

Financial Statements of

**FRIENDS OF THE
GREENBELT FOUNDATION**

Year ended March 31, 2010



KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

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, 2010 and the statements of revenue and expenditures and changes in fund balance and cash flows 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

May 19, 2010

FRIENDS OF THE GREENBELT FOUNDATION

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

Statement of Financial Position

March 31, 2010, with comparative figures for 2009


	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 520,008	\$ 535,479
Short-term investments (note 3)	5,000,000	9,000,000
Accounts receivable (note 3)	51,413	159,626
Prepaid expenses	22,974	6,761
	<u>5,594,395</u>	<u>9,701,866</u>
Capital assets (note 4)	22,863	30,155
	<u>\$ 5,617,258</u>	<u>\$ 9,732,021</u>


Liabilities and Fund Balance

Current liabilities:		
Unpresented cheques	\$ 220,034	\$ 828,479
Accounts payable and accrued liabilities	119,815	59,033
Grants payable	500,200	619,000
Deferred revenue	20,000	—
	<u>860,049</u>	<u>1,506,512</u>
Fund balance	4,757,209	8,225,509
Commitments (note 5)		
	<u>\$ 5,617,258</u>	<u>\$ 9,732,021</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, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Investment	\$ 217,813	\$ 392,748
Other	113,380	112,386
	<u>331,193</u>	<u>505,134</u>
Expenditures:		
Grants	1,988,700	2,734,829
Salaries and benefits	848,876	699,373
Public awareness	632,517	1,464,427
Consulting fees	115,191	62,751
Office and general	86,558	97,214
Professional fees	60,176	42,500
Rent	40,116	30,734
Amortization	12,911	20,744
Travel	10,849	7,217
Insurance	3,599	4,186
	<u>3,799,493</u>	<u>5,163,975</u>
Deficiency of revenue over expenditures	(3,468,300)	(4,658,841)
Fund balance, beginning of year	8,225,509	12,884,350
Fund balance, end of year	<u>\$ 4,757,209</u>	<u>\$ 8,225,509</u>

See accompanying notes to financial statements.

FRIENDS OF THE GREENBELT FOUNDATION

Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenditures	\$ (3,468,300)	\$ (4,658,841)
Items not involving cash:		
Amortization	12,911	20,744
Loss on disposal of capital assets	2,176	—
Change in non-cash operating working capital:		
Accounts receivable	108,213	(34,641)
Prepaid expenses	(16,213)	13,643
Unpresented cheques	(608,445)	763,606
Accounts payable and accrued liabilities	60,782	(64,542)
Grants payable	(118,800)	(686,000)
Deferred revenue	20,000	(59,406)
	(4,007,676)	(4,705,437)
Investing activities:		
Redemption of short-term investments	9,000,000	10,000,000
Purchase of short-term investments	(5,000,000)	(9,000,000)
Purchase of capital assets	(7,795)	(12,557)
	3,992,205	987,443
Decrease in cash and cash equivalents	(15,471)	(3,717,994)
Cash and cash equivalents, beginning of year	535,479	4,253,473
Cash and cash equivalents, end of year	\$ 520,008	\$ 535,479
Supplemental cash flow information:		
Interest received	\$ 317,759	\$ 362,613

See accompanying notes to financial statements.

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements

Year ended March 31, 2010

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. In April 2010, a decision was made to extend the period to March 31, 2012.

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, 2010

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) Allocation of expenditures:

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

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2010

2. Adoption of new accounting standards:

(a) Amendments to Accounting Standards that apply to Not-For-Profit Organizations:

- (i) Effective April 1, 2009, the Foundation adopted amendments to the 4400 Sections of the CICA Handbook. These amendments eliminate the requirement to show net assets invested in capital assets as a separate component of net assets, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flows. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010, with the exception of the addition of a statement of cash flows.
- (ii) Effective April 1, 2009, the Foundation adopted the CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations, which establishes disclosure standards for entities that choose to classify their expenses by function and allocate expenses from one function to another. Adoption of these recommendations had no effect on the financial statements for the year ended March 31, 2010.

(b) Amendments to Section 1000, Financial Statement Concepts ("Section 1000"):

Effective April 1, 2009, the Foundation adopted amendments to Section 1000 of the CICA Handbook. These amendments clarify the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expense items. Adoption of these recommendations had no effect on the financial statements for the year ended March 31, 2010.

3. Investments:

	2010		2009	
	Book value	Market value	Book value	Market value
Short-term investments	\$ 5,000,000	\$ 5,000,000	\$ 9,000,000	\$ 9,000,000

Short-term investments include term deposits with an interest rate ranging from 1.35% to 1.50% and maturing on December 3, 2010 (2009 - 3.25% to 3.95% and maturing on November 19, 2009 and December 26, 2009).

FRIENDS OF THE GREENBELT FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2010

3. Investments (continued):

Accrued interest for the year is included in accounts receivable.

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

4. Capital assets:

			2010	2009
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 37,439	\$ 27,256	\$ 10,183	\$ 9,267
Furniture and fixtures	4,279	2,296	1,983	2,797
Office equipment	3,486	3,080	406	1,104
Vehicles	18,142	10,750	7,392	11,088
Leasehold improvements	15,004	12,105	2,899	5,899
	<u>\$ 78,350</u>	<u>\$ 55,487</u>	<u>\$ 22,863</u>	<u>\$ 30,155</u>

5. Commitments:

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

	Grants	Office rent	Total
2011	\$ 558,685	\$ 33,854	\$ 592,539
2012	57,300	—	57,300
	<u>\$ 615,985</u>	<u>\$ 33,854</u>	<u>\$ 649,839</u>