

OAK RIDGES MORaine LAND TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021

OAK RIDGES MORaine LAND TRUST

Financial Statements

December 31, 2021

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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, 2021, 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, 2021 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, 2021, current assets and net assets as at December 31, 2021.

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 4, 2022

Oak Ridges Moraine Land Trust
Statement of Financial Position
December 31, 2021

	General Fund	Land Fund	Land Forever Fund	2021	2020
Assets					
Current					
Cash	\$ 385,822	\$ -	\$ -	\$ 385,822	\$ 167,326
General Operating Reserve Fund (Note 2)	425,385	661,400	-	1,086,785	1,086,785
Accounts receivable	-	39,964	-	39,964	50,092
HST rebate receivable	25,451	-	-	25,451	13,309
Prepays	9,603	-	-	9,603	7,720
Total Current	846,261	701,364	-	1,547,625	1,325,232
Land Forever Fund (Note 2)	-	-	207,690	207,690	207,690
Federal Forever Endowment Fund (Note 2)	-	408,917	-	408,917	358,750
Property and equipment (Note 3)	9,017	108,642	-	117,659	92,633
Land trust assets (Note 4)	-	38,958,359	-	38,958,359	37,931,909
Total Assets	\$ 855,278	\$ 40,177,282	\$ 207,690	\$ 41,240,250	\$ 39,916,214
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 91,843	\$ -	\$ -	\$ 91,843	\$ 61,887
Government remittances payable	-	-	-	-	4,536
Deferred contributions	531,590	661,400	-	1,192,990	1,040,251
Total Current	623,433	661,400	-	1,284,833	1,106,674
Deferred capital contributions (Note 5)	-	70,700	-	70,700	70,700
Government loan payable (Note 6)	36,301	-	-	36,301	-
Total Liabilities	659,734	732,100	-	1,391,834	1,177,374
Fund Balances					
Externally restricted net assets	-	39,445,182	-	39,445,182	38,343,394
Internally restricted net assets	-	-	207,690	207,690	207,690
Unrestricted net assets	195,544	-	-	195,544	187,756
Total Fund Balances	195,544	39,445,182	207,690	39,848,416	38,738,840
Total Liabilities and Fund Balances	\$ 855,278	\$ 40,177,282	\$ 207,690	\$ 41,240,250	\$ 39,916,214

Approved on behalf of the Board

S Chiasserini

Director

Mike Charles

Director

May 4, 2022

Date

Oak Ridges Moraine Land Trust
Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 2021

	General Fund	Land Fund	Land Forever Fund	2021	2020
Revenues					
Donations	\$ 360,658	\$ -	\$ -	\$ 360,658	\$ 386,514
Government grants and subsidies	99,682	-	-	99,682	53,694
Investment and other	34,189	-	-	34,189	7,390
Total Revenues	494,529	-	-	494,529	447,598
Expenditures					
Stewardship and monitoring (Note 7)	196,854	-	-	196,854	103,373
Land securement (Note 7)	100,472	-	-	100,472	116,784
Fundraising (Note 7)	89,042	-	-	89,042	75,635
Events, outreach and education (Note 7)	49,364	-	-	49,364	75,471
Office and administration	35,642	-	-	35,642	59,663
Rental	15,222	-	-	15,222	15,245
Amortization	145	6,829	-	6,974	6,431
Total Expenditures	486,741	6,829	-	493,570	452,602
Excess (deficiency) of revenues over expenditures	7,788	(6,829)	-	959	(5,004)
Net assets beginning of the year	187,756	38,343,394	207,690	38,738,840	38,743,844
Contributed assets	-	1,058,450	-	1,058,450	-
Federal Forever Endowment	-	50,167	-	50,167	-
Net assets end of the year	\$ 195,544	\$ 39,445,182	\$ 207,690	\$ 39,848,416	\$ 38,738,840

