

Financial Statements

Ontario Land Trust Alliance Inc.

Toronto, Ontario

June 30, 2011

Contents

Independent Auditors' Report.....	3 - 4
Statement of Financial Position.....	5
Statement of Accumulated Surplus.....	6
Statement of Operations.....	7
Statement of Cash Flows.....	8
Notes to Financial Statements.....	9 - 13

15 Toronto St., Suite 700
Toronto, Canada
M5C 2E3

(416) 366-9256
1 (800) 265-7818
Fax: (416) 366-9171
Web: www.pyc.net

*Serving our clients
since 1944*

Independent Auditors' Report

To the Members of Ontario Land Trust Alliance Inc.:

We have audited the accompanying financial statements of Ontario Land Trust Alliance Inc., which comprise the statement of financial position as at June 30, 2011, and the statements of accumulated surplus, operations 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 generally accepted accounting principles, 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.

Auditors' 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 judgment, 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 Corporation'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 Corporation'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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

continued...

Independent Auditors' Report - continued

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, special events revenue, surplus, current assets and net assets.

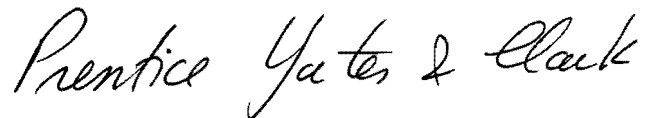
Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ontario Land Trust Alliance Inc. as at June 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matters

The financial statements of Ontario Land Trust Alliance Inc. for the year ended June 30, 2010 were audited by another auditor who expressed an unmodified opinion on those statements on October 9, 2010.

Toronto, Ontario
August 29, 2011



Chartered Accountants Licensed Public Accountants

Ontario Land Trust Alliance Inc.

June 30, 2011

Statement of Financial Position	2011	2010
		Note 4
Current Assets		
Cash	\$ 128,004	\$ 55,610
Accounts receivable	3,031	50,053
Prepaid expenses	5,937	9,131
Total Current	136,972	114,794
	136,972	114,794
Current Liabilities		
Accounts payable and accrued liabilities	7,950	682
Deferred revenue, Note 5	57,704	63,919
Total Current	65,654	64,601
Net Assets		
<i>Unrestricted</i>		
Accumulated surplus, per statement, Note 7	71,318	50,193
	71,318	50,193
	136,972	114,794

Approved by The Board



 Wendy Cooper

 Chair



 Joseph McCalmont

 Treasurer

The notes on pages 9 through 13 form an integral part of these financial statements.

Ontario Land Trust Alliance Inc.

Year ended June 30, 2011

Statement of Accumulated Surplus	2011	2010
Balance beginning	50,193	24,676
Add		
Surplus	21,125	25,517
<i>Balance June 30</i>	71,318	50,193

Ontario Land Trust Alliance Inc.*Year ended June 30, 2011*

Statement of Operations	2011	2010
		Note 4
Revenues		
Government grants	\$ 371,690	\$ 518,782
Private grants	66,603	23,392
Memberships	33,327	31,727
Special events	3,472	5,500
Annual gathering	24,689	34,007
Project fees, workshops and other revenue	34,379	13,374
Donations	3,879	5,477
Total Revenues	538,039	632,259
Expenses		
Operations	38,960	32,961
Organization assessment program	116,671	81,829
Communication and membership services	4,000	13,000
Ontario Land Trust Alliance program grants	151,663	253,837
Information library	45,680	0
Stewardship fund program	85,856	151,916
Annual gathering	44,939	49,499
Regional workshops	29,145	23,700
Total Expenses	516,914	606,742
Surplus	21,125	25,517

Ontario Land Trust Alliance Inc.*Year ended June 30, 2011*

Statement of Cash Flows	2011	2010
Operating Activities		
Net income	\$ 21,125	\$ 25,517
Changes in Non-Cash Working Capital		
Accounts receivable	47,022	(43,963)
Prepaid expenses	3,194	35,001
Accounts payable and accrued liabilities	7,268	(6,371)
Deferred revenue	(6,215)	(19,274)
	<u>51,269</u>	<u>(34,607)</u>
<i>Cash Flows Provided By (Used In) Operating Activities</i>	<u>72,394</u>	<u>(9,090)</u>
Net increase (decrease) in cash during the year	72,394	(9,090)
Cash at beginning of year	55,610	64,700
<i>Cash at End Of Year</i>	<u>128,004</u>	<u>55,610</u>

Notes to Financial Statements

Status and Nature of Activities

Ontario Land Trust Alliance Inc. (OLTA) has a mandate to encourage the land trust movement throughout Ontario. OLTA members protect wilderness, agricultural and other lands, water and facilities that have a natural cultural or heritage significance to communities throughout Ontario. OLTA is a province-wide network of members who adhere to the Canadian Land Trust Standards and Practices regarding the broad spectrum of land trust activities.

The Corporation is a registered charitable organization under the Income Tax Act, incorporated without share capital by letters patent under the Canadian Corporations Act.

