

**OAK RIDGES MORAINÉ LAND TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**

**OAK RIDGES MORaine LAND TRUST**

**DECEMBER 31, 2016**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Oak Ridges Moraine Land Trust**

We have audited the accompanying financial statements of Oak Ridges Moraine Land Trust, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and changes in net assets and cash flows for the year then ended, and 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.

**Auditor's 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, Oak Ridges Moraine Land Trust derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Oak Ridges Moraine Land Trust and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Oak Ridges Moraine Land Trust as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Akler, Browning, Frimet  
& Landzberg LLP*

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS  
TORONTO, CANADA  
APRIL 5, 2017

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# OAK RIDGES MORAINÉ LAND TRUST

## STATEMENT OF FINANCIAL POSITION (CANADIAN DOLLARS)

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	General Fund \$	Land Fund \$	Land Forever Fund \$	December 31	
				2016 Total \$	2015 Total \$
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	143,676	-	-	143,676	111,119
General Operating Reserve Fund (Note 2)	207,874	-	-	207,874	339,605
Accounts receivable	18,425	-	-	18,425	4,103
HST rebate receivable	13,838	-	-	13,838	17,070
Prepays	<u>10,900</u>	-	-	<u>10,900</u>	<u>8,757</u>
	394,713	-	-	394,713	480,654
LAND FOREVER FUND (Note 2)	-	-	210,830	210,830	209,010
PROPERTY AND EQUIPMENT (Note 3)	301	75,134	-	75,435	81,244
LAND TRUST ASSETS (Note 4)	<u>-</u>	<u>34,528,423</u>	<u>-</u>	<u>34,528,423</u>	<u>33,912,173</u>
	<u>395,014</u>	<u>34,603,557</u>	<u>210,830</u>	<u>35,209,401</u>	<u>34,683,081</u>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	37,070	-	-	37,070	22,544
Government remittances payable	3,195	-	-	3,195	3,990
Deferred contributions (Note 5)	<u>155,098</u>	-	-	<u>155,098</u>	<u>260,031</u>
	<u>195,363</u>	-	-	<u>195,363</u>	<u>286,565</u>
<b>FUND BALANCES</b>					
Externally restricted net assets	-	34,603,557	-	34,603,557	33,992,906
Internally restricted net assets	-	-	210,830	210,830	209,010
Unrestricted net assets	<u>199,651</u>	-	-	<u>199,651</u>	<u>194,600</u>
	<u>199,651</u>	<u>34,603,557</u>	<u>210,830</u>	<u>35,014,038</u>	<u>34,396,516</u>
	<u>395,014</u>	<u>34,603,557</u>	<u>210,830</u>	<u>35,209,401</u>	<u>34,683,081</u>

APPROVED ON BEHALF OF THE BOARD:

J Windle  
DIRECTOR

April 5, 2017  
DATE

C J [Signature]  
DIRECTOR

The accompanying notes are an integral part of these financial statements.

# OAK RIDGES MORAINÉ LAND TRUST

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CANADIAN DOLLARS)

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	General <u>Fund</u> \$	Land <u>Fund</u> \$	Land Forever <u>Fund</u> \$	Year Ended December 31	
				2016 <u>Total</u> \$	2015 <u>Total</u> \$
<b>REVENUES</b>					
Donations	324,040	-	-	324,040	373,708
Government grants and subsidies	70,076	-	-	70,076	50,000
Rental	18,205	-	-	18,205	17,920
Investment and other	<u>10,015</u>	-	-	<u>10,015</u>	<u>9,441</u>
	<u>422,336</u>	-	-	<u>422,336</u>	<u>451,069</u>
<b>EXPENDITURES</b>					
Land securement	181,017	-	-	181,017	179,108
Stewardship and monitoring	58,366	-	-	58,366	34,829
Events, outreach and education	55,763	-	-	55,763	82,399
Fundraising	51,782	-	-	51,782	37,594
Office and administration	28,739	-	-	28,739	35,539
Administrative salaries	25,960	-	-	25,960	57,404
Rental	13,629	-	-	13,629	17,163
Amortization	<u>209</u>	<u>5,599</u>	-	<u>5,808</u>	<u>5,809</u>
	<u>415,465</u>	<u>5,599</u>	-	<u>421,064</u>	<u>449,845</u>
EXCESS OF REVENUES OVER EXPENDITURES	6,871	(5,599)	-	1,272	1,224
NET ASSETS BEGINNING OF YEAR	194,600	33,992,906	209,010	34,396,516	34,198,292
CONTRIBUTED ASSETS	-	616,250	-	616,250	197,000
INTERFUND TRANSFERS (Note 6)	<u>(1,820)</u>	-	<u>1,820</u>	-	-
NET ASSETS END OF YEAR	<u>199,651</u>	<u>34,603,557</u>	<u>210,830</u>	<u>35,014,038</u>	<u>34,396,516</u>

The accompanying notes are an integral part of these financial statements.

