
Purchase of conservation lands and agreements	(9,710)	(5,135)
Purchase of investments	(126,721)	(234,446)
Proceeds on disposal of investments	62,413	237,400
	(74,018)	(2,181)
Increase in cash resources	136,468	188,751
Cash resources, beginning of year	1,245,906	1,057,155
Cash resources, end of year	1,382,374	1,245,906

The accompanying notes are an integral part of these financial statements

Rideau Valley Conservation Foundation

Notes to the Financial Statements

For the year ended December 31, 2021

1. Incorporation and nature of the organization

Rideau Valley Conservation Foundation (the "Foundation") was incorporated without share capital under Part II of the Canada Corporations Act. The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act (Canada) As such, the Foundation is exempt from income taxes and able to issue donation receipts for income tax.

The Foundation pools charitable gifts which are invested in perpetuity. The income earned on these funds is used to support the conservation programs of the Rideau Valley Conservation Authority (RVCA) to protect and conserve the lands and waters of the valley of the Rideau River in Eastern Ontario.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains 4 funds: Unrestricted fund, Restricted fund, Endowment fund and Invested in conservation lands and agreements fund.

The Unrestricted Fund reports the Foundation's general fundraising, granting and administrative activities. At year-end, the Foundation may transfer a portion of its net fundraising revenue to its Restricted and Endowment Funds.

The Invested in conservation lands and agreements fund is a restricted fund that reports the Foundation's contributed and acquired properties.

The Endowment Fund reports the Foundation's resources contributed for endowment. Investment income earned on resources of the Endowment Fund and gains and losses on disposals of investments are reflected in the Endowment Fund.

The Restricted fund reports the Foundation's resources to be used for identified purposes as specified externally by donors or internally by the Board of Directors.

Interfund balances bear no interest, have no specific terms of repayment and are unsecured.

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions which includes government funding, donations and other grants.

Unrestricted contributions and donations are recorded as revenue of the Unrestricted Fund when received or receivable. Restricted contributions represent contributions received for specific purposes and are recorded as revenue of the appropriate Restricted Fund when received.

Endowment donations represent contributions received where only the income earned from the investment can be used. Endowment contributions are recognized as revenue in the Endowment Fund when received.

Revenue for services is recognized using the percentage-of-completion method. The percentage-of-completion is determined by relating the actual costs of work performed to date, to the current estimated total cost of the respective contracts. Deferred revenue represents the excess of billings to date over the amount of contract costs and profits recognized to date on the percentage-of-completion accounting method.

Investment income earned is recognized as revenue of the appropriate fund when earned. Investment losses are allocated in a manner consistent with investment income.

2. Significant accounting policies *(Continued from previous page)*

Conservation Lands and Agreements

Purchased conservation lands and agreements are recorded at cost when the title is transferred. Property acquired before 1988 is recorded at a nominal value of \$1.

Contributed conservation lands and agreements are recorded at fair market value when title is transferred. The contributions are recorded as revenue in the Invested in Conservation Lands and Agreements Fund when received.

Properties transferred to others are recorded as a reduction of conservation lands and agreements.

Donated goods and services

The Foundation may receive goods at no cost from various sources. Significant donations are recorded in the accounts at their estimated fair value at the date of the donation.

The Foundation also benefits from the services of volunteers. Because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Contributed assets are stated after evaluation of any impairment in value resulting in a decrease of net realizable value where considered necessary.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations.

All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Foundation initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 5).

At initial recognition, the Foundation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Foundation has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group and/or there are numerous assets affected by the same factors or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Rideau Valley Conservation Foundation

Notes to the Financial Statements

For the year ended December 31, 2021

3. Investments

Fixed income investments are comprised of Guaranteed Investment Certificates with maturity dates from 2022 to 2026 (2020 - 2021 to 2025), earning interest from 0.85% to 2.56% (2020 - 2.06% to 2.56%).

