2023 FINANCIAL STATEMENTS

Financial Statements December 31, 2023

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AKLER BROWNING LLP CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Oak Ridges Moraine Land Trust

Qualified Opinion

We have audited the financial statements of Oak Ridges Moraine Land Trust, which comprise the statement of financial position as at December 31, 2023, statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Oak Ridges Moraine Land Trust as at December 31, 2023 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.

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, 2023, current assets and net assets as at December 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

AKLER BROWNING LLP CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Akler Browning LLP

Chartered Professional Accountants Licensed Public Accountants Toronto, Canada May 1, 2024

Oak Ridges Moraine Land Trust Statement of Financial Position December 31, 2023

May 1, 2024

Fund \$	Fund \$	Fund \$	2023 S	2022
\$	\$	\$	\$	•
			J	\$
210,674		-	210,674	144,144
724,246	650,000	\ -	1,374,246	1,076,685
	-	-	-	22,941
65,136	-		65,136	42,837
17,017	-		17,017	35,932
1,017,073	650,000	•	1,667,073	1,322,539
•		284,999	284,999	263,623
•	311,131	-	311,131	
-	397,961	-	397,961	387,645
15,676	162,450	-	178,126	189,388
	41,171,918		41,171,918	39,614,359
1,032,749	42,693,460	284,999	44,011,208	41,777,554
85,214	•	-	85,214	23,396
552,260	650,000	-	1,202,260	1,063,968
-	-			38,365
637,474	650,000	-	1,287,474	1,125,729
	100,940	-	100,940	112,320
637,474	750,940		1,388,414	1,238,049
•	41,942,520	-	41,942,520	39,970,275
•	-	284,999	284,999	278,090
395,275		-	395,275	291,140
395,275	41,942,520	284,999	42,622,794	40,539,505
1,032,749	42,693,460	284,999	44,011,208	41,777,554
	724,246 65,136 17,017 1,017,073 - 15,676 - 1,032,749 85,214 552,260 - 637,474 - 637,474	724,246 650,000	724,246 650,000	724,246 650,000 - 1,374,246 65,136 - - 65,136 17,017 - 17,017 1,017,073 650,000 - 1,667,073 - - 284,999 284,999 - 311,131 - 311,131 - 397,961 - 397,961 15,676 162,450 - 178,126 - 41,171,918 - 41,171,918 1,032,749 42,693,460 284,999 44,011,208 85,214 - - 85,214 552,260 650,000 - 1,202,260 - - - - 637,474 650,000 - 1,287,474 - 100,940 - 100,940 637,474 750,940 - 1,388,414 - 41,942,520 - 41,942,520 - 284,999 284,999 395,275 395,275 - 395,275 -

Date

Oak Ridges Moraine Land Trust Statement of Operations and Changes in Net Assets For the Year Ended December 31, 2023

	General	Land	Land Forever		
	Fund	Fund	Fund	2023	2022
	\$	\$	\$	\$	\$
Revenues					
Donations	796,988	-	-	796,988	502,193
Government grants and subsidies	6,000	-	-	6,000	97,768
Other revenue (Note 6)	58,892	11,380	-	70,272	14,792
Total Revenues	861,880	11,380	_	873,260	614,753
Expenditures					
Stewardship and monitoring	189,157	-	-	189,157	178,191
Land securement	37,213	-	-	37,213	115,188
Fundraising	121,039	-	-	121,039	132,452
Events, outreach and education	46,246	-	-	46,246	87,414
Office and administration	147,636	-	-	147,636	71,484
Rental	3,249	_	-	3,249	17,767
Amortization		14,678	-	14,678	11,968
Total Expenditures	544,540	14,678	_	559,218	614,464
Operating revenues over expenditures	317,340	(3,298)	-	314,042	289
Investment gains (losses)					
Investment income	26,588	4,233	6,225	37,046	54,289
Unrealized gain (losses) on investments	34,755	5,534	8,137	48,426	(89,890)
	61,343	9,767	14,362	85,472	(35,601)
Excess (deficiency) of revenues					
over expenditures	378,683	6,469	14,362	399,514	(35,312)
Net assets beginning of the year	231,778	40,044,102	263,624	40,539,504	39,848,416
Contributed assets	=	1,683,776	-	1,683,776	656,000
Federal Forever Endowment	-	-	-	-	70,400
Interfund transfer	(215,186)	208,173	7,013	-	
Net assets end of the year	395,275	41,942,520	284,999	42,622,794	40,539,504

