

Financial Statements of

GREENBELT FUND

Year ended March 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Members of Greenbelt Fund

We have audited the accompanying financial statements of Greenbelt Fund, which comprise the statement of financial position as at March 31, 2014, the statements of operations and changes in fund balance and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greenbelt Fund as at March 31, 2014, 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.

Chartered Professional Accountants, Licensed Public Accountants

July 8, 2014
Toronto, Canada

GREENBELT FUND

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

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 664,635	\$ 328,819
Short-term investments (note 2)	3,650,000	–
Accounts receivable	120,853	17,289
Prepaid expenses	1,007	1,193
	<u>4,436,495</u>	<u>347,301</u>
Capital assets (note 3)	248	743
	<u>\$ 4,436,743</u>	<u>\$ 348,044</u>

Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 117,084	\$ 100,586
Grants payable (note 5)	25,971	74,297
Deferred revenue (note 6)	4,248,784	165,131
	<u>4,391,839</u>	<u>340,014</u>
Fund balance	44,904	8,030
Commitments (note 7)		
	<u>\$ 4,436,743</u>	<u>\$ 348,044</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, 2014, with comparative information for 2013

	2014	2013
Revenue	\$ 1,036,620	\$ 1,859,690
Other revenue (note 4)	251,630	67,629
Investment income	80,422	9,206
	<u>1,368,672</u>	<u>1,936,525</u>
Expenditures:		
Salaries and benefits (note 4)	496,854	389,937
Grants (note 5)	391,965	1,370,050
Public awareness (note 4)	216,143	132,976
Research	76,136	—
Consulting fees (note 4)	69,262	817
Office and general (note 4)	35,472	13,672
Travel (note 4)	18,106	3,232
Rent (note 4)	16,725	12,000
Professional fees	11,135	14,541
	<u>1,331,798</u>	<u>1,937,225</u>
Excess (deficiency) of revenue over expenditures	36,874	(700)
Fund balance, beginning of year	8,030	8,730
Fund balance, end of year	<u>\$ 44,904</u>	<u>\$ 8,030</u>

See accompanying notes to financial statements.

GREENBELT FUND

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 36,874	\$ (700)
Amortization which does not involve cash	495	494
Change in non-cash operating working capital:		
Accounts receivable	(103,564)	675
Accounts payable and accrued liabilities	16,498	(191,301)
Grants payable	(48,326)	(917,602)
Deferred revenue	4,083,653	165,131
Prepaid expenses	186	(1,193)
	<u>3,985,816</u>	<u>(944,496)</u>
Investing activities:		
Purchase of short-term investments	(5,000,000)	—
Redemption of short-term investments	1,350,000	955,287
	<u>(3,650,000)</u>	<u>955,287</u>
Increase in cash and cash equivalents	335,816	10,791
Cash and cash equivalents, beginning of year	328,819	318,028
Cash and cash equivalents, end of year	<u>\$ 664,635</u>	<u>\$ 328,819</u>

See accompanying notes to financial statements.

GREENBELT FUND

Notes to Financial Statements

Year ended March 31, 2014

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 environment and agricultural integrity of the Greenbelt Area as defined in the Greenbelt Act, 2005 (Ontario) and the regulations thereunder (the "Greenbelt"); (b) make grants to and support organizations in the Greenbelt for the purpose of promoting agriculture and viniculture in the Greenbelt; (c) conduct non-partisan political advocacy in respect of the Greenbelt; and (d) such other complementary purposes not inconsistent with the Fund's objectives. 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.

During the year, a contribution of \$5,000,000 (2013 - \$1,970,000) was received from the Ontario Ministry of Agriculture, Food and Rural Affairs ("OMAFRA") in order to enable the Fund to carry out its broader public sector investment fund initiatives. The agreement is for two years and expires on July 31, 2015.

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, 2014

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 period, 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 risks arising from financial instruments.

(d) Capital assets:

Capital assets are stated at cost. All assets over \$1,500 are capitalized. Amortization is provided on a straight-line basis as follows:

Computer equipment	3 years
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GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2014

1. Significant accounting policies (continued):

(e) 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.

(f) 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. Investments:

Short-term investments include term deposits with interest rates of 1.55% to 1.80% each with maturity dates of April 3, 2014.

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

3. Capital assets:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 1,484	\$ 1,236	\$ 248	\$ 743

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2014

4. Related party transactions:

During the year, the Fund received \$117,100 (2013 - \$75,000) from the Friends of the Greenbelt Foundation (the "Foundation"). An amount of \$76,850 (2013 - \$20,179) was recognized and recorded as other revenue and \$95,071 (2013 - \$54,821) was deferred.

Included in salaries and benefits is \$131,483 (2013 - \$237,591); in consulting fees \$585 (2013 - nil); in public awareness \$1,110 (2013 - \$169); in rent expense \$12,000 (2013 - \$12,000); in office and general \$2,492 (2013 - \$4,157) and in travel expense \$1,515 (2013 - nil), representing amounts paid by the Fund to the Foundation for the use of shared resources during the year.

Accounts payable and accrued liabilities include an amount of \$51,365 (2013 - \$64,362) 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.

5. Grants:

The Fund is committed to grant payments of:

2015	\$ 2,729,565
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6. Deferred revenue:

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

	2014	2013
Balance, beginning of year	\$ 165,131	\$ -
Plus amounts received	5,305,591	2,045,000
Plus interest	74,188	-
Less amounts recognized as revenue during the year	(1,296,126)	(1,879,869)
Balance, end of year	\$ 4,248,784	\$ 165,131

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2014

7. Commitments:

The Fund is committed to an operating premises lease as follows:

2015	\$ 7,000
2016	3,000
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	\$ 10,000