Investments are comprised of the following:

	2021	2020
Measured at cost:		
Fixed income	367,450	324,328
Less: current portion	63,934	63,619
	303,516	260,709
Measured at fair value:		
Preferred shares	5,880	4,230
Mutual funds	225,691	159,851
	231,571	164,081
	535,087	424,790

4. Conservation Land and Agreements

The properties held at year end include:

Property	Date of Acquisition	2021	2020
Bula	December 8, 1997	150,000	150,000
McEwen	June 9, 1998	112,500	112,500
McApline	October 27, 2998	10,100	10,100
Meisel	September 19, 2000	137,200	137,200
O & Y Sawmill Creek	December 21, 2000	50,000	50,000
Weiss	October 25, 2002	104,500	104,500
Wiseman	November 3, 2003	5,500	5,500
Curtis	September 14, 2004	35,500	35,500
Fournier (Merrickville Estates)	December 1, 2006	1	1
Fine	February 8, 2009	25,000	25,000
Boucher	December 8, 2009	80,000	80,000
Brown	February 8, 2010	28,000	28,000
Loucks (Easment)	May 9, 2010	115,000	115,000
Beals	October 5, 2010	6,000	6,000
Furesz	October 28, 2010	90,000	90,000
Alexander	November 5, 2010	315,000	315,000
Lanark County	March 4, 2010	1	1
Manning MacPherson	March 8, 2011	50,934	50,934
Haire	December 5, 2012	22,000	22,000
Ruiter	January 16, 2016	22,000	22,000
Medley	April 18, 2016	35,000	35,000
De Pencier	April 25, 2017	6	6
Rideau Trail	April 25, 2017	1	1
Kazckowsii	December 21, 2017	41,725	41,725
Struthers	February 22, 2018	37,675	37,675
McKay	February 3, 2020	60,254	60,254
Drolet	December 3, 2020	110,381	110,381
MacDougall	October 21, 2021	702,710	-
		2,346,988	1,644,278

Rideau Valley Conservation Foundation

Notes to the Financial Statements

For the year ended December 31, 2021

5. Related party transactions

The Rideau Valley Conservation Authority ("RVCA") has an economic interest in the Foundation and as such, the Foundation is considered a significantly influenced not-for-profit organization. Services such as administration are provided at nil cost to the Foundation by RVCA. During the year, the Foundation was invoiced \$136,476 (2020 - \$310,889) for non-administration services provided from RVCA which is outstanding at year end. Amounts owing are due on demand, non-interest-bearing and have no specific terms of repayment but are expected to be paid after the Foundation's Annual General Meeting, held annually in June.

The Foundation funds are used to support RVCA's programs to protect and conserve the lands and waters of the valley of the Rideau River in Eastern Ontario. RVCA is established under the Conservation Authorities Act of Ontario and is exempt from income taxes. All transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Deferred revenue

The deferred revenue reported in the restricted fund consists of reforestation services which will be rendered over the course of future periods. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. The revenue related to these items is recorded under the species at risk balance on the statement of operations. Changes in the deferred revenue account are as follows:

	2021	2020
Balance, beginning of year	271,467	319,969
Amount received during the year	262,353	177,147
Less: Amount recognized as revenue during the year	(410,614)	(225,649)
Balance, end of year	123,206	271,467

7. Fund Balances

	Opening Balance	Donations & Investment Income	Transfers (to)/from Other Funds	Expenses	Funds transferred to RVCA or Other Organizations	Closing Balance
Unrestricted Fund	152,361	91,837	(9,710)	(14,819)	-	219,669
Invested in conservation land and agreements	1,644,278	693,000	9,710	-	-	2,346,988
Internally restricted						
Operations Reserve	30,000	-	-	-	-	30,000
Environmental Land Fund (ELF)	29,735	241	-	-	-	29,976
Foundation Legal Defence Fund	1,000	-	-	-	-	1,000
Foundation Land Acquisition Fund	159,921	14,605	-	-	-	174,526
Steve Simmering Fund	62,482	-	-	-	-	62,482
Total internally restricted	283,138	14,846	-	-	-	297,984
Externally restricted						
Barn Swallow	-	7,100	-	-	-	7,100
Baxter	55,749	-	-	-	-	55,749
Baxter Accessible Washroom	-	100,000	-	-	-	100,000