Oak Ridges Moraine Land Trust Statement of Cash Flows For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures for the year	399,514	(35,312)
Contributed assets	1,683,776	726,400
Adjustment for non-cash item		
Unrealized losses (gains) on investments	(48,426)	89,890
Amortization of government loans	-	3,228
Amortization of tangible assets	14,678	11,968
Amortization of deferred capital contribution	(11,380)	(11,380)
	2,038,162	784,794
Net changes in non-cash working capital items		
Accounts receivable	22,941	17,023
HST rebate receivable	(22,299)	(17,386)
Prepaids	(1,125)	(26,329)
Accounts payable and accrued liabilities	61,818	(68,447)
Government remittance payable	1,635	_
Deferred contribution	158,332	(129,022)
	221,302	(224,161)
Cash Provided By Operating Activities	2,259,464	560,633
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,557,559)	(86,407)
Purchase of investments	(595,375)	(768,904)
Cash Used In Investing Activities	(2,152,934)	(855,311)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government loan payable	(40,000)	-
Deferred capital contributions	<u>-</u>	53,000
	(40,000)	52.000
Cash Provided By Financing Activities	(40,000)	53,000
Net increase in cash	66,530	(241,678)
Cash, beginning of year	144,144	385,822
Cash, end of year	210,674	144,144

Notes to the Financial Statements December 31, 2023

NATURE OF OPERATIONS

The Oak Ridges Moraine Land Trust (the "organization") 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 on and near the Oak Ridges Moraine:
- b) The identification, protection, conservation, maintenance and restoration of the integrity of the natural environment and heritage sites on and near the Oak Ridges Moraine, including trails and physical features of scientific, ecological, hydrological, historic, architectural, archaeological, scenic and open space interest;
- c) The research and education about the natural environment and heritage sites on and near the Oak Ridges Moraine.

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:

a) 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:

- i) General Fund
 - Unrestricted revenues and expenditures related to the operation and administration of the organization are reported in the General Fund.
- ii) Land Fund
 - Externally restricted contributions related to land trust assets are reported in the Land Fund.
- iii) 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.

b) 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:

Buildings25 yearsBuilding improvements5 yearsOffice equipment5 years

c) 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. Directly purchased land trust assets include transactions costs.

Notes to the Financial Statements December 31, 2023

2. SIGNIFIGANT ACCOUNTING POLICIES, continued

d) 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.

e) 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.

f) 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.

Contributed land trust assets 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.

g) Government assistance

Government assistance toward current expenses, including salaries, is recognized as a reduction of the corresponding expenses at the time they are incurred, provided there is reasonable assurance that the organization has complied and will continue to comply with all the conditions of the government assistance.

h) Deferred capital contributions

The organization received funding for the purpose of acquiring property and equipment. The contributions are recognized as revenue on the same basis as those used to amortize the property and equipment. The unamortized portion of the contributions is shown on the statement of financial position as deferred capital contributions.

Notes to the Financial Statements December 31, 2023

2. SIGNIFIGANT ACCOUNTING POLICIES, continued

i) 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, and HST rebate receivable.

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

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.

j) Allocation of Expenses

The organization engages in the protection, conservation and restoration of the natural environment of The Oak Ridges 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.

k) 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.