# OAK RIDGES MORAINÉ LAND TRUST

## STATEMENT OF CASH FLOWS (CANADIAN DOLLARS)

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	Year Ended December 31	
	<u>2016</u>	<u>2015</u>
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	1,272	1,224
Adjustment for non-cash item		
Amortization	<u>5,808</u>	<u>5,809</u>
	<u>7,080</u>	<u>7,033</u>
Net changes in non-cash working capital items:		
Accounts receivable	(14,322)	55,659
HST rebate receivable	3,232	(6,785)
Prepays	(2,143)	(2,285)
Accounts payable and accrued liabilities	14,526	(2,389)
Government remittances payable	(795)	270
Deferred contributions	<u>(104,933)</u>	<u>(144,147)</u>
	<u>(104,435)</u>	<u>(99,677)</u>
Cash Used In Operating Activities	<u>(97,355)</u>	<u>(92,644)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Maturity of investments	<u>129,912</u>	<u>148,953</u>
Cash Provided By Investing Activities	<u>129,912</u>	<u>148,953</u>
NET INCREASE IN CASH	32,557	56,309
CASH, BEGINNING OF YEAR	<u>111,119</u>	<u>54,810</u>
CASH, END OF YEAR	<u>143,676</u>	<u>111,119</u>

The accompanying notes are an integral part of these financial statements.

# OAK RIDGES MORAINÉ LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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## Nature of Operations

The Oak Ridges Moraine Land Trust is a federally incorporated not-for-profit registered charitable organization and is exempt from income tax under the Income Tax Act. The organization's activities include:

- a) The establishment, maintenance and management of a system of natural reserves in the area of the Oak Ridges Moraine;
- b) The identification, protection, conservation and restoration of the integrity of the natural environment and cultural heritage of the Oak Ridge Moraine, including physical features of scientific, ecological, hydrological, cultural, historical, recreational, scenic and open space interest and;
- c) To research, educate and encourage understanding and awareness of the natural environment and cultural heritage of the Oak Ridges Moraine and its value in enhancing quality of life.

## Note 1: Significant Accounting Policies

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

### Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into funds relating to the specific activities and operations. These funds are as follows:

#### a) General Fund

Unrestricted revenues and expenditures related to the operation and administration of the organization are reported in the General Fund.

#### b) Land Fund

Externally restricted contributions related to land trust assets are reported in the Land Fund.

# OAK RIDGES MORAINÉ LAND TRUST

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## Note 1: Significant Accounting Policies - cont'd

### Fund Accounting - Cont'd

#### c) Land Forever Fund

The Land Forever Fund is an internally restricted fund established for the purpose of funding the estimated costs associated with the future stewardship of the land trust assets and is governed by the Investment Principles and Management Policy of the organization.

### Property and Equipment

Property and equipment are accounted for at cost and amortized over their estimated useful life on a straight line basis using the following durations:

Building	25 years
Office equipment	5 years

### Land Trust Assets

Contributed land trust assets, consisting of land, easements and restrictive covenants are recorded at their fair market value at the date of contribution and are not subject to amortization.

### Impairment of Long-Lived Assets

Property and equipment subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### Contributed Services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

# OAK RIDGES MORAINÉ LAND TRUST

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## Note 1: Significant Accounting Policies - cont'd

### Revenue Recognition

The organization uses the deferral method of accounting for its revenue contributions, in which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and its collection is reasonably assured.

Contributions are recognized as a direct increase in the internally restricted net assets of the Land Fund.

Rental revenue and investment income are recorded on an accrual basis.

### Financial Instruments

#### Measurement of Financial Instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, HST rebate receivable, General Operating Reserve Fund and Land Forever Fund.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

The organization has not designated any financial assets or financial liability to be measured at fair value.

# OAK RIDGES MORAINÉ LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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## Note 1: Significant Accounting Policies - cont'd

### Financial Instruments - cont'd

#### Impairment

For financial assets measured at amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

#### Allocation of Expenses

The organization engages in the protection, conservation and restoration of the natural environment of The Oak Ridge Moraine. The related costs include the cost of personnel. The organization allocates these salaries and employee benefits between property related and support related expenses based on an estimate of actual time spent. The basis of allocation is consistent with the prior year.

#### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenditures for the period covered.

The main estimates relate to the valuation of contributed property and estimated useful life of property and equipment.

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## Note 2: Investments

The organization invested the General Operating Reserve Fund and the Land Forever Fund with a Canadian brokerage firm in a number of cashable guaranteed investment certificates, bearing interest at rates from 0.70% to 1.85% and maturing between June 2017 and December 2017.