Rideau Valley Conservation Foundation Notes to the Financial Statements

For the year ended December 31, 2021

7. Fund balances (Continued from previous page)

Baxter Nature for All	2,516	6,898	-	-	-	9,414
Baxter River Cabin Improvements	568	-	-	-	-	568
Beryl Gaffney Park Improvements	9,000	-	-	-	-	9,000
Bobolink (SAR)	7,245	-	-	-	-	7,245
Butterfly Garden	1,550	-	-	(184)	-	1,366
Butternut (SAR)	19,980	22,900	-	-	-	42,880
City Stream Watch	-	674	-	-	-	674
Chapman Mills	11,641	-	-	-	-	11,641
CLMS	60,729	26,599	-	-	-	87,328
Don Maciver Memorial	6,989	1,254	-	-	-	8,243
Foley Mountain Conservation Area	20,016	1,925	-	-	-	21,941
Forestry Program (Carbon Neutral)	-	12,667	-	-	(12,667)	-
Forestry Program (Living Memorial Fund)	1,963	6,294	-	-	(8,257)	-
Forestry Program (Tree Planting)	-	40,281	-	-	(40,281)	-
Forestry Program (SAR)	37,976	12,922	-	-	-	50,898
Friends of the Jock River	4,190	-	-	-	-	4,190
Hydro Cambrian Road Project	-	86,418	-	-	(20,942)	65,476
Hydro Pollinator	-	25,950	-	-	(23,354)	2,596
Kids in the Woods	5,260	500	-	-	-	5,760
Lawson Foundation	-	5,000	-	-	-	5,000
Memorial Bench Program (CLMS)	14,326	2,000	-	-	-	16,326
Memorial Bench Program Maintenance	193	-	-	-	-	193
Motts Mills Dam & Hutton Marsh Restoration Project	26,927	-	-	-	-	26,927
Modern Niagara	-	60,000	-	-	-	60,000
Mud Creek Landscaping	-	88,299	-	-	(13,087)	75,212
NAK Abbottsville Crossing Carp River	1,011	43,665	-	-	(14,469)	30,207
Otty Lake Association	1,150	-	-	-	-	1,150
Remembrance Park	6,925	1,193	-	-	-	8,118
Sandi Slater Memorial Fund (Meisel)	6,205	500	-	-	-	6,705
SS: Healthy Watershed Project	15,086	-	-	-	-	15,086
SS: Shoreline Naturalization	2,096	-	-	-	-	2,096
W. Nicol Foundation Fund	20,000	-	-	-	-	20,000
WSES: Watershed Planning	880	1,612	-	-	-	2,492
WSES: Wolfe Lake Fish Habitat Restoration	500	1,675	-	-	-	2,175
Total externally restricted	340,671	556,326	-	(184)	(133,057)	763,756
Total Restricted Fund	623,809	571,172	-	(184)	(133,057)	1,061,740
Endowment Fund						
Steve Simmering Land Endowment Fund	398,498	26,352	-	-	-	424,850
Legget Endowment Fund	10,000	-	-	-	-	10,000
Gerald Williams Endowment Fund	45,593	1,002	-	-	-	46,595
Unrealized Loss or Gain	54,229	31,047	-	-	-	85,276
Total Endowment Fund	508,320	58,401	-	-	-	566,721
Total Fund Balances	2,928,768	1,414,410	-	(15,003)	(133,057)	4,195,118

8. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk arises from the possibility that the entities to which the Foundation provides services to may experience difficulty and be unable to fulfill their obligations. The Foundation is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Foundation does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest rate risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes to the market interest rates. The Foundation is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and fixed income investments. Changes in variable rates could cause unanticipated fluctuations in the Foundation's operating results.

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 foreign 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 on its investment holdings valued at fair market value.

9. Significant event

In the prior year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. This continues to impact the ability to collect donations, fundraising and offer programming however the ability of the Foundation to provide their forestry services has not been largely affected.

10. Change in accounting policies

Financial instruments

Financial instruments in a related party transaction, risk disclosures and other amendments

Effective January 1, 2021 (hereafter referred to as the "initial date of application"), the Foundation adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 *Financial Instruments*. The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

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10. Change in accounting policies *(Continued from previous page)*

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Foundation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method.

Previously, the Foundation initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 *Related Party Transactions*. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.

Transition

The Foundation applied the changes in accounting policies resulting from the adoption of revised Section 3856 retrospectively and prior periods have not been restated. Financial instruments exchanged in a related party transaction that do not exist at the date of initial application and were impaired or modified in the immediately preceding fiscal year have not been restated in accordance with Section 3856. In addition, the following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these financial statements
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these financial statements
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these financial statements.

The retrospective application of this change in accounting policy did not have a material impact on the results of operations and financial condition of the Foundation.