

Financial Statements of

**FRIENDS OF THE  
GREENBELT FOUNDATION**

Year ended March 31, 2007



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## AUDITORS' REPORT

To the Members of Friends of the Greenbelt Foundation

We have audited the statement of financial position of Friends of the Greenbelt Foundation as at March 31, 2007 and the statement of revenue and expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation as at March 31, 2007 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, Licensed Public Accountants

Toronto, Canada

June 8, 2007

# FRIENDS OF THE GREENBELT FOUNDATION

(Incorporated as a corporation without share capital under the laws of Ontario)

## Statement of Financial Position

March 31, 2007, with comparative figures for 2006

	2007	2006
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,965,103	\$ 111,027
Short-term investment (note 2)	5,000,000	–
Accounts receivable	161,693	66,985
Prepaid expenses	5,236	6,424
	<u>9,132,032</u>	<u>184,436</u>
Capital assets (note 3)	26,056	21,565
Long-term investments (note 2)	10,000,000	23,784,110
	<u>\$ 19,158,088</u>	<u>\$ 23,990,111</u>

## Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities	\$ 75,222	\$ 88,259
Grants payable	10,070	–
	<u>85,292</u>	<u>88,259</u>
Fund balance	19,072,796	23,901,852
Commitments (note 5)		
	<u>\$ 19,158,088</u>	<u>\$ 23,990,111</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# FRIENDS OF THE GREENBELT FOUNDATION

## Statement of Revenue and Expenditures and Changes in Fund Balance

Year ended March 31, 2007, with comparative figures for the period from March 29, 2005 to March 31, 2006

	2007	2006
Revenue:		
Investment (note 2)	\$ 65,462	\$ 1,037,617
Expenditures:		
Grants	4,027,650	—
Salaries and benefits	387,679	184,523
Public awareness	299,829	1,769,586
Professional fees	39,325	35,578
Office and general	37,038	30,073
Rent	33,560	14,498
Consulting fees	30,449	37,772
Investment management fees	18,132	53,328
Travel	9,968	3,741
Amortization	6,754	4,060
Insurance	4,134	2,606
	<u>4,894,518</u>	<u>2,135,765</u>
Deficiency of revenue over expenditures	(4,829,056)	(1,098,148)
Fund balance, beginning of period	23,901,852	—
Contribution from the Ministry of Municipal Affairs and Housing	—	25,000,000
Fund balance, end of period	<u>\$ 19,072,796</u>	<u>\$ 23,901,852</u>

See accompanying notes to financial statements.

# FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements

Year ended March 31, 2007

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The Friends of the Greenbelt Foundation (the "Foundation") was incorporated without share capital on March 29, 2005. These financial statements cover the period from March 31, 2006 to March 31, 2007 and represent the start-up phase of the Foundation. The Foundation's mission is to nurture and support activities that preserve and enhance the Greenbelt's agricultural, rural and ecological integrity. Public awareness and appreciation of the Greenbelt is also an important element of the Foundation's work. The Foundation is registered as a public foundation under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

A contribution of \$25,000,000 was received from the provincial government in order to enable the Foundation to carry out its charitable and public initiatives. The Foundation decided to grant its contribution over a period of five years, with grants commencing in fiscal 2006/2007.

## 1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

### (a) Revenue recognition:

Investment income is recorded on an accrual basis and includes interest income and net unrealized gain/loss. Realized gains are recorded at the time of disposal.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on account and investments in money market instruments and term deposits with original maturities less than 90 days at the date of acquisition.

### (c) Investments:

Investments are classified as held for trading and stated at market value. The change in the difference between the market value and cost of investments at the beginning and end of each period is reflected in the statement of revenue and expenditures.

# FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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## 1. Significant accounting policies (continued):

Market values of investments are determined as follows:

Fixed income securities and equities are valued at year-end quoted market prices where available. Where quoted prices are not available, estimated market values are calculated using comparable securities.

Term deposits maturing within a year are stated at cost, which together with accrued interest income approximates market value given the short-term nature of these investments.

### (d) Capital assets:

Capital assets are stated at cost. All assets over \$1,000 are capitalized. Amortization is provided on a straight-line basis as follows:

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Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	Term of the lease

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### (e) Use of estimates:

The preparation of financial statements 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 expenses during the year. Actual results could differ from those estimates.

## 2. Investments:

### (a) Short-term investment:

Short-term investment includes a \$5,000,000 term deposit with an interest rate of 3.85% maturing on September 8, 2007.

# FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2007

## 2. Investments (continued):

(b) Long-term investments:

	2007		2006	
	Cost	Market	Cost	Market
McLean Budden Fixed Income Fund	\$ —	\$ —	\$ 18,485,069	\$ 17,655,110
McLean Budden Canadian Equity Value Fund	—	—	2,338,593	2,502,746
McLean Budden Global Equity Value Fund	—	—	3,503,656	3,626,254
Term deposit	10,000,000	10,000,000	—	—
	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 24,327,318</u>	<u>\$ 23,784,110</u>

Long-term investments include a term deposit with an interest rate of 4.05% maturing on September 8, 2008.

Included in investment revenue is an amount of \$789,058 relating to realized losses on investments.

## 3. Capital assets:

	2007		2006	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 16,934	\$ 6,386	\$ 10,548	\$ 9,716
Furniture and fixtures	1,446	337	1,109	1,301
Office equipment	3,486	988	2,498	3,137
Leasehold improvements	15,004	3,103	11,901	7,411
	<u>\$ 36,870</u>	<u>\$ 10,814</u>	<u>\$ 26,056</u>	<u>\$ 21,565</u>

# FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2007

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## 4. Financial instruments:

The carrying values of cash and cash equivalents, short-term investment, accounts receivable, accounts payable and accrued liabilities and grants payable approximate their fair values because of the relatively short period to maturity of these instruments.

The fair value of long-term investments is disclosed in note 2.

## 5. Commitments:

The Foundation is committed to payments under grants and an operating lease for office rent as follows:

	Grants	Office rent	Total
2008	\$ 2,284,750	\$ 33,395	\$ 2,318,145
2009	1,319,250	34,070	1,353,320
2010	125,000	34,744	159,744
2011	–	17,541	17,541
	<u>\$ 3,729,000</u>	<u>\$ 119,750</u>	<u>\$ 3,848,750</u>

## 6. Statement of cash flows:

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

## 7. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.