THE RIVERWOOD CONSERVANCY

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

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GGW Glenn Graydon Wright LLP

INDEPENDENT AUDITORS' REPORT

To the Members
The Riverwood Conservancy

Qualified Opinion
We have audited the Financial Statements of The Riverwood Conservancy ("the Conservancy") which comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Conservancy as at December 31, 2023 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion
In common with many charitable organizations, the Conservancy derived revenue from donations, events, fundraising and sponsorships, and other revenues, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Conservancy and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, cash and cash equivalents and net assets for the years ended December 31, 2022 and December 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Conservancy 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 qualified audit 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' 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 auditors' 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
March 26, 2024

THE RIVERWOOD CONSERVANCY

Statement of Financial Position
As at December 31, 2023

		2023	2022
Assets			
Current assets			
Cash and cash equivalents	$	473,163	590,595
Short-term investments		100,000	100,000
Accounts receivable (Note 4)		11,497	19,909
HST receivable		9,320	7,331
Prepaid expenses		9,326	5,694
		603,306	723,529
Capital assets (Note 5)		15,588	23,077
	$	618,894	746,606
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities	$	78,806	78,691
Deferred contributions – operating (Note 6)		102,944	134,914
Deferred contributions – capital (Note 7)		5,706	7,748
		187,456	221,353
Net assets			
Operating Reserve		421,556	509,923
Capital Asset Reserve (Note 8)		9,882	15,330
		431,438	525,253
	$	618,894	746,606

Approved by the Board

Heather Shaw

Director

Director

THE RIVERWOOD CONSERVANCY

Statement of Changes in Net Assets
For the year ended December 31, 2023

		2023	2022
Operating Reserve			
Balance, beginning of year	$	509,923	419,449
Excess of (expenditures over revenues) revenues over expenditures for year		(88,367)	96,117
Transfer		-	(5,643)
Balance, end of year	$	421,556	509,923

		2023	2022
Capital Asset Reserve			
Balance, beginning of year	$	15,330	21,786
Excess of expenditures over revenues for year		(5,448)	(12,099)
Transfer		-	5,643
Balance, end of year	$	9,882	15,330

THE RIVERWOOD CONSERVANCY

Statement of Operations

For the year ended December 31, 2023

		Operating Reserve	Capital Asset Reserve	Total 2023	Total 2022
Revenues					
Grants (Note 9)	$	741,203	4,006	745,209	779,113
Program fees		167,179	-	167,179	106,944
Donations		166,836	-	166,836	283,012
Events, fundraising and sponsorships (Note 10)		73,723	-	73,723	63,825
Honoraria		8,246	-	8,246	35,894
Other revenue (Note 11)		26,577	-	26,577	22,273
		1,183,764	4,006	1,187,770	1,291,061
Expenditures					
Administration		103,623	-	103,623	100,248
Amortization		-	9,454	9,454	12,099
Communications and marketing		6,061	-	6,061	12,075
Fundraising		27,881	-	27,881	16,907
Program expenses		86,143	-	86,143	130,526
Purchased services		24,462	-	24,462	20,749
Salaries and wages		1,023,961	-	1,023,961	914,439
		1,272,131	9,454	1,281,585	1,207,043
Excess of (expenditures over revenues) revenues over expenditures for year	$	(88,367)	(5,448)	(93,815)	84,018

THE RIVERWOOD CONSERVANCY

Statement of Cash Flows
For the year ended December 31, 2023

		2023	2022
Cash flows from (used in) operating activities			
Excess of (expenditures over revenues) revenues over expenditures for year	$	(93,815)	84,018
Adjustment for Amortization of capital assets		9,454	12,099
		(84,361)	96,117
Changes in non-cash working capital			
Decrease in accounts receivable		8,412	34,965
(Increase) decrease in HST receivable		(1,989)	1,052
(Increase) decrease in prepaid expenses		(3,632)	640
Increase in accounts payable and accrued liabilities		115	10,826
Decrease in deferred contributions – operating		(31,970)	(101,525)
Decrease in deferred contributions – capital		(2,042)	(3,678)
Cash flows (used in) from operating activities		(115,467)	38,397
Cash flows from (used in) investing activities			
Acquisition of capital assets		(1,965)	(1,964)
Cash flows used in investing activities		(1,965)	(1,964)
Net (decrease) increase in cash and cash equivalents during year		(117,432)	36,433
Cash and cash equivalents, beginning of year		590,595	554,162
Cash and cash equivalents, end of year	$	473,163	590,595

THE RIVERWOOD CONSERVANCY

Notes to Financial Statements
As at December 31, 2023

1. Purpose of the organization

The Riverwood Conservancy ("the Conservancy"), is a not-for-profit organization, incorporated under the laws of Ontario without share capital under the Corporations Act and is a registered charity under the Income Tax Act.

