

Financial Statements of

# **ROUGE PARK ALLIANCE**

Year ended December 31, 2004



James E. Horn  
Chartered Accountant

## AUDITOR'S REPORT

To the Members of the Rouge Park Alliance

I have audited the statement of financial position of the Rouge Park Alliance (the "Alliance") as at December 31, 2004 and the statements of expenditures and revenue and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Alliance's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Alliance derives part of its revenue from donations and fundraising events the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my examination of these revenues was limited to the amounts recorded in the records of the Alliance and I was not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, assets and net assets.

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 donations and fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Alliance as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountant  
Toronto, Canada  
February 21, 2005

# ROUGE PARK ALLIANCE

## Statement of Financial Position

December 31, 2004, with comparative figures for 2003

|   | 2004              | 2003              |
|---|-------------------|-------------------|
| <b>Assets</b>   |                   |                   |
| Current assets  |                   |                   |
| Due from Toronto and<br>Region Conservation Authority | \$ 498,122        | \$ 566,813        |
| Accounts receivable:                                  |                   |                   |
| - Federal program                                     | -                 | 1,320             |
| - Municipal – Town of Markham                         | 25,000            | 25,000            |
|   | <u>\$ 523,122</u> | <u>\$ 593,133</u> |

## Liabilities and Net Assets

### Current liabilities:

|                           |                |                |
|---------------------------|----------------|----------------|
| Accrued liabilities       | \$ 4,800       | \$ 4,800       |
| Project holdbacks         | 28,830         | 29,580         |
| Deferred revenue (note 2) | 327,245        | 312,658        |
|                           | <u>360,875</u> | <u>347,038</u> |

### Net assets:

|              |         |         |
|--------------|---------|---------|
| Unrestricted | 162,247 | 246,095 |
|--------------|---------|---------|

### Lease commitments (note 6)

|  |                   |                   |
|--|-------------------|-------------------|
|  | <u>\$ 523,122</u> | <u>\$ 593,133</u> |
|--|-------------------|-------------------|

See accompanying notes to financial statements.

On behalf of the Rouge Park Alliance:

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# ROUGE PARK ALLIANCE

## Statement of Expenditures and Revenue and Changes in Net Assets

Year ended December 31, 2004, with comparative figures for 2003

|   | 2004<br>Budget<br>(unaudited) | 2004              | 2003              |
|---|-------------------------------|-------------------|-------------------|
| <b>Expenditures</b>   |                               |                   |                   |
| Programs (schedule 1)   | \$ 430,400                    | \$ 382,496        | \$ 375,714        |
| Planning  | 100,000                       | 11,630            | 53,983            |
| Projects  | 363,200                       | 235,770           | 230,253           |
|   | <u>893,600</u>                | <u>629,896</u>    | <u>659,950</u>    |
| <b>Revenue</b>  |                               |                   |                   |
| Waterfront Regeneration Trust Corporation/<br>Toronto and Region Conservation<br>Authority (note 3) | 500,275                       | 359,557           | 438,787           |
| Habitat improvement initiative (note 4)   | -                             | -                 | 223,145           |
| Provincial  | 121,725                       | 35,219            | 53,983            |
| Municipal   | 128,600                       | 128,600           | 119,200           |
| Federal   | 14,900                        | 3,420             | 4,480             |
| Rental – net (note 5)   | -                             | 15,239            | -                 |
| Donations and sundry  | 25,000                        | 4,013             | 42,504            |
|   | <u>790,500</u>                | <u>546,048</u>    | <u>882,099</u>    |
| Excess of (expenditures over revenue)<br>revenue over expenditures                                  | (103,100)                     | (83,848)          | 222,149           |
| <u>Net assets, beginning of year</u>  | <u>246,095</u>                | <u>246,095</u>    | <u>23,946</u>     |
| <u>Net assets, end of year</u>  | <u>\$ 142,995</u>             | <u>\$ 162,247</u> | <u>\$ 246,095</u> |

See accompanying notes to financial statements.

# ROUGE PARK ALLIANCE

## Statement of Cash Flows

Year ended December 31, 2004 with comparative figures for 2003

|   | 2004        | 2003       |
|---|-------------|------------|
| Cash provided by (used in):                   |             |            |
| Operating activities                          |             |            |
| Excess of (expenditures over revenue)         |             |            |
| revenue over expenditures                     | \$ (83,848) | \$ 222,149 |
| Change in non-cash operating working capital: |             |            |
| Accounts receivable                           | 1,320       | (6,070)    |
| Accrued liabilities                           | -           | 4,800      |
| Holdback payable                              | (750)       | 12,450     |
| Deferred revenue                              | 14,587      | (43,046)   |
|   | 15,157      | (31,866)   |
| Financing activity                            |             |            |
| Increase (decrease) in due from TRCA          | (68,691)    | 190,283    |
| Cash, beginning and end of year               | \$ -        | \$ -       |

See accompanying notes to financial statements

# ROUGE PARK ALLIANCE

Notes to Financial Statements

December 31, 2004

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The Rouge Park Alliance is a partnership of thirteen entities, being the Government of Canada; Province of Ontario; the regional municipalities of Durham and York; the cities of Pickering and Toronto; the towns of Markham, Richmond Hill and Whitchurch-Stouffville; Save the Rouge Valley Systems Inc.; Toronto and Region Conservation Authority ("TRCA"); Toronto Zoo; and Waterfront Regeneration Trust Corporation. The Alliance provides leadership to the partners and others for the implementation of the Rouge Park Management Plans. The Alliance is not-for-profit entity and as such is exempt from income tax.

