

Financial Statements of

**FRIENDS OF THE
GREENBELT FOUNDATION**

Year ended March 31, 2008



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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, 2008 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, 2008 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 5, 2008

FRIENDS OF THE GREENBELT FOUNDATION

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

Statement of Financial Position

March 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,188,600	\$ 3,965,103
Short-term investment (note 4)	10,000,000	5,000,000
Accounts receivable (note 4)	124,985	161,693
Prepaid expenses	20,404	5,236
	<u>14,333,989</u>	<u>9,132,032</u>
Capital assets (note 5)	38,342	26,056
Investments (note 4)	–	10,000,000
	<u>\$ 14,372,331</u>	<u>\$ 19,158,088</u>

Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities	\$ 123,575	\$ 75,222
Grants payable	1,305,000	10,070
Deferred revenue	59,406	–
	<u>1,487,981</u>	<u>85,292</u>
Fund balance	12,884,350	19,072,796
Commitments (note 6)		
	<u>\$ 14,372,331</u>	<u>\$ 19,158,088</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, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Investment	\$ 672,641	\$ 64,433
Other	51,619	1,029
	<u>724,260</u>	<u>65,462</u>
Expenditures:		
Grants	5,116,752	4,027,650
Public awareness	1,088,270	299,829
Salaries and benefits	539,176	387,679
Office and general	48,010	37,038
Rent	33,353	33,560
Professional fees	32,444	39,325
Consulting fees	30,331	30,449
Amortization	11,143	6,754
Travel	7,714	9,968
Insurance	5,513	4,134
Investment management fees	—	18,132
	<u>6,912,706</u>	<u>4,894,518</u>
Deficiency of revenue over expenditures	(6,188,446)	(4,829,056)
Fund balance, beginning of year	19,072,796	23,901,852
Fund balance, end of year	<u>\$ 12,884,350</u>	<u>\$ 19,072,796</u>

See accompanying notes to financial statements.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements

Year ended March 31, 2008

The Friends of the Greenbelt Foundation (the "Foundation") was incorporated without share capital on March 29, 2005. 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.

(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 carried at market value.

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

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2008

1. Significant accounting policies (continued):

(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:

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

(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. Change in accounting policy:

Effective April 1, 2007, the Foundation adopted The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855, Financial Instruments - Recognition and Measurement, and Section 3861, Financial Instruments - Disclosure and Presentation. Section 3855 establishes standards for recognizing and measuring financial instruments, including the accounting treatment for changes in fair value. The adoption of these recommendations did not have a significant impact on the financial statements.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Change in accounting policy (continued):

The Foundation has designated all of its cash and cash equivalents and investments as held-for-trading and carries them at fair value. Accounts receivable are designated as loans and receivables and carried at amortized cost. Accounts payable and accrued liabilities and grants payable are designated as other liabilities and carried at amortized cost.

The change has been applied on a retroactive basis without restatement. The 2007 investments are stated at market value.

3. Future accounting changes:

CICA has issued two new accounting standards on financial instruments that revise and enhance the current disclosure requirements but do not change the existing presentation requirements for financial instruments. These new standards will be effective for the Foundation commencing April 1, 2008. The new disclosures will provide additional information on the nature and extent of risks arising from financial instruments to which the Foundation is exposed and how it manages those risks.

4. Investments:

	2008		2007	
	Book value	Market value	Book value	Market value
Short-term investment	\$ 10,000,000	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000
Investments	—	—	10,000,000	10,000,000

Short-term investment includes a term deposit with an interest rate of 4.05%, maturing on September 8, 2008 (2007 - 3.85% maturing on September 8, 2007). This same investment was shown in 2007 as investments.

Accrued interest for the year is included in accounts receivable.

The Foundation does not enter into any derivative arrangements for hedging or speculative purposes.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2008

5. Capital assets:

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 22,222	\$ 12,030	\$ 10,192	\$ 10,548
Furniture and fixtures	1,446	626	820	1,109
Office equipment	3,486	1,685	1,801	2,498
Vehicles	18,142	1,512	16,630	—
Leasehold improvements	15,003	6,104	8,899	11,901
	<u>\$ 60,299</u>	<u>\$ 21,957</u>	<u>\$ 38,342</u>	<u>\$ 26,056</u>

6. Commitments:

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

	Grants	Office rent	Total
2009	\$ 1,694,750	\$ 33,904	\$ 1,728,654
2010	275,000	34,576	309,576
2011	—	17,456	17,456
	<u>\$ 1,969,750</u>	<u>\$ 85,936</u>	<u>\$ 2,055,686</u>

7. Statement of cash flows:

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