The Conservancy provides programs and direction for Riverwood which is a 150-acre, urban nature preserve situated on the shores of the Credit River in Mississauga, Ontario. Working together with like-minded groups and individuals, our mission is to enable people of all cultures, ages and abilities to respectfully connect with nature and learn about the importance of protecting, conserving and restoring natural spaces for the well-being of future generations, all the while experiencing the beauty of the Riverwood Gardens.

The Conservancy is a volunteer and member-based organization that operates to provide programs and services to the surrounding community through nature and environmental education, stewardship, gardening and volunteerism.

2. Significant accounting policies

These Financial Statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the 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. By their nature, these estimates are subject to measurement uncertainty and the effect on the Financial Statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Conservancy follows the Deferral Method of accounting for contributions.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments.

d) Short-term investments

Short-term investments are recorded at fair market value.

2. Significant accounting policies- continued

e) Capital assets

Capital assets are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. In the year of acquisition, capital assets are amortized at one-half of the normal rate. Methods and rates used are:

Computer equipment
Straight-line basis over 3 years

Other equipment
Straight-line basis over 5 years

Furniture and fixtures
Straight-line basis over 10 years

f) Revenue recognition

Grants, donations, sponsorship, program fees, honoraria and other revenues
Externally restricted grants, donations, sponsorships, program fees, honoraria and other revenues for specific programs/projects are recognized as revenue in the year in which the related expenses are incurred. Grants received for capital expenditures are deferred and recognized as revenue over the useful life of the asset acquired.

Unrestricted donations
Unrestricted donations are recognized as revenue of the Operating Reserve when received.

Donations in-kind
Revenue is recognized when received at a fair market value that can be reasonably estimated. Volunteers contribute many hours each year in carrying out the Conservancy's activities. Since it is difficult to determine the fair value, services and most contributed materials are not recognized in the Financial Statements. However, during the year, the Conservancy received $11,521 (2022 - $4,569) in contributed materials for which the fair value was reasonably determined, and these donations have been recognized as revenue and reflected as expenses at that determined value in these Financial Statements.

Investment and other revenue
Investment income comprises $16,761 (2022 - $7,691) in interest from cash held with financial institutions. Other revenue includes interest earned on endowment funds controlled by third parties. Only endowment funds controlled by the Conservancy are included as assets in these Financial Statements. All endowment funds are currently controlled and managed by the Community Foundation of Mississauga. Revenue is recognized when received.

3. Financial instruments

a) Fair value

The Conservancy initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The Conservancy is exposed to interest rate risk and credit risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A portion of the Conservancy's cash and cash equivalents bear interest at variable rates. Consequently, there is a risk to cash flow exposure. However, there is no risk of fair value on this portion to the Conservancy's assets.

ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Conservancy is subject to credit risk. To mitigate this, the Conservancy actively manages and monitors its receivables and obtains security where warranted. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that the Conservancy cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Conservancy is not subject to significant liquidity risk. The Conservancy manages liquidity risk by:

- Maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- Investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.

THE RIVERWOOD CONSERVANCY

Notes to Financial Statements
As at December 31, 2023

4. Accounts receivable

	2023	2022
Trade accounts receivable	$ 11,497	17,785
Grants receivable	-	2,124
	$ 11,497	19,909

5. Capital assets

	Original cost	Accumulated amortization	2023 Net	2022 Net
Computer equipment	$ 32,647	28,362	4,285	8,798
Other equipment	5,575	2,788	2,787	3,902
Furniture and fixtures	19,214	10,698	8,516	10,377
	$ 57,436	41,848	15,588	23,077

Amortization recorded during the year amounted to $9,454 (2022 - $12,099).

During the year, capital assets were acquired for cash at an aggregate cost of $1,965 (2022 - $1,964).

6. Deferred contributions - operating

Deferred contributions – operating are comprised of amounts received in advance of related expenditures. Changes during the year in the deferred contributions – operating are as follows:

	2023	2022
Balance, beginning of year	$ 134,914	236,439
Amount received in the year	714,876	677,588
Revenue recognized in the year	(746,846)	(779,113)
Balance, end of year	$ 102,944	134,914

7. Deferred contributions - capital

Deferred contributions – capital represent the unamortized amount of grants received for the purchase of capital assets. The amortization of deferred contributions – capital is recorded as revenue in the statement of operations. Changes during the year in the deferred contributions – capital are as follows:

		2023	2022
Balance, beginning of year	$	7,748	11,426
Revenue recognized in the year		(4,006)	(3,678)
Amount received in the year		1,964	
Balance, end of year	$	5,706	7,748

The above deferred contributions – capital are comprised of the following:

		Original cost	Accumulated amortization	2023 Net	2022 Net
Computer equipment	$	9,655	6,736	2,919	3,846
Other equipment		5,575	2,788	2,787	3,901
	$	15,230	9,524	5,706	7,748

8. Capital Asset Reserve

The Capital Asset Reserve is for the purchase of capital assets and includes the accumulated amount purchased to date, net of grants received and accumulated amortization.