The TRCA administers and maintains the accounting and finance functions for the Alliance. These financial statements have been prepared from the segregated accounts maintained for the Alliance.

## 1. Summary of significant accounting policies:

### (a) Deferred revenue:

The Alliance receives certain amounts, principally from other public sector bodies, which may only be used in the conduct of certain programs or completion of specific work. These amounts are recognized as revenue in the year the related expenditures are incurred or services performed.

### (b) Fair value of financial instruments:

The carrying values due from TRCA, accounts receivable, accrued liabilities and project holdbacks approximate the fair values due to the near term nature of these amounts.

### (c) Contributed goods and services:

Volunteers and partner organizations contribute a significant amount of time in carrying out the Alliance's service delivery activities. Due to difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

### (d) Revenue recognition:

Revenue is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

# ROUGE PARK ALLIANCE

Notes to Financial Statements (continued)

Year ended December 31, 2004

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2. **Deferred revenue:**

|              | 2004              | 2003              |
|--------------|-------------------|-------------------|
| Planning     | \$ 175,466        | \$ 187,096        |
| Projects     |                   |                   |
| Designated   | 84,481            | 60,706            |
| Undesignated | 67,298            | 64,856            |
|              | <u>\$ 327,245</u> | <u>\$ 312,658</u> |

3. **Waterfront Regeneration Trust Corporation – Grant Funding:**

The Waterfront Regeneration Trust Corporation provides significant grant funding to protect, restore and enhance the Rouge River watershed and Rouge Park. This funding is provided to the Toronto and Region Conservation Authority which in turn contracts with the Rouge Park Alliance to undertake programs and projects to accomplish these goals.

4. **Habitat Improvement Initiative:**

Included in revenue for 2003 is the surplus from the Habitat Improvement Initiative managed by the TRCA with topsoil provided by area developers. The revenue and expenditures were administered by the TRCA with the surplus balance transferred to the Alliance.

5. **Ontario Realty Corporation Lands Transfer**

Effective March 31, 2004 the Ontario Realty Corporation ("ORC") transferred 3,249 acres of land in the Rouge Park watershed, including 82 rental properties, to the TRCA.

# ROUGE PARK ALLIANCE

Notes to Financial Statements (continued)

Year ended December 31, 2004

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## 5. Ontario Realty Corporation Lands Transfer (continued)

Under the terms of the agreement between TRCA and ORC:

- Ownership of the properties was transferred to TRCA
- TRCA is entitled annually to a management fee under the ORC agreement to recover specific costs incurred in the management of the properties, and
- TRCA will deliver the net rental income derived from the management of the properties to the Alliance to be used for Rouge Park purposes

In 2004, TRCA transferred \$15,239 to the Alliance under above noted agreement.

## 6. Lease Commitments:

### (a) Premises:

The Rouge Park Alliance leases office premises under an informal agreement with the Ministry of Natural Resources, Aurora District. The rental is subject to the government corporate rate. The rent includes office space, telephone, fax, photocopier, hydro, heating, air conditioning and building maintenance. Currently, the cost per year is \$10,008, paid in quarterly installments.

### (b) Vehicles:

The Rouge Park Alliance also leases 2 vehicles under an operating lease expiring March 31, 2006. The future minimum lease payments under this lease are as follows:

|      |           |
|------|-----------|
| 2005 | \$ 13,360 |
| 2006 | \$ 3,340  |

## 7. Budget figures:

The budget figures are provided for information purposes only and are unaudited.

# ROUGE PARK ALLIANCE

Schedule 1 – Expenditures and Revenue - Programs

Year ended December 31, 2004, with comparative figures for 2003

|  | 2004<br>Budget    | 2004              | 2003              |
|--|-------------------|-------------------|-------------------|
| <b>Expenditures</b>  |                   |                   |                   |
| Management   | \$ 211,200        | \$ 188,181        | \$ 186,222        |
| Communications and interpretation  | 123,500           | 103,033           | 91,569            |
| Stewardship  | -                 | -                 | 25,000            |
| Natural heritage   | 95,700            | 91,282            | 72,923            |
|  | <b>\$ 430,400</b> | <b>\$ 382,496</b> | <b>\$ 375,714</b> |
| <b>Revenue</b>   |                   |                   |                   |
| Waterfront Regeneration Trust Corporation/<br>Toronto and Region Conservation<br>Authority | 158,800           | 147,376           | 213,334           |
| Municipal  | 128,600           | 128,600           | 119,200           |
| Federal  | 14,900            | 3,420             | 4,480             |
| Rental – net   | -                 | 15,239            | -                 |
| Donations and sundry   | 25,000            | 4,013             | 38,700            |
|  | <b>\$ 327,300</b> | <b>\$ 298,648</b> | <b>\$ 375,714</b> |