

**Oak Ridges Moraine  
Foundation  
Financial Statements  
For the year ended December 31, 2014**

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Tel: 905 576 3430  
Fax: 905 436 9138  
www.bdo.ca

BDO Canada LLP  
Oshawa Executive Centre  
419 King Street W, Suite 502  
Oshawa ON L1J 2K5 Canada

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## Independent Auditor's Report

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### To the Board of Directors of Oak Ridges Moraine Foundation

We have audited the accompanying financial statements of Oak Ridges Moraine Foundation, which comprise the statement of financial position as at December 31, 2014 and the statements of operations and changes in net assets 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 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.

#### **Auditor's 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 foundation'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 foundation'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 audit opinion.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oak Ridges Moraine Foundation as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 2, which indicates that the foundation's ability to continue as a going concern is dependent on obtaining additional long-term funding from government or other sources. This condition indicates the existence of a material uncertainty that may cast significant doubt about the foundation's ability to continue as a going concern.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oshawa, Ontario  
April 17, 2015

**Oak Ridges Moraine Foundation  
Statement of Financial Position**

December 31	2014	2013
<b>Assets</b>		
Cash	\$ 227,909	\$ 293,978
Accounts receivable	4,045	12,315
Prepaid expenses	2,040	2,001
	233,994	308,294
Capital assets (Note 3)	11,787	14,884
	\$ 245,781	\$ 323,178
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities	\$ 27,646	\$ 10,973
Deferred contribution (Note 4)	53,258	50,945
	80,904	61,918
<b>Net assets</b>		
Invested in capital assets (Note 5)	11,787	14,884
Internally restricted (Note 6)	65,884	250,271
Closure Fund (Note 7)	25,000	25,000
Oak Ridges Moraine Conservation Plan Review Fund (Note 8)	62,206	(28,895)
	164,877	261,260
	\$ 245,781	\$ 323,178

On behalf of the Board:

Carole Scheld Director

JR Director

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**Oak Ridges Moraine Foundation**  
**Statement of Operations and Changes in Net Assets**

<b>For the year ended December 31</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Allocation from internally restricted net assets (Note 6)	\$ 29,492	\$ 39,547
Allocation from amounts invested in capital assets (Note 5)	3,097	4,208
	<b>32,589</b>	<b>43,755</b>
<b>Expenditures</b>		
Amortization	3,097	4,208
Bank charges and interest	263	706
Board expense	4,321	4,061
Occupancy costs	473	451
Office and general	2,487	4,149
Professional fees	12,352	11,819
Program expenses	235	1,057
Salaries and benefits	9,214	16,949
Travel	147	355
	<b>32,589</b>	<b>43,755</b>
<b>Unrestricted net assets, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

## Oak Ridges Moraine Foundation Statement of Cash Flows

For the year ended December 31	2014	2013
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Item not affecting cash		
Amortization	\$ 3,097	\$ 4,208
Changes in non-cash working capital balances		
Accounts receivable	8,270	1,920
Prepaid expenses	(39)	(22)
Accounts payable and accrued liabilities	16,673	(4,265)
	<b>28,001</b>	<b>1,841</b>
<b>Investing activities</b>		
Net change in Educational Fund	-	(6,592)
Net change in Caring for Moraine Fund	-	(29,875)
Net change in Oak Ridges Moraine Conservation Plan Review Fund	91,101	(103,895)
Amount transferred to administration	(184,387)	(39,547)
Amount transferred to amounts invested in capital assets	(3,097)	(4,208)
	<b>(96,383)</b>	<b>(184,117)</b>
<b>Financing activity</b>		
Deferred contribution (Note 4)	2,313	40,000
	<b>2,313</b>	<b>40,000</b>
<b>Net change in cash during the year</b>	<b>(66,069)</b>	<b>(142,276)</b>
<b>Cash, beginning of year</b>	<b>293,978</b>	<b>436,254</b>
<b>Cash, end of year</b>	<b>\$ 227,909</b>	<b>\$ 293,978</b>

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

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# Oak Ridges Moraine Foundation Notes to Financial Statements

**December 31, 2014**

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## 1. Significant Accounting Policies

### **Nature and Purpose of Foundation**

The foundation was incorporated without share capital under the laws of Ontario on March 11, 2002. The foundation provides funds to be used in the support of the Oak Ridges Moraine as guided by its Letters Patent and By-laws.

The foundation is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

### **Basis of Accounting**

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

### **Capital Assets**

Capital assets are recorded at cost. Amortization based on the estimated useful life of the assets will be as follows:

Computer equipment	- 30% to 100% diminishing balance basis
Computer software	- 50% diminishing balance basis
Website	- 20% diminishing balance basis

### **Contributed Services**

Volunteers contribute a significant amount of time each year to assist the foundation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

### **Net Assets Internally Restricted**

Part of the foundation's net assets have been restricted in accordance with policy objectives contained within a strategic plan developed by the Board of Directors. The purpose of the restriction is to provide for the continued administrative costs of the foundation.

