

Financial Statements of

**FRIENDS OF THE
GREENBELT FOUNDATION**

Year ended March 31, 2009



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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, 2009 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, 2009 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

May 8, 2009

FRIENDS OF THE GREENBELT FOUNDATION

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

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 535,479	\$ 4,253,473
Short-term investment (note 4)	9,000,000	10,000,000
Accounts receivable (note 4)	159,626	124,985
Prepaid expenses	6,761	20,404
	<u>9,701,866</u>	<u>14,398,862</u>
Capital assets (note 5)	30,155	38,342
	<u>\$ 9,732,021</u>	<u>\$ 14,437,204</u>

Liabilities and Fund Balance

Current liabilities:		
Unpresented cheques	\$ 828,479	\$ 64,873
Accounts payable and accrued liabilities	59,033	123,575
Grants payable	619,000	1,305,000
Deferred revenue	—	59,406
	<u>1,506,512</u>	<u>1,552,854</u>
Fund balance	8,225,509	12,884,350
Commitments (note 6)		
	<u>\$ 9,732,021</u>	<u>\$ 14,437,204</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, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Investment	\$ 392,748	\$ 672,641
Other	112,386	51,619
	<u>505,134</u>	<u>724,260</u>
Expenditures:		
Grants	2,734,829	5,116,752
Public awareness	1,464,427	1,088,270
Salaries and benefits	699,373	539,176
Office and general	97,214	48,010
Consulting fees	62,751	30,331
Professional fees	42,500	32,444
Rent	30,734	33,353
Amortization	20,744	11,143
Travel	7,217	7,714
Insurance	4,186	5,513
	<u>5,163,975</u>	<u>6,912,706</u>
Deficiency of revenue over expenditures	(4,658,841)	(6,188,446)
Fund balance, beginning of year	12,884,350	19,072,796
Fund balance, end of year	<u>\$ 8,225,509</u>	<u>\$ 12,884,350</u>

See accompanying notes to financial statements.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

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 of less than 90 days at the date of acquisition.

(c) Investments:

The Foundation has adopted The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation ("Section 3861"), and Section 3865, Hedges.

In accordance with these standards, 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, 2009

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. Adoption of new accounting standards:

(a) Financial instruments:

In December 2006, the CICA issued new accounting standards: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation. These standards were expected to be effective for the Foundation's financial statements for the year ended March 31, 2009. However, in December 2008, the CICA eliminated the requirement for not-for-profit entities to adopt these standards. The Foundation continued to disclose and present financial instruments under Section 3861 for the year ended March 31, 2009.

(b) Capital disclosures:

Effective April 1, 2008, the Foundation adopted Section 1535, Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed. Adoption of this recommendation had no effect on the financial statements for the year ended March 31, 2009.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2009

3. Future accounting policy:

Recent amendments to Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, will modify the requirements with respect to various elements of the financial statement presentation. These amendments include:

- (a) Reporting certain revenue at its gross amounts in the statement of revenue and expenditures and changes in fund balance.
- (b) The elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets.
- (c) When a not-for-profit organization classifies its expenses by function and allocates some of its general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from general support costs to other functions.

The new standard applies to the financial statements relating to the fiscal years beginning on or after January 1, 2009. The Foundation is evaluating the impact of the amendments on its financial statements.

4. Investments:

	2009		2008	
	Book value	Market value	Book value	Market value
Short-term investments	\$ 9,000,000	\$ 9,000,000	\$ 10,000,000	\$ 10,000,000

Short-term investments include term deposits with an interest rate ranging from 3.25% to 3.95% and maturing on November 19, 2009 and December 26, 2009 (2008 - 4.05%, maturing on September 8, 2008).

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, 2009

5. Capital assets:

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 31,945	\$ 22,678	\$ 9,267	\$ 10,192
Furniture and fixtures	4,279	1,482	2,797	820
Office equipment	3,486	2,382	1,104	1,801
Vehicles	18,142	7,054	11,088	16,630
Leasehold improvements	15,004	9,105	5,899	8,899
	<u>\$ 72,856</u>	<u>\$ 42,701</u>	<u>\$ 30,155</u>	<u>\$ 38,342</u>

6. Commitments:

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

	Grants	Office rent	Total
2010	\$ 574,750	\$ 34,576	\$ 609,326
2011	–	17,456	17,456
	<u>\$ 574,750</u>	<u>\$ 52,032</u>	<u>\$ 626,782</u>

7. Statement of cash flows:

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

8. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.