

Financial Statements of

GREENBELT FUND

And Independent Auditors' Report thereon

Year ended March 31, 2019



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Members of Greenbelt Fund

Opinion

We have audited the financial statements of Greenbelt Fund (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and changes in fund balance for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 11, 2019

GREENBELT FUND

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

Statement of Financial Position

March 31, 2019, with comparative information for 2018

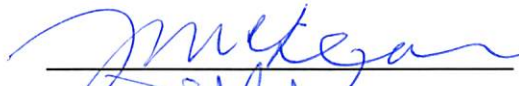
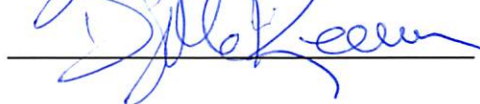
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 346,016	\$ 280,018
Short-term investments (note 2)	—	1,658,638
Accounts receivable (note 3)	156,154	97,178
Prepaid expenses	315	1,445
	<u>\$ 502,485</u>	<u>\$ 2,037,279</u>

Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 327,186	\$ 49,764
Grants payable	112,817	253,098
Deferred revenue (note 4)	—	1,721,148
	<u>440,003</u>	<u>2,024,010</u>
Fund balance	62,482	13,269
	<u>\$ 502,485</u>	<u>\$ 2,037,279</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director
 Director

GREENBELT FUND

Statement of Operations and Changes in Fund Balance

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Government funding	\$ 4,071,673	\$ 3,056,033
Investment income	20,269	24,215
Other revenue	6,390	89,595
	4,098,332	3,169,843
Expenditures:		
Grants	2,350,491	2,090,495
Public awareness	903,894	403,428
Salaries and benefits (note 3)	530,322	447,177
Consulting fees	132,415	151,263
Office and general	55,968	39,186
Rent	33,227	29,481
Professional fees	32,999	15,958
Travel	9,803	26,506
	4,049,119	3,203,494
Excess (deficiency) of revenue over expenditures	49,213	(33,651)
Fund balance, beginning of year	13,269	46,920
Fund balance, end of year	\$ 62,482	\$ 13,269

See accompanying notes to financial statements.

GREENBELT FUND

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 49,213	\$ (33,651)
Amortization which does not involve cash	—	452
Change in non-cash operating working capital:		
Accounts receivable	(58,976)	(22,415)
Accounts payable and accrued liabilities	277,422	(64,606)
Grants payable	(140,281)	253,098
Deferred revenue	(1,721,148)	(356,033)
Prepaid expenses	1,130	—
	(1,592,640)	(223,155)
Investing activities:		
Purchase of short-term investments	—	(2,808,638)
Redemption of short-term investments	1,658,638	2,400,000
	1,658,638	(408,638)
Increase (decrease) in cash and cash equivalents	65,998	(631,793)
Cash and cash equivalents, beginning of year	280,018	911,811
Cash and cash equivalents, end of year	\$ 346,016	\$ 280,018

See accompanying notes to financial statements.

GREENBELT FUND

Notes to Financial Statements

Year ended March 31, 2019

Greenbelt Fund (the "Fund") was incorporated without share capital on June 30, 2010. The Fund's objectives are to: (a) preserve, protect and restore the agricultural integrity and the environment of the Greenbelt and Ontario; (b) make grants to and support organizations for the purpose of promoting agriculture and viticulture in the Greenbelt and Ontario; (c) conduct non-partisan political advocacy in respect of the Greenbelt, agriculture, planning and the environment and such other complimentary purposes not inconsistent with these objects. The Fund is a not-for-profit organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

In 2016, a contribution of \$2,000,000 was received from the Ontario Ministry of Agriculture, Food and Rural Affairs with a commitment of an additional \$4,000,000 over the term of the agreement in order to enable the Fund to carry out its broader public sector investment fund initiatives. The agreement was amended on March 31, 2017 between the Greenbelt Fund and the Ontario Ministry of Agriculture Food and Rural affairs, which provided up to an additional \$1,000,000 in funding. The agreement was further amended on March 31, 2018, which provided an additional \$2,000,000 in funding. The new agreement was extended and expires on June 30, 2019.

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. The Foundation has the ability to control the Fund by virtue of common membership in the Board of Directors of the two organizations.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue recognition:

Government funding is deferred and recognized as revenue when related expenditures are incurred.

Funding received in advance and not administered to the recipients or received in advance of the event is deferred in current liabilities until the recipient meets the conditions, as defined in the agreement and meets the milestones to receive the funding.

Investment income is recorded on an accrual basis and includes interest income.

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2019

1. Significant accounting policies (continued):

(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 of less than 90 days at the date of the acquisition.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Fund has elected to carry such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Fund determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Fund expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant interest, currency or credit risk arising from financial instruments.

(d) Allocation of expenditures:

The Fund does not classify expenditures by function and does not allocate expenditures between functions on the statement of operations and changes in fund balance.

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2019

1. Significant accounting policies (continued):

(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 expenditures during the year. Actual results could differ from those estimates.

2. Short-term investments:

Short-term investments include term deposits with interest rate of nil (2018 - 1.50%) with maturity date of nil (2018 - July 12, 2018 and January 16, 2019).

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

3. Related party transactions:

Related party transactions expenditures consisted of amounts included in salaries and benefits of \$28,532 (2018 - \$38,124), travel costs \$2,404 (2018 - nil) and awareness and education expenses \$3,102 (2018 - nil) representing reimbursements received by the Fund from the Foundation.

Related party transactions consisted of amounts included in salaries and benefits of \$9,569 (2018 - nil), legal fees of \$572 (2018 - nil) and occupancy costs \$31,621 (2018 - nil) representing expenditures paid by the fund to the Foundation.

Accounts receivable include an amount of \$565 (2018 - accounts receivable \$8,699) due from the Foundation.

Accounts payable and accrued liabilities include an amount \$40,579 (2018 - nil) due to the Foundation.

These transactions are in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2019

4. Deferred revenue:

Changes in deferred revenue balances during the year are as follows:

	2019	2018
Balance, beginning of year	\$ 1,721,148	\$ 2,077,181
Amounts received	2,191,136	2,700,000
Interest	20,269	23,587
	3,932,553	4,800,768
Less amounts recognized as revenue	3,932,553	3,079,620
Balance, end of year	\$ —	\$ 1,721,148