

Financial Statements of

GREENBELT FUND

Year ended March 31, 2016



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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, 2016, 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.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greenbelt Fund as at March 31, 2016, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 13, 2016
Toronto, Canada

GREENBELT FUND

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

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 785,493	\$ 164,488
Short-term investments (note 2)	1,000,000	115,000
Accounts receivable	34,903	97,553
Prepaid expenses	2,897	1,188
	<u>1,823,293</u>	<u>378,229</u>
Capital assets (note 3)	1,355	2,258
	<u>\$ 1,824,648</u>	<u>\$ 380,487</u>

Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 55,291	\$ 196,984
Grants payable	17,852	28,250
Deferred revenue (note 5)	1,724,745	116,750
	<u>1,797,888</u>	<u>341,984</u>
Fund balance	26,760	38,503
Commitments (note 6)		
	<u>\$ 1,824,648</u>	<u>\$ 380,487</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, 2016, with comparative information for 2015

	2016	2015
Government funding	\$ 323,175	\$ 4,073,690
Other revenue (note 4)	130,611	345,836
Investment income	6,813	37,719
	<u>460,599</u>	<u>4,457,245</u>
Expenditures:		
Salaries and benefits (note 4)	266,790	552,312
Consulting fees	66,732	235,738
Grants	62,902	3,004,541
Office and general (note 4)	31,400	24,171
Public awareness (note 4)	16,147	594,246
Rent (note 4)	10,648	19,328
Professional fees	9,626	13,743
Travel (note 4)	8,097	19,567
	<u>472,342</u>	<u>4,463,646</u>
Excess of expenditures over revenue	(11,743)	(6,401)
Fund balance, beginning of year	38,503	44,904
Fund balance, end of year	<u>\$ 26,760</u>	<u>\$ 38,503</u>

See accompanying notes to financial statements.

GREENBELT FUND

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of expenditures over revenue	\$ (11,743)	\$ (6,401)
Amortization which does not involve cash	903	700
Change in non-cash operating working capital:		
Accounts receivable	62,650	23,300
Accounts payable and accrued liabilities	(141,693)	79,900
Grants payable	(10,398)	2,279
Deferred revenue	1,607,995	(4,132,034)
Prepaid expenses	(1,709)	(181)
	<u>1,506,005</u>	<u>(4,032,437)</u>
Investing activities:		
Purchase of short-term investments	(1,000,000)	(3,685,100)
Redemption of short-term investments	115,000	7,220,100
Purchase of capital assets	—	(2,710)
	<u>(885,000)</u>	<u>3,532,290</u>
Increase (decrease) in cash and cash equivalents	621,005	(500,147)
Cash and cash equivalents, beginning of year	164,488	664,635
Cash and cash equivalents, end of year	<u>\$ 785,493</u>	<u>\$ 164,488</u>

See accompanying notes to financial statements.

GREENBELT FUND

Notes to Financial Statements

Year ended March 31, 2016

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 ("OMAFRA") 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 is for three years and expires on July 31, 2018.

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, 2016

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, 2016

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 ranging from 1.20% to 1.50% (2015 - 1.05% to 2.10%) with maturity dates ranging from November 23, 2016 to March 16, 2017 (2015 - April 22, 2015 to January 22, 2016).

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

3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 4,194	\$ 2,839	\$ 1,355	\$ 2,258

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2016

4. Related party transactions:

During the year, the Fund received nil (2015 - \$117,100) from the Foundation. An amount of nil (2015 - \$95,421) was recognized and recorded as other revenue and nil (2015 - \$116,750) was deferred.

Related party transaction expenditures consisted of amounts included in salaries and benefits \$3,639 (2015 - \$110,894); in public awareness nil (2015 - \$131); in rent expense nil (2015 - \$12,000); in office and general nil (2015 - \$3,052) and in travel expense nil (2015 - \$750), representing amounts paid by the Fund to the Foundation for the use of shared resources during the year.

During the year, \$1,793 (2015 - nil) was paid by the Foundation to the Fund for travel expenses.

Accounts payable and accrued liabilities include an amount of \$5,118 (2015 - \$76,065) 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. Deferred revenue:

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

	2016	2015
Balance, beginning of year	\$ 116,750	\$ 4,248,784
Plus amounts received	2,061,781	287,492
Plus interest	6,813	37,719
Less amounts recognized as revenue during the year	(460,599)	(4,457,245)
Balance, end of year	\$ 1,724,745	\$ 116,750

GREENBELT FUND

Notes to Financial Statements (continued)

Year ended March 31, 2016

6. Commitments:

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

2017	\$	9,056
2018		5,329

(b) Grant payments:

The Fund is committed to grant payments of:

2017	\$	1,449,848
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