Note 1

Significant Accounting Policies

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured. Contributions received in advance of a program year and unearned are recorded as deferred revenue and recognized as revenue in the period in which the related expense is incurred.

Investment income includes interest from cash. Investment income is recognized on an accrual basis.

Revenue from membership fees is recognized over the period the membership relates to.

Revenue from special events, the annual gathering, project fees, workshops and other sources are recognized when the services are provided.

Financial Instruments

The Corporation has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations to not apply the following sections of the CICA Handbook: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would otherwise have been applied to the financial statements of the Co-operative for the year ended June 30, 2011. The Corporation applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

Use of Estimates

The preparation of financial statements requires the management to make assumptions about future events 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 1 Significant Accounting Policies - continued

Donated Services

The Corporation benefits greatly from donated services in the form of volunteer work for various activities. The value of the donated services is not recognized in the financial information because of the difficulty of measurement.

Allocation of Expenses

Salaries, bookkeeping and other administrative costs incurred by the Corporation are allocated between the various projects as presented in Note 9. The allocation is based on budgeted time estimates, which are calculated using prior year approximations of staff time spent on various projects.

Note 2 Recent Accounting Pronouncement

New accounting standards for non-profit organizations are effective beginning January 1, 2012. The Corporation plans to implement these new standards. The Corporation is working to determine what impact, if any, the initial adoption of these standards will have on its financial statements. Significant changes are not anticipated.

Note 3 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at June 30, 2011.

Credit Risk

The Corporation is subject to concentrations of credit risk through its accounts receivable. The accounts receivable balance is made up of mostly receivables from government organizations within Canada. The maximum credit risk is equivalent to the carrying value. Management believes that the credit risk concentration with respect to its accounts receivable is low. Management assesses collectibility of its receivables on a periodic basis, and any receivables deemed uncollectible are written off.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized as follows:

Note 3 Financial Instruments - continued

(i) Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk high interest savings accounts as the means for managing its interest rate risk.

(ii) Foreign Currency Risk

The Corporation's functional currency is the Canadian Dollar. It is the opinion of management that the Corporation is not exposed to significant foreign currency risks as the majority of its transactions are in Canadian Dollars.

(iii) Commodity Price Risk

The Corporation is subject to normal price risk associated with consumer products.

Fair Value

The fair values of cash, accounts receivable and accounts payable are approximately equal to their carrying value due to their short term nature.

Note 4 Classification

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Surplus for the previous year is not affected by the reclassification.

Note 5 Deferred Revenue

Deferred revenue includes the contributions received during the year ending June 30, 2011 for which related expenses will not be incurred until the 2012 fiscal year and consist of:

Trillium Stewardship Fund	\$	40,129
HIV A Environmental Fund		8,722
The George Cedric Metcalf Charitable Foundation		8,580
Other		273
		<u>57,704</u>

Note 6 Capital Management

The Corporation's objectives when managing capital are:

- (a) to safeguard its ability to continue as a going concern; and
- (b) to ensure that enough funds are available to perform all necessary program activities.

The above objectives are considered in the preparation of its annual budget and in monitoring of cash flows and actual operating results compared to the budget.

Funds are secured through obtaining grants from various organizations, obtaining membership fees from members and by soliciting donations.

Capital is described as follows:

	2011	2010
Accumulated surplus	\$ 71,318	\$ 50,193

The accumulated surplus earned by the Corporation must be expended in accordance with Canada Revenue Agency guidelines for charities.

As of the audit report date, the Corporation was in compliance with all of its externally imposed restrictions. There has been no change with respect to the overall capital risk management strategy during the year.

Note 7 Accumulated Surplus

The accumulated surplus is composed of the following balances:

		2011		2010
Restricted Fund for Future Cash Flows	\$	25,000	\$	25,000
Unrestricted Surplus		46,318		25,193
		71,318		50,193

In the prior year the board decided to setup a reserve called the restricted fund for future cash flows. This fund is defined as a reserve restricted to cover only shortfalls in core operations and administration with access to reserve funds being made only by resolution of the Board of Directors.

Note 8 Operating Lease Commitments

The Corporation is committed under lease agreements until 2015 for rent. Future minimum annual payment requirements are as follows excluding applicable sales taxes:

2012	\$	8,925
2013		9,520
2014		10,115
2015		10,710

Note 9 Salaries, Bookkeeping and Other Administrative Costs

Salaries, bookkeeping and other administrative costs consists of remuneration to employees and contract labourers as well as general office expenses. The total amount of salaries, bookkeeping and other administrative costs during the year totaled \$246,201.

The expenditures have been allocated as follows:

		2011
Operations	\$	15,272
Organization assessment program		99,464
Communication and membership services		756
Ontario Land Trust Alliance program grants		11,081
Information library		40,981
Stewardship fund program		36,496
Annual gathering		20,009
Regional workshops		22,142
		<hr/>
Total remuneration during the year		246,201
		<hr/>