## Note 3: Property and Equipment

	<u>Cost</u>	<u>Accumulated</u>	<u>Net</u>	<u>Net</u>
	\$	\$	2016	2015
			\$	\$
Building	140,000	64,867	75,133	80,733
Office equipment	<u>1,046</u>	<u>744</u>	<u>302</u>	<u>511</u>
	<u>141,046</u>	<u>65,611</u>	<u>75,435</u>	<u>81,244</u>

# OAK RIDGES MORAINÉ LAND TRUST

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## Note 4: Land Trust Assets

The original cost of the Land Trust Assets are determined by either an independent appraisal or a "Statement of Fair Market Value" issued by Environment Canada for an ecological gift.

<u>Location</u>	<u>Acres</u>	December 31	
		<u>2016</u> \$	<u>2015</u> \$
<u>Easements</u>			
Pickering	711.40	1,676,500	1,676,500
Scugog	165.00	350,000	350,000
Whitby	95.72	287,000	287,000
Uxbridge	73.49	183,725	183,725
Scugog	152.00	360,000	360,000
Uxbridge	100.00	225,000	225,000
Goodwood	65.68	228,000	228,000
Uxbridge	48.00	140,000	140,000
Uxbridge	190.00	475,000	475,000
Kawartha Lakes	198.50	138,950	138,950
Whitchurch-Stouffville	60.00	200,000	200,000
Uxbridge	150.00	315,000	315,000
Scugog	200.00	231,000	231,000
Scugog	61.56	191,500	191,500
Uxbridge	10.03	100,000	100,000
King Township	172.40	1,800,000	1,800,000
King Township	269.40	770,000	770,000
Caledon	94.00	512,000	512,000
Adjala-Tosorontio	25.50	157,500	157,500
Uxbridge	27.50	100,000	100,000
King Township	49.89	191,250	191,250
King Township	48.98	172,500	172,500
King Township	8.99	27,000	27,000
King Township	100.20	300,000	300,000
King Township	3.97	12,000	12,000
Caledon	9.96	90,000	90,000
East Cross Forest	10.03	15,000	15,000
Hamilton Township	31.56	64,000	64,000
Adjala-Tosorontio	150.00	90,000	90,000
Nobleton	97.12	7,800,000	7,800,000
Nobleton	94.49	10,310,000	10,310,000
Caledon	49.95	300,000	300,000
Mono	98.60	110,000	110,000
Adjala - Tosorontio	23.38	80,000	80,000
Caledon	95.50	262,500	-
Whitchurch- Stouffville	22.62	215,000	-
Adjala- Tosorontio	49.69	138,750	-
	<u>3,815.11</u>	<u>28,619,175</u>	<u>28,002,925</u>

# OAK RIDGES MORaine LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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Note 4: Land Trust Assets - Cont'd

<u>Location</u>	<u>Acres</u>	December 31	
		<u>2016</u>	<u>2015</u>
		\$	\$
<u>Restrictive covenants</u>			
Uxbridge	5.90	53,154	53,154
Uxbridge	0.22	13,500	13,500
Uxbridge	<u>0.30</u>	<u>13,500</u>	<u>13,500</u>
	<u>6.42</u>	<u>80,154</u>	<u>80,154</u>
<u>Land</u>			
Uxbridge	17.00	200,000	200,000
King (StarCliff)	17.70	660,000	660,000
Aurora	39.27	3,340,000	3,340,000
Pickering	60.95	550,000	550,000
Whitchurch-Stouffville	18.93	235,000	235,000
King Township - 10% undivided interest	24.94	42,398	42,398
King Township - 10% undivided interest	38.19	87,500	87,500
Richmond Hill	11.28	634,320	634,320
Whitchurch-Stouffville	26.50	72,876	72,876
Cavan Monaghan	<u>6.78</u>	<u>7,000</u>	<u>7,000</u>
	<u>261.54</u>	<u>5,829,094</u>	<u>5,829,094</u>
	<u>4,083.07</u>	<u>34,528,423</u>	<u>33,912,173</u>

# OAK RIDGES MORAINÉ LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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## Note 5: Deferred Contributions

Amounts consist of the following:

	<u>2016</u>	<u>2015</u>
	\$	\$
Opening balance	260,031	404,178
Amounts recognized as revenue during the year	(129,933)	(216,511)
Amounts received related to a subsequent year	<u>25,000</u>	<u>72,364</u>
	<u>155,098</u>	<u>260,031</u>

## Note 6: Interfund Transfers

The previous Board of Directors passed a recurring resolution with respect to the transfer of funds to the Land Forever Fund totalling \$1,820 which represents 10% of revenue received from StarCliff rents.

## Note 7 Contractual Obligations

The organization is obligated under a premises lease to minimum rentals (excluding certain occupancy charges and property taxes) as follows:

2017	\$ 9,600
2018	<u>9,600</u>
	<u>\$ 19,200</u>

# OAK RIDGES MORAINÉ LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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## Note 8: Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

### (a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to its receivables.

### (b) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to its trade accounts payable. The organization expects to meet these obligations as they come due by generating sufficient cash flow from future donations, grants and subsidies.

### (c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization does not have significant exposure to any of these types of risk.