Notes to the Financial Statements December 31, 2023

3. INVESTMENTS

The organization invested the General Operating Reserve Fund, Land Forever Fund and Federal Forever Endowment Fund with a Canadian chartered bank in cash and cash equivalents, high interest savings accounts, marketable securities and fixed income funds in accordance to the Organization's investment policy.

			2023	2022
Fund balances				
Land Forever Fund		\$	284,999	\$ 263,623
Stewardship Fund			311,131	-
Federal Forever Fund			397,961	387,645
General Operating Reserve Fund			1,374,246	 1,076,685
		\$	2,368,337	\$ 1,727,953
nvestments	Effective yie	eld	2023	 2022
Cash and cash equivalents		\$	25,490	\$ 37,520
High interest savings	4.20%		722,759	758,596
Fixed income			-	500,000
Marketable securities			1,620,088	220,769
Fixed income funds			=	211,068
		\$	2,368,337	\$ 1,727,953

4.	PROPERTY AND EQUIPMENT		Accumulated		
		Cost	 Amortization	 2023	2022
	Buildings	\$ 140,000	\$ 105,294	\$ 34,706	\$ 40,306
	Building improvements	166,701	28,302	138,399	141,513
	Office equipment	12,734	7,713	5,021	7,569
		\$ 319,435	\$ 141,309	\$ 178,126	\$ 189,388

Notes to the Financial Statements December 31, 2023

5. LAND TRUST ASSETS

The original recorded value 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.

Location	Acres	2023	2022
sements			
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	262,500
Whitchurch- Stouffville	22.62	215,000	215,000
Adjala- Tosorontio	49.69	138,750	138,750
King Township	10.13	206,000	206,000
Simcoe-Innisfree	100.12	225,000	225,000
Adjala-Tosorontio	70.50	266,600	266,600

Notes to the Financial Statements December 31, 2023

5. LAND TRUST ASSETS, continued

Location	Acres	2023		2022
Easements				
Baillieboro	100.00	173,200		173,200
Baillieboro	100.00	370,750		370,750
Uxbridge	204.00	482,500		482,500
Northumberland - Grafton	61.12	114,000		114,000
Northumberland - Grafton	94.66	 203,899		202,000
_	4,555.64	\$ 30,661,124	\$	30,659,225
Restrictive covenants				
Uxbridge	5.90	\$ 53,154	\$	53,154
Uxbridge	0.22	13,500		13,500
Uxbridge	0.30	 13,500		13,500
_	6.42	\$ 80,154	\$	80,154
Land			•	
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	6.78	7,000		7,000
Durham Region	12.55	45,000		45,000
East Gwillimbury	15.11	75,000		75,000
King Township	80.21	2,205,886		2,205,886
Simcoe - Beeton	108.00	380,000		380,000
King Township	33.83	340,000		340,000
Northumberland - Port Hope	195.60	 1,555,660		-
	706.84	\$ 10,430,640	\$	8,874,980
	5,268.90	\$ 41,171,918	\$	39,614,359

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represents contributions for specific property and equipment.

	2023	2022
Opening balance	\$ 112,320 \$	70,700
Capital contributions	•	53,000
Amount recognized as revenue	(11,380)	(11,380)
	\$ 100,940 \$	112,320

Notes to the Financial Statements December 31, 2023

7. GOVERNMENT LOAN PAYABLE

In a prior year the organization received a \$60,000 loan that was provided through the Canadian Emergency Business Account program by the Government of Canada. The loan is non-interest bearing, with forgiveness in the amount of \$20,000 if repaid on or before January 18, 2024. Prior to the end of December 31, 2023, the Company repaid the \$40,000 loan to the Government of Canada.

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. Cash is held by Chartered Canadian institutions.
- 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.
 - (i) Price risk is the risk that the fair value of the future cash flows of the financial instrument will fluctuate because of changes in market prices (other than those arising from the interest rate rist or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in marketable securities for which the value fluctuates with the quoted market price.