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

Oak Ridges Moraine Land Trust
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures for the year	\$ 959	\$ (5,004)
Contributed assets	32,000	-
Adjustment for non-cash item		
Fair value adjustment and forgivable portion of government loan payable	(23,699)	
Amortization	6,974	6,431
Transfer from Land Forever Fund	-	15,362
	16,234	16,789
Net changes in non-cash working capital items		
Accounts receivable	10,127	(34,873)
HST rebate receivable	(12,143)	4,859
Prepays	(1,884)	(4,111)
Accounts payable and accrued liabilities	29,959	12,310
Government remittance payable	(4,536)	(1,909)
Deferred contribution	152,739	(28,616)
	174,262	(52,340)
Cash Provided By (Used In) Operating Activities	190,496	(35,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(32,000)	(31,424)
Maturity of investments	-	30,147
Cash Used In Investing Activities	(32,000)	(1,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government loan payable	60,000	-
Deferred capital contributions	-	70,700
Cash Provided By Financing Activities	60,000	70,700
Net increase in cash	218,496	33,872
Cash, beginning of year	167,326	133,454
Cash, end of year	\$ 385,822	\$ 167,326

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

OAK RIDGES MORAINES LAND TRUST

Notes to the Financial Statements

December 31, 2021

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.
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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:

Buildings	25 years
Office equipment	5 years

Building additions not available for use and amortization has not commenced.

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.

OAK RIDGES MORaine LAND TRUST

Notes to the Financial Statements

December 31, 2021

1. 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.

OAK RIDGES MORaine LAND TRUST

Notes to the Financial Statements

December 31, 2021

1. 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, HST rebate receivable, General Operating Reserve Fund, Land Forever Fund and Federal Forever Endowment Fund.

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

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

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 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.

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 including continuing COVID consideration with the on going pandemic.

OAK RIDGES MORaine LAND TRUST

Notes to the Financial Statements

December 31, 2021

2. INVESTMENTS

The organization invested the General Operating Reserve Fund, Land Forever Fund and Federal Forever Endowment Fund with a Canadian brokerage firm in a high interest account bearing interest at 0.45%.

3. PROPERTY AND EQUIPMENT

		Cost		Accumulated Amortization		2021		2020
Buildings	\$	202,735	\$	94,094	\$	108,641	\$	83,470
Office equipment		12,307		3,288		9,018		9,163
	\$	215,042	\$	97,382	\$	117,659	\$	92,633

OAK RIDGES MORAINES LAND TRUST

Notes to the Financial Statements

December 31, 2021

4. 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	2021	2020
Easements			
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

OAK RIDGES MORAINES LAND TRUST

Notes to the Financial Statements

December 31, 2021

4. LAND TRUST ASSETS, continued

Location	Acres	2021	2020
Easements			
Baillieboro	100.00	173,200	-
Baillieboro	100.00	370,750	-
Uxbridge	204.00	482,500	-
	4,399.86	\$ 30,343,225	\$ 29,316,775
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
	477.41	\$ 8,534,980	\$ 8,534,980
	4,883.69	\$ 38,958,359	\$ 37,931,909

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions for specific property and equipment.

6. GOVERNMENT LOAN PAYABLE

During the 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 December 31, 2023. Effective January 1, 2024, any outstanding amount would subsequently convert to two-year term loans with interest of 5% per annum commencing on January 1, 2024, with the loans fully due by December 31, 2025. The forgivable portion has been recognized as the organization anticipates repaying the loan balance on or before December 31, 2023.

OAK RIDGES MORaine LAND TRUST

Notes to the Financial Statements

December 31, 2021

7. GOVERNMENT ASSISTANCE

Included in certain General Fund expenditures is \$49,189 (2020 - \$70,246) of government assistance related to subsidies received in the year under the Canada Emergency Wage Subsidy and Canadian Emergency Rent Subsidy programs. To meet the program requirements, the organization must show a significant reduction in revenues based on calculation methods as required by the Government of Canada.

8. CONTRACTUAL OBLIGATIONS

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

2022	\$	3,520
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9. 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.
