

Financial Statements

Ontario Land Trust Alliance Inc.

Toronto, Ontario

June 30, 2013

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

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, 2013, June 30, 2012 and July 1, 2011 and the statements of accumulated surplus, operations and cash flows for the years ended June 30, 2013 and June 30, 2012, 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 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.

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 for 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, 2013, June 30, 2012 and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
September 25, 2013



Chartered Accountants, Licensed Public Accountants

Ontario Land Trust Alliance Inc.

June 30, 2013

Statement of Financial Position	2013	2012	July 1, 2011
Current Assets			
Cash	\$ 225,739	\$ 106,047	\$ 128,004
Accounts receivable	22,322	20,163	3,031
Prepaid expenses	3,770	5,617	5,937
Total Current	251,831	131,827	136,972
	251,831	131,827	136,972
Current Liabilities			
Accounts payable and accrued liabilities	4,615	11,279	7,950
Deferred revenue, Note 4	166,754	94,867	57,704
Total Liabilities	171,369	106,146	65,654
Net Assets			
Accumulated surplus, per statement, Note 5	80,462	25,681	71,318
	80,462	25,681	71,318
	251,831	131,827	136,972

Approved by The Board

Tanna Elliott

Chair

Susan Ungurean-Cumming

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, 2013

Statement of Accumulated Surplus	2013	2012
Balance beginning	\$ 25,681	\$ 71,318
Add (deduct)		
Surplus (deficit)	54,781	(45,637)
<i>Balance June 30</i>	80,462	25,681

Ontario Land Trust Alliance Inc.*Year ended June 30, 2013*

Statement of Operations	2013	2012
Revenues		
Government grants	\$ 240,194	\$ 316,772
Private grants	7,500	55,625
Memberships	39,545	34,956
Special events	2,293	3,100
Annual conference, Note 8	35,939	6,041
Project fees, workshops and other revenue	30,169	39,762
Donations	71,797	74,355
Total Revenues	427,437	530,611
Expenses		
Operations, communications, member services	47,774	109,938
Education, training and capacity-building	49,750	45,632
Organization assessment program	60,770	15,572
Information and resource library	13,353	35,092
Annual conference	45,008	33,685
Stewardship fund program	0	86,329
Ontario Land Trust Assistance Program	156,001	250,000
Total Expenses	372,656	576,248
Surplus (Deficit)	54,781	(45,637)

Ontario Land Trust Alliance Inc.

Year ended June 30, 2013

Statement of Cash Flows	2013	2012
Operating Activities		
Net income (loss)	\$ 54,781	\$ (45,637)
Changes in Non-Cash Working Capital		
Accounts receivable	(2,159)	(17,132)
Prepaid expenses	1,847	320
Accounts payable and accrued liabilities	(6,664)	3,329
Deferred revenue	71,887	37,163
	<u>64,911</u>	<u>23,680</u>
Cash Flows Provided By (Used In) Operating Activities	<u>119,692</u>	<u>(21,957)</u>
Net increase (decrease) in during the year	119,692	(21,957)
Cash at beginning of year	106,047	128,004
Cash at End Of Year	<u>225,739</u>	<u>106,047</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

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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.

Note 1 Significant Accounting Policies - continued

Financial Instruments

Measurement of Financial Instruments

The Co-operative initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Co-operative 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 income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

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.

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 7. The allocation is based on budgeted time estimates, which are calculated using prior year approximations of staff time spent on various projects.

Note 2 Impact of the Change in the Basis of Accounting

The Co-operative has elected to apply Canadian accounting standards for Not-for-Profit Organizations (NFPOs).

These financial statements are the first financial statements for which the Co-operative has applied Canadian accounting standards for NFPOs.

The financial statements for the year ended June 30, 2013 were prepared in accordance with the accounting principles and provisions set out in the First-Time Adoption, Section 1501, for first-time adopters of this basis of accounting.

The application of adopting this new financial reporting framework had no impact on the previously reported financial position as at July 1, 2011 and June 30, 2012 or to previously reported surplus or net assets for the year ended June 30, 2012. Consequently, a reconciliation of previously reported surplus to surplus as reported using accounting standards for NFPOs was not prepared.

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, 2013.

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 prices. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period. It is management's opinion that the Corporation is not subject to significant interest rate risk, foreign currency risk or commodity risk.

Ontario Land Trust Alliance Inc.

June 30, 2013

Note 4 Deferred Revenue

Deferred revenue includes the contributions received during the year ending June 30, 2013 for which related expenses will not be incurred until the 2013 fiscal year and consist of:

Assess your organization (Trillium)	\$	65,258	
Environment Canada		61,069	
Naturally Accessable		10,577	
TD Land Trust Tools project		2,000	
Membership fees		26,400	
Governor's challenge fund (Donations)		1,450	
		<u>166,754</u>	

Note 5 Accumulated Surplus

The accumulated surplus is composed of the following balances:

	2013		2012
Restricted Fund for Future Cash Flows	\$ 25,000	\$	25,000
Unrestricted Surplus	55,462		681
	<u>80,462</u>		<u>25,681</u>

In a prior year the board established 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 6 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:

2014	\$	10,115
2015		10,710

Note 7 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 \$173,437.

The expenditures have been allocated as follows:

	2013		2012
Organization assessment program	\$ 46,245	\$	12,074
Education, training and capacity-building	36,748		39,210
Operations, communications, member services	\$ 33,737	\$	101,707
Ontario Land Trust Assistance Program	28,828		15,059
Annual conference	23,046		18,355
Information and resource library	4,833		32,087
Stewardship fund program	0		46,043
Total remuneration during the year	173,437		264,535

Note 8 Annual Conference

Revenue indicated in the Statement of Operations as annual conference includes registration and exhibitor fees only. Additional revenue of \$22,600 in partner support was also associated with the annual conference but is included under government grants (\$4,000) and donations (\$18,600) respectively.