

OAK RIDGES TRAIL ASSOCIATION

FINANCIAL STATEMENTS

Unaudited

DECEMBER 31, 2012



Oak Ridges Trail Association

December 31, 2012

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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, 2012 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 enquiry, 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 8, 2013

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, 2012

(unaudited)

	2012	2011
Assets		
Current		
Cash	\$ 101,611	\$ 78,709
Investments (note 3)	31,365	31,143
Accounts receivable	492	2,044
HST receivable	2,654	4,001
Inventories	5,472	10,883
Prepaid expenses and other assets	789	-
Total current assets	142,383	126,780
Long Term		
Property, plant and equipment (note 4)	715	1,169
Total assets	\$ 143,098	\$ 127,949
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	\$ 5,626	\$ 3,924
Total current liabilities	5,626	3,924
Net assets		
Reserve funds:		
Land acquisition	10,140	6,140
20th anniversary	6,450	-
General fund	120,882	117,885
Total net assets	137,472	124,025
Total liabilities and net assets	\$ 143,098	\$ 127,949

Approved on Behalf of the Board

_____ Director

_____ Director

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

2.

Oak Ridges Trail Association

Statement of Changes in Net Assets

For the Year Ended December 31, 2012

(unaudited)

				2012	2011
	Land Acquisition Fund	20th Anniversary Fund	General Fund	Total	Total
Balance, beginning of year	\$ 6,140	\$ -	\$ 117,884	\$ 124,024	\$ 94,682
Total of revenue over expenditures	4,000	6,450	2,998	13,448	29,343
Balance, end of year	\$ 10,140	\$ 6,450	\$ 120,882	\$ 137,472	\$ 124,025

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

Oak Ridges Trail Association

Statement of Operations

For the Year Ended December 31, 2012

(unaudited)

	2012	2011
General operations		
Revenue		
Membership dues	\$ 18,240	\$ 18,810
Donations	9,737	14,592
Advertising and promotional items	793	2,484
Sale of guidebooks	12,150	9,674
Interest income	1,119	982
Events	3,318	2,546
Total	45,357	49,088
Expenses		
Administration and general	16,750	17,536
Amortization	454	206
Cost of guidebooks	8,619	4,135
Fundraising and promotional items	1,088	1,582
Insurance	2,833	1,619
Meeting costs	3,553	4,367
Occupancy	7,332	7,058
Professional fees	4,385	5,716
Public relations	1,133	60
Trail expense	2,896	1,370
Trail talk expense	8,437	6,069
Training	-	2,993
Land acquisition	4,000	6,000
Total	61,480	58,711
Revenue over/(under) expenditures - General operations	(16,123)	(9,623)
Adventure relay		
Revenue		
Donations	3,194	2,872
Entry fees	20,700	15,950
Sponsorship	-	20,000
Total	23,894	38,822
Expenses		
Marketing and promotion	2,395	3,183
Miscellaneous	2,378	2,673
Total	4,773	5,856
Revenue over/(under) expenditures - Adventure relay	19,121	32,966
Total of revenue over expenditures	2,998	23,343

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, 2012

(unaudited)

	2012	2011
Cash provided by operating activities		
Total of revenue over expenditures	\$ 13,448	\$ 29,343
Items not requiring an outlay of cash:		
Amortization	454	206
	13,902	29,549
Changes in non-cash balances related to operations:		
(Increase) decrease in HST receivable	1,347	(3,112)
(Increase) decrease in accounts receivable	1,552	(1,349)
(Increase) decrease in inventory	5,411	(6,765)
Decrease (increase) in prepaid expenses	(789)	1,356
Decrease in accounts payable	1,701	(13,410)
	9,222	(23,280)
Net cash provided by (used in) operating activities	23,124	6,269
Cash from investing activities		
Decrease (increase) in investments	(222)	44,724
Purchase of assets	-	(1,376)
Cash provided by investing activities	(222)	43,348
Net increase (decrease) in cash	22,902	49,617
Cash, beginning of year	78,709	29,092
Cash, end of year	\$ 101,611	\$ 78,709

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

5.

Oak Ridges Trail Association

Notes to the Financial Statements

For the Year Ended December 31, 2012

(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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) using the deferral method of reporting restricted contributions.

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

Investments are recorded at cost plus accrued income, which approximates fair value. Transaction costs are expensed as incurred.

Inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis.

Oak Ridges Trail Association

Notes to the Financial Statements

For the Year Ended December 31, 2012

(unaudited)

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is provided over the useful life using the following methods and rates:

Computer equipment -33% straight line

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements. Actual results could differ from those estimates.

Accounting framework

The CICA requires not-for-profit organizations to adopt either International Financial Reporting Standards (IFRS) or Canadian accounting standards for not-for-profit organizations (ASNPO). These standards are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2012. The Association has elected to adopt ASNPO for fiscal 2012.

3. INVESTMENTS

The amount of \$ **31,365** (2011 - \$ 31,143) consists of Guaranteed Investment Certificates held by the Association at December 31, 2012. The amount is invested as follows:

	Issue Date	Maturity Date	Interest Rate	Balance
Non - Redeemable GIC	7/11/2012	7/11/2013	0.9%	\$ 26,307
Non - Redeemable GIC	12/20/2012	12/20/2013	0.9%	5,058
Total investments				\$ 31,365

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2012	Net 2011
Computer equipment	\$ 1,377	\$ 662	\$ 715	\$ 1,169

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, a land acquisition fund and the Oak Ridges Trail Strategic Plan.

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.