

Financial Statements of

ROUGE PARK ALLIANCE

Year ended December 31, 2005

AUDITOR'S REPORT

To the Members of the Rouge Park Alliance

We have audited the statement of financial position of the Rouge Park Alliance (the "Alliance") as at December 31, 2005 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. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Alliance as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Toronto, Canada
March 17, 2006

ROUGE PARK ALLIANCE

Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
Assets		
Current assets		
Due from Toronto and Region Conservation Authority	\$ 353,832	\$ 498,122
Accounts receivable:		
- Municipal – Town of Markham	25,000	25,000
	<u>\$ 378,832</u>	<u>\$ 523,122</u>
Liabilities and Net Assets		
Current liabilities:		
Accrued liabilities	\$ 4,800	\$ 4,800
Project holdbacks	25,450	28,830
Deferred revenue (note 2)	308,077	327,245
	<u>338,327</u>	<u>360,875</u>
Net assets:		
Unrestricted	40,505	162,247
Lease commitments (note 5)		
	<u>\$ 378,832</u>	<u>\$ 523,122</u>

See accompanying notes to financial statements.

On behalf of the Rouge Park Alliance:

_____ Chair

_____ Chair, Finance Committee

ROUGE PARK ALLIANCE

Statement of Expenditures and Revenue and Changes in Net Assets

Year ended December 31, 2005, with comparative figures for 2004

	2005 Budget (unaudited)	2005	2004
Expenditures			
Programs (schedule 1)	\$ 447,900	\$444,462	\$ 382,496
Planning	372,150	190,062	11,630
Projects	136,500	150,907	235,770
	956,550	785,431	629,896
Revenue			
Waterfront Regeneration Trust Corporation/ Toronto and Region Conservation Authority (note 3)	540,000	312,262	359,557
Toronto and Region Conservation Authority Provincial	30,000	28,000	-
Municipal	100,500	104,407	35,219
Federal	171,300	171,300	128,600
Rental – net (note 5)	14,000	5,200	3,420
Donations and sundry	40,000	40,505	15,239
	2,500	2,015	4,013
	898,300	663,689	546,048
Excess of (expenditures over revenue) revenue over expenditures	(58,250)	(121,742)	(83,848)
Net assets, beginning of year	162,247	162,247	246,095
Net assets, end of year	\$ 103,997	\$ 40,505	\$ 162,247

See accompanying notes to financial statements.

ROUGE PARK ALLIANCE

Statement of Cash Flows

Year ended December 31, 2005 with comparative figures for 2004

	2005	2004
Cash provided by (used in):		
Operating activities		
Excess of (expenditures over revenue) revenue over expenditures	\$(121,742)	\$ (83,848)
Change in non-cash operating working capital:		
Accounts receivable	-	1,320
Holdback payable	(3,380)	(750)
Deferred revenue	(19,168)	14,587
	(22,548)	15,157
Financing activity		
Increase (decrease) in due from Toronto and Region Conservation Authority	144,290	(68,691)
Cash, beginning and end of year	\$ -	\$ -

See accompanying notes to financial statements

ROUGE PARK ALLIANCE

Notes to Financial Statements

Year ended December 31, 2005

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 Toronto and Region Conservation Authority 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) Revenue recognition:

The Alliance follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Fair value of financial instruments:

The carrying values due from Toronto and Region Conservation Authority 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.

ROUGE PARK ALLIANCE

Notes to Financial Statements (continued)

Year ended December 31, 2005

1. Summary of significant accounting policies: (continued)

(d) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenditures during the year. Actual results could differ from those estimates.

2. Deferred revenue:

	2005	2004
Planning	\$ 76,059	\$ 175,466
Projects		
Designated	103,870	84,481
Undesignated	128,148	67,298
	<u>\$ 308,077</u>	<u>\$ 327,245</u>

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. Changes in the deferred revenue balance are as follows:

	Planning	Projects	Total 2005	Total 2004
Beginning balance	\$ 175,466	\$ 151,779	\$ 327,245	\$ 312,658
Less amount recognized as revenue in the year	(99,407)	(66,230)	(165,637)	(247,400)
Add amount received related to the following year	-	146,469	146,469	261,987
<u>Ending balance</u>	<u>\$ 76,059</u>	<u>\$ 232,018</u>	<u>\$ 308,077</u>	<u>\$ 327,245</u>

ROUGE PARK ALLIANCE

Notes to Financial Statements (continued)

Year ended December 31, 2005

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. 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 Toronto and Region Conservation Authority (“TRCA”)

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 2005, TRCA transferred \$40,505 (2004 - \$15,239) to the Alliance under above noted agreement.

5. 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 and vehicles. Currently, the cost per year is \$23,368, paid in quarterly installments.

ROUGE PARK ALLIANCE

Notes to Financial Statements (continued)

Year ended December 31, 2005

6. 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, 2005, with comparative figures for 2004

	2005 Budget	2005	2004
Expenditures			
Management	\$ 211,800	\$ 229,828	\$ 188,181
Communications and interpretation	128,300	112,310	103,033
Stewardship			-
Natural heritage	107,800	102,324	91,282
	<u>\$447,900</u>	<u>\$444,462</u>	<u>\$ 382,496</u>
Revenue			
Waterfront Regeneration Trust Corporation/ Toronto and Region Conservation Authority	236,350	170,200	147,376
Municipal	109,800	109,800	128,600
Federal	1,000	200	3,420
Rental – net	40,000	40,505	15,239
Donations and sundry	2,500	2,015	4,013
	<u>\$ 389,650</u>	<u>\$ 322,720</u>	<u>\$ 298,648</u>