

Financial Statements

Ontario Land Trust Alliance Inc.

Acton, Ontario

June 30, 2021

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Independent Auditors' Report

To the Members of Ontario Land Trust Alliance Inc.:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Ontario Land Trust Alliance Inc., which comprise the statement of financial position as at June 30, 2021 and the statements of accumulated surplus, operations and 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Ontario Land Trust Alliance Inc. as at June 30, 2021, and its results of operations and 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, 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 Corporation and we are not able to determine whether any adjustments might be necessary to donation revenue, special events revenue, surplus and cash flows from operations for the years ended June 30, 2021 and June 30, 2020, current assets and net assets as at June 30, 2021 and June 30, 2020. Our audit opinion on the financial statements for the year ended June 30, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ontario Land Trust Alliance Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

Independent Auditors' Report - continued

In preparing the financial statements, management is responsible for assessing Ontario Land Trust Alliance Inc.'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ontario Land Trust Alliance Inc.'s financial reporting process.

Auditors' 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 auditors' 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 Ontario Land Trust Alliance Inc.'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 Ontario Land Trust Alliance Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

Independent Auditors' Report - continued

- 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.

Toronto, Ontario
September 21, 2021

A handwritten signature in cursive script that reads "Pruthi Yathu & Clark".

Chartered Professional Accountants, Licensed Public Accountants

Ontario Land Trust Alliance Inc.

June 30, 2021

Statement of Financial Position	2021	2020
Current Assets		
Cash and cash equivalents	\$ 294,224	\$ 347,789
Accounts receivable	115,948	12,650
HST	2,515	1,940
Prepaid expenses	4,267	1,806
	<hr/>	<hr/>
	416,954	364,185
Current Liabilities		
Accounts payable and accrued liabilities	18,199	10,957
Deferred revenue, Note 3	54,346	61,981
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Total Liabilities	72,545	72,938
Net Assets		
Accumulated surplus, per statement, Note 4	344,409	291,247
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	416,954	364,185

Approved by The Board

Director: Kathryn Enders

Director: Karen Elizabeth Gilhespy

The notes on pages 10 through 13 form an integral part of these financial statements.

Ontario Land Trust Alliance Inc.

Year ended June 30, 2021

Statement of Accumulated Surplus	2021	2020
Balance beginning	\$ 291,247	\$ 246,495
Add		
Surplus	53,162	44,752
<i>Balance June 30</i>	344,409	291,247

Ontario Land Trust Alliance Inc.*Year ended June 30, 2021*

Statement of Operations	2021	2020
Revenues		
Government grants	\$ 1,349,605	\$ 119,596
Private grants	35,024	72,876
Wage subsidies	0	20,235
Memberships	58,395	58,535
Special events	3,135	6,381
Annual conference	9,670	47,168
Donations	10,670	9,884
Project fees, workshops and other revenue	50,315	7,510
Total Revenues	1,516,814	342,185
Expenses		
Operations, communications, member services	51,291	64,854
Education, training and capacity-building	1,394,696	184,081
Annual conference	17,665	48,498
Total Expenses	1,463,652	297,433
Surplus	53,162	44,752

Ontario Land Trust Alliance Inc.*Year ended June 30, 2021*

Statement of Cash Flows	2021	2020
Operating Activities		
Surplus	\$ 53,162	\$ 44,752
Changes in Non-Cash Working Capital		
Accounts receivable	(103,298)	(10,751)
HST receivable	(575)	6,745
Prepaid expenses	(2,461)	0
Accounts payable and accrued liabilities	7,242	5,960
Deferred revenue	(7,635)	(14,438)
	<u>(106,727)</u>	<u>(12,484)</u>
Net increase (decrease) in cash and cash equivalents during the year	(53,565)	32,268
Cash and cash equivalents at beginning of year	347,789	315,521
<i>Cash And Cash Equivalents at End of Year</i>	294,224	347,789

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 commit to work hard toward 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 Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act on August 15, 2015.

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.

Cash and Cash Equivalents

The Corporation's policy is to present bank balances and cashable guaranteed investment certificates as cash and cash equivalents.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions and grants. 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.

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.

Donations are recognized as revenue when received.

Note 1 Significant Accounting Policies - continued

Financial Instruments

Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Note 2 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, 2021:

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. 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. 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.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable. This risk is reduced because of considerable sums in their operating bank account.

Note 3 Deferred Revenue

Deferred revenue includes the contributions received during the year ended June 30, 2021 for which related expenses will not be incurred until the following fiscal year and consist of:

	2021	2020
Membership fees	\$ 28,595	\$ 22,250
Ministry of the Environment, Conservation and Parks	11,938	0
Wildlife Habitat Canada	7,603	0
TD Friends of the Environment Foundation	6,210	9,600
Ontario Trillium Foundation	0	28,368
Greenbelt Foundation	0	1,763
	54,346	61,981

Note 4 Accumulated Surplus

The accumulated surplus is composed of the following balances:

	2021	2020
Restricted Fund for Future Cash Flows	\$ 54,036	\$ 54,036
Unrestricted Surplus	290,373	237,211
	344,409	291,247

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 Governors.

Note 5 Salaries and Benefits

Salaries and benefits consist of remuneration to employees and contract labourers. The total amount of salaries and benefits during the year totaled \$298,209, (2020 - \$198,995).

The expenditures have been allocated as follows:

	2021	2020
Operations, communications, member services	\$ 38,298	\$ 31,629
Education, training and capacity-building	244,911	149,167
Annual conference	15,000	18,199
Total remuneration during the year	298,209	198,995