		2023	2022
Balance, beginning of year	$	15,330	21,786
Capital additions – funded by grants		1,964	11,427
Capital additions – other		-	1,964
Amortization		(9,454)	(12,099)
Deferred contributions – capital		(1,964)	(11,426)
Revenue recognized in the year		4,006	3,678
Balance, end of year	$	9,882	15,330

THE RIVERWOOD CONSERVANCY

Notes to Financial Statements
As at December 31, 2023

9. Grants

		2023	2022
City of Mississauga – Multi-Year Funding Agreement	$	369,859	331,857
City of Mississauga – Culture Division		-	2,000
Community Foundation of Mississauga		45,744	13,677
Credit Valley Conservation		-	32,500
Dufferin Peel Catholic District School Board		-	14,904
Gift Funds Canada – Climate Impact Fund		10,000	8,091
Government of Canada – Community Service Recovery Fund		18,997	-
Government of Canada – Canada Summer Jobs Program		19,554	18,867
Government of Canada – Healthy Communities Initiative		8,554	28,736
Hancock Van Alstyne Family Fund		1,530	-
Johansen-Larsen Foundation		-	10,000
Natural Sciences and Engineering Research Council of Canada		-	33,938
Ontario Trillium Foundation		210,835	189,955
Rotary Club of Mississauga		-	2,233
Suncor Energy Foundation		-	61,930
TELUS Friendly Future Foundation		10,000	-
TD Friends of the Environment		19,754	9,300
The Frank Fowler Foundation		13,000	-
University of Toronto Mississauga Centre for Urban Environments		12,376	7,724
UTM Office of the Dean		-	9,723
Waterloo Region		1,000	-
		741,203	775,435
Deferred contributions – capital recognized			
Government of Canada – Healthy Communities Initiative		2,891	2,563
Ontario Trillium Foundation		1,115	1,115
	$	745,209	779,113

10. Events, fundraising and sponsorships

		2023	2022
Sponsorships			
Alectra Utilities Corporation	$	2,500	-
Armstrong Milling Co. Ltd.		11,250	8,500
Big Al's Aquarium		-	1,000
Chancery Pacific Trade Corporation		1,000	-
Evergreen Retirement Community		1,000	1,000
Fielding Environmental		2,500	-
Granite REIT Holdings Limited Partnership		2,500	-
Greater Toronto Airports Authority		5,000	-
Prophix Software Inc.		2,500	-
Sage Foundation		2,452	-
Scotts Canada Ltd.		10,000	31,500
Sherilyn Ketchen		2,500	-
The Mark Davis Group		-	2,500
		43,202	44,500
Events and Fundraising			
Donations in-kind		11,521	4,569
Other		19,000	14,756
		30,521	19,325
	$	73,723	63,825

11. Other revenue

Other revenue includes interest earned on endowment funds controlled by the Community Foundation of Mississauga that are not reported as assets of the Conservancy. As at December 31, 2023, the endowment balance was $115,827 (2022 – $108,738).

12. Income tax status

The Conservancy is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

13. Operating lease commitments

a) Future minimum lease payments required under the photocopier operating lease that has initial terms in excess of one year are:

2024	$ 2,699

b) The existing agreements between the Conservancy and the City of Mississauga for the management, operating and use of the Chappell Estate House and the MacEwan House both expired on March 31, 2013 with the option to extend this agreement for three further terms of 5 years each, to begin upon the expiration of the original term. The Conservancy exercised its option to renew both agreements for an additional term of 5 years by way of a letter to the City of Mississauga dated March 20, 2013. While the City acknowledged receipt of the March 20, 2013 letter, no formal confirmation of renewal has been received. To date, no additional letters or agreements have been signed to acknowledge a further extension. The Conservancy continues to manage, operate and use both properties under the assumption that the agreements will be renewed.

The annual fees payable to the City of Mississauga for the management and operating of the Chappell Estate House are $8,000 plus applicable taxes. The annual fees for the MacEwan House are $2 plus applicable taxes.

14. Comparative figures

Certain figures in the 2022 financial statements have been reclassified to conform with the basis of presentation used in 2023.