### **Closure Fund**

Part of the foundation's net assets have been restricted by the Board of Directors. The purpose of the restriction is to cover costs associated with the closure of the Oak Ridges Moraine Foundation.

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# Oak Ridges Moraine Foundation

## Notes to Financial Statements

December 31, 2014

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### 1. Significant Accounting Policies (Continued)

#### **Oak Ridges Moraine Conservation Plan Review Fund**

Part of the foundation's net assets have been restricted by the Board of Directors. The purpose of the restriction is to work with stakeholders in collecting data and identifying policy amendments that should be made to the Oak Ridges Moraine Conservation Plan during its scheduled legislative review in 2015.

#### **Revenue Recognition**

The foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Financial Instruments**

The foundation's financial assets consisting of cash and accounts receivable are recorded at fair value when acquired or issued. In subsequent periods they are reported at cost or amortized cost less impairment, if applicable.

#### **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these financial statements include, but are not limited to capital asset amortization rates and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Oak Ridges Moraine Foundation Notes to Financial Statements

**December 31, 2014**

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### 2. Continuity of Operations

The accompanying financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

During the current and prior years, the foundation was financially dependent on government assistance to enable it to provide grants. Due to the lack of additional government assistance, the foundation has ceased the issuance of grants and is now focusing on providing public education and monitoring services. The foundation's Board of Directors has approved a partnership with an Oak Ridges Moraine stakeholder to provide public education and monitoring using funds received in prior years.

The foundation received confirmation that it will not obtain any additional funding from provincial government sources. However, the foundation has not received confirmation whether it will obtain any additional funding from other sources. Management believes that these subsequent events cast doubt upon the validity of the going concern assumption for the future of the foundation. These financial statements do not reflect adjustments that would be necessary if going concern assumption was not appropriate.

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### 3. Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 17,883	\$ 17,041	\$ 17,883	\$ 16,680
Computer software	15,821	15,821	15,821	15,821
Website	30,686	19,741	30,686	17,005
	<b>\$ 64,390</b>	<b>\$ 52,603</b>	<b>\$ 64,390</b>	<b>\$ 49,506</b>
Cost less accumulated amortization		<b>\$ 11,787</b>		<b>\$ 14,884</b>

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## Oak Ridges Moraine Foundation Notes to Financial Statements

**December 31, 2014**

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#### 4. Deferred Contribution

The deferred contribution consists of unspent grant funds and related investment income and is to be used for expenditures of future years.

Changes in the deferred contribution balance during the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 50,945	\$ 10,945
Additions		
Educational Fund allocation	-	6,592
Caring for the Moraine Fund allocation	-	29,875
Interest received on grant funds	<u>2,313</u>	<u>3,533</u>
	<u>2,313</u>	<u>40,000</u>
Balance, end of year	<u>\$ 53,258</u>	<u>\$ 50,945</u>

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#### 5. Net Assets Invested in Capital Assets

The net change in net assets invested in capital assets is calculated as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 14,884	\$ 19,092
Amortization (transferred to unrestricted net assets)	<u>(3,097)</u>	<u>(4,208)</u>
Balance, end of year	<u>\$ 11,787</u>	<u>\$ 14,884</u>

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## Oak Ridges Moraine Foundation Notes to Financial Statements

**December 31, 2014**

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### 6. Internally Restricted Net Assets

Changes in the internally restricted balance during the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 250,271	\$ 289,818
Reductions		
Amount transferred to administration	(29,492)	(39,547)
Oak Ridges Moraine Conservation Plan Review Fund allocation	<u>(154,895)</u>	-
	<u>(184,387)</u>	<u>(39,547)</u>
Balance, end of year	<u>\$ 65,884</u>	<u>\$ 250,271</u>

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### 7. Closure Fund

Changes in the Closure Fund balance during the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning and end of year	<u>\$ 25,000</u>	<u>\$ 25,000</u>

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## Oak Ridges Moraine Foundation Notes to Financial Statements

**December 31, 2014**

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### 8. Oak Ridges Moraine Conservation Plan Review Fund

Changes in the Oak Ridges Moraine Conservation Plan Review Fund balance during the year are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ (28,895)	\$ 75,000
Additions		
Internally restricted net assets allocation	154,895	-
Reductions		
Approved expenditures	<u>63,794</u>	<u>103,895</u>
Balance, end of year	<u>\$ 62,206</u>	<u>\$ (28,895)</u>

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### 9. Financial Instrument Risk

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The foundation is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

All of the foundation's cash is held at one of the major financial institutions.