
Financial Statements

**FRIENDS OF RURAL COMMUNITIES
AND THE ENVIRONMENT (FORCE)**

December 31, 2009

FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)

DECEMBER 31, 2009

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AUDITORS' REPORT TO MEMBERS

We have audited the statement of financial position of Friends of Rural Communities and the Environment (FORCE) as at December 31, 2009, and the statement of changes in net assets, and the statement of operations for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with many non-profit organizations, Friends of Rural Communities and the Environment (FORCE) derives part of its revenue from the general public in the form of contributions and fund raising, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, fund raising and other revenue, excess of revenue over expense for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of items referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of Friends of Rural Communities and the Environment (FORCE) as at December 31, 2009 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licensed Chartered Accountants

Mississauga, Canada

March 3, 2010

FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)
Statement of Financial Position
December 31, 2009

	2009	2008
Assets		
Cash short term deposits	\$ 50,406	\$ 37,868
Internally restricted short term deposits	150,000	125,000
Cash held in trust	191,695	140,150
Other current assets	7,861	1,225
	\$ 399,962	\$ 304,243
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 9,173	\$ 392
Externally restricted deferred contributions (Note 4)	191,695	140,150
	200,868	140,542
Net Assets		
Restricted net assets, hearing fund (Note 5)	150,000	125,000
Unrestricted net assets	49,094	38,701
	199,094	163,701
	\$ 399,962	\$ 304,243

See accompanying notes to the financial statements

On behalf of the Board

Director _____

Director _____

FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)
Statement of Changes in Net Assets
Year Ended December 31, 2009

	Internally Restricted	Unrestricted	2009	2008
Net Assets				
Balance, Beginning of Year	\$ 125,000	\$ 38,701	\$ 163,701	\$ 144,360
Excess of Revenue over Expenses	-	35,393	35,393	19,341
Transfer to Restricted funds	25,000	(25,000)	-	-
Balance, End of Year	\$ 150,000	\$ 49,094	\$ 199,094	\$ 163,701

FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)

Statement of Operations

Year Ended December 31, 2009

	2009	2008
Revenue		
Environmental Defence Canada case support (Note 6)	\$ 104,402	\$ 56,387
Individual contributions	8,195	7,500
Gala	13,402	16,307
Golf Day	7,423	10,036
Business contributions	-	3,600
Interest	2,626	9,260
Tour de FORCE	-	1,110
	<u>136,048</u>	<u>104,200</u>
Allocation to externally restricted deferred contributions	(51,545)	(25,150)
	<u>84,503</u>	<u>79,050</u>
Expenses		
Technical Experts		
Ecology	6,540	-
Hydrogeology	9,474	7,450
Legal	19,799	27,083
Research Materials	544	-
	<u>36,357</u>	<u>34,533</u>
Community Activities		
Community Meeting Expenses	475	284
Newsletter Delivery	1,396	4,731
Flyer Printing	40	2,658
Newspaper Advertising	3,875	13,991
Signage	2,907	27
	<u>8,693</u>	<u>21,691</u>
Expenses Related to Incorporation		
Insurance	2,384	2,316
Operating Costs		
Bank Service Charges	33	47
Meeting Expenses	338	187
Memberships	371	361
Office Supplies	318	139
Parking	73	13
Telephone	543	422
	<u>1,676</u>	<u>1,169</u>
	<u>49,110</u>	<u>59,709</u>
Excess of Revenue over Expenses	\$ 35,393	\$ 19,341

See accompanying notes to the financial statements

1. Purpose of Organization

Friends of Rural Communities and the Environment (FORCE) is a volunteer, non-profit organization dedicated to preserve and protect the environment, including quality of life for the residents and ratepayers, flora and fauna, air quality, and water quality and quantity in their local communities.

Friends of Rural Communities and the Environment (FORCE) is a registered non-profit organization under the Income Tax Act.

2. Summary of Significant Accounting Policies

(a) Revenue Recognition

Friends of Rural Communities and the Environment (FORCE) follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted 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) Expenditures

Expenditures are recorded on an accrual basis.

(c) Capital Assets

Capital assets are expensed as incurred. No amounts were charged to operations during the current year.

(d) Volunteers

The work of Friends of Rural Communities and the Environment (FORCE) is dependent on the voluntary services of many members. Since these services are not normally purchased by the Organization, and because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

(e) Income Taxes

As a not-for-profit organization, the association is not liable for income taxes.

(f) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect revenue and expenses during the reporting periods, in addition to the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

3. Statement of Cash Flows

A statement of cash flows has not been presented, as it would not provide any additional meaningful information.

FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT (FORCE)

Notes to the Financial Statements

December 31, 2009

4. Externally Restricted Deferred Contributions

Externally restricted deferred contributions represent resources held in trust and intended for expert fees related to expected future judicial hearings.

5. Internally Restricted for Hearing Fund

The directors have allocated another \$25,000 in 2009 of the unrestricted net assets to an internally restricted fund, to bring the total to \$150,000, to cover future hearing costs.

6. Environmental Defence Canada Case Support

FORCE has an ongoing strategic relationship with Environmental Defence Canada (EDC). The relationships allows FORCE supporters to contribute to EDC on behalf of FORCE. EDC in turn agrees to pay for various legal and technical experts expenses incurred by FORCE. EDC collects a 10% administration fee as part of this arrangement.

	<u>2009</u>	<u>2008</u>
Contributions to EDC on behalf of FORCE	\$ 112,848	\$ 63,230
EDC administration fee	11,301	6,340
Change in year end balance of funds held by EDC	<u>(2,855)</u>	<u>503</u>
EDC case support	<u>\$ 104,402</u>	<u>\$ 56,387</u>

7. Financial Instruments

Fair Value

The association's financial instruments recognized in the balance sheet consist of cash and short term deposits, accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying amounts due to their short-term maturities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.