

OAK RIDGES TRAIL ASSOCIATION

FINANCIAL STATEMENTS

Unaudited

DECEMBER 31, 2016

Oak Ridges Trail Association

December 31, 2016

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Review Engagement Report

To the Directors of:
Oak Ridges Trail Association

I have reviewed the statement of financial position of **Oak Ridges Trail Association** as at December 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the association.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Paul Stainton". The signature is written in a cursive, flowing style.

Markham, Ontario
April 21, 2017

AUTHORIZED TO PRACTICE PUBLIC ACCOUNTING BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

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Oak Ridges Trail Association

Statement of Financial Position

As at December 31, 2016

(unaudited)

	2016	2015
Assets		
Current		
Cash	\$ 75,717	\$ 82,419
Investments (note 3)	32,563	32,272
Accounts receivable	156	706
Government taxes receivable	403	2,219
Inventories	-	2,834
Prepaid expenses and other assets	-	520
Total current assets	108,839	120,970
Total assets	\$ 108,839	\$ 120,970
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	\$ 5,102	\$ 3,701
Government taxes payable	715	1,696
Total current liabilities	5,817	5,397
Net assets		
Reserve funds:		
Land acquisition	10,140	10,140
20th anniversary	6,450	6,450
General fund	86,432	98,983
Total net assets	103,022	115,573
Total liabilities and net assets	\$ 108,839	\$ 120,970

Approved on Behalf of the Board

_____ Director

_____ Director

Oak Ridges Trail Association

Statement of Changes in Net Assets

For the Year Ended December 31, 2016

(unaudited)

	Land Acquisition Fund	20th Anniversary Fund	General Fund	2016 Total	2015 Total
Balance, beginning of year	\$ 10,140	\$ 6,450	\$ 98,983	\$ 115,573	\$ 132,480
Total of revenue over expenditures	-	-	(12,551)	(12,551)	(16,907)
Balance, end of year	\$ 10,140	\$ 6,450	\$ 86,432	\$ 103,022	\$ 115,573

Oak Ridges Trail Association

Statement of Operations

For the Year Ended December 31, 2016

(unaudited)

	2016	2015
General operations		
Revenue		
Membership dues	\$ 18,230	\$ 14,985
Donations	15,353	10,623
Advertising and promotional items	1,098	1,341
Sale of guidebooks	2,934	5,408
Interest income	517	748
Events	2,718	2,296
Total	40,850	35,401
Expenses		
Administration and general	32,453	34,814
Cost of guidebooks	3,470	4,581
Fundraising and promotional items	1,176	1,621
Insurance	2,692	2,581
Meeting costs	3,213	4,690
Occupancy	7,800	7,800
Professional fees	4,602	4,186
Public relations	1,032	774
Trail expense	4,393	1,601
Trail talk expense	7,405	5,910
Total	68,236	68,558
Revenue over/(under) expenditures - General operations	(27,386)	(33,157)
Adventure relay		
Revenue		
Donations	1,983	2,583
Entry fees	18,600	20,290
Sponsorship	500	-
Total	21,083	22,873
Expenses		
Marketing and promotion	2,684	3,973
Miscellaneous	3,564	2,650
Total	6,248	6,623
Revenue over/(under) expenditures - Adventure relay	14,835	16,250
Total of revenue over expenditures	(12,551)	(16,907)

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

Oak Ridges Trail Association

Statement of Cash Flows

For the Year Ended December 31, 2016

(unaudited)

	2016	2015
Cash provided by operating activities		
Total of revenue over expenditures	\$ (12,551)	\$ (16,907)
	(12,551)	(16,907)
Changes in non-cash balances related to operations:		
Decrease in government taxes receivable	1,816	326
(Increase) decrease in accounts receivable	550	(706)
Decrease in inventory	2,834	2,448
(Increase) decrease in prepaid expenses	520	(42)
Increase (decrease) in accounts payable	1,401	(2,764)
Increase (decrease) in government taxes payable	(981)	1,252
	6,140	514
Net cash provided by (used in) operating activities	(6,411)	(16,393)
Cash from investing activities		
Increase in investments	(291)	(288)
Cash provided by investing activities	(291)	(288)
Net increase (decrease) in cash	(6,702)	(16,681)
Cash, beginning of year	82,419	99,100
Cash, end of year	\$ 75,717	\$ 82,419

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

Oak Ridges Trail Association

Notes to the Financial Statements

For the Year Ended December 31, 2016

(unaudited)

1. ORGANIZATION

Oak Ridges Trail Association ("the Association") was incorporated under The Laws of Ontario on June 28, 1994 as a corporation without Share Capital.

The Association's purpose is to plan, promote, and create public recreational trails on the Oak Ridges Moraine for the recreational and educational use, benefit and enjoyment of the general public, to promote, support and engage in public education regarding the appreciation, renewal and protection of the natural environment surrounding the Oak Ridges Moraine trail system, and to encourage ecologically responsible attitudes towards it. The system of public recreational trails will be located on the Oak Ridges Moraine from the Niagara Escarpment in the west to the Northumberland Forest in the east, linking the Bruce Trail, the Ganaraska and other public recreational trails throughout the Oak Ridges Moraine.

The Association is classified as a registered charity under the Income Tax Act and as such is not subject to income tax provided certain disbursement requirements are met.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit enterprises.

The significant accounting policies are summarized as follows:

Financial Instruments

The organization's financial instruments consist of cash, term deposits, accounts receivable, inventories, prepaid expenses, and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

Revenue recognition

The Association 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 amounts to be received can be reasonably estimated and collection is reasonably assured.

Revenue from donations, membership dues, and fund raising projects are recognized in the period in which they are received.

Investments

The organization follows the cost method of accounting for its investments, written down for any permanent impairment in value.

Inventories

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method..

Oak Ridges Trail Association

Notes to the Financial Statements

For the Year Ended December 31, 2016

(unaudited)

Property, plant and equipment

Property, plant and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment -33% straight line

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. INVESTMENTS

The amount of \$ **32,562** (2015 - \$ 32,272) consists of Guaranteed Investment Certificates held by the Association at December 31, 2016. The amount is invested as follows:

	Issue Date	Maturity Date	Interest Rate	Balance
Non - Redeemable GIC	7/11/2016	7/11/2017	0.9%	\$ 27,318
Non - Redeemable GIC	12/20/2016	12/21/2017	0.85%	5,244
Total investments				\$ 32,562

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2016	Net 2015
Computer equipment	\$ 1,377	\$ 1,377		

5. CAPITAL DISCLOSURES

The Association's objective when managing capital is to ensure sufficient liquidity to sustain its financial obligations for continued operations to support its stated objectives. The capital structure of the Association consists of an unrestricted surplus, the Land Acquisition Fund and the 20th Anniversary Fund.

6. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.