

**HERITAGE GREEN COMMUNITY TRUST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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To the Trustees of  
Heritage Green Community Trust:

### *Opinion*

We have audited the financial statements of Heritage Green Community Trust, which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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### *Auditor's 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 auditor's 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 the Organization'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 the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- 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.

*Paylor Leibow LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**Licensed Public Accountants**

Hamilton, Ontario  
March 21, 2022

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**HERITAGE GREEN COMMUNITY TRUST**  
**STATEMENT OF FINANCIAL POSITION**

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*As at December 31*

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	2021	2020
	\$	\$
<b>ASSETS</b>		
CASH AND SHORT-TERM INVESTMENTS	1,505,555	952,217

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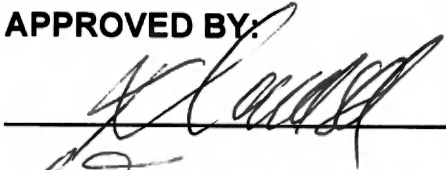
**NET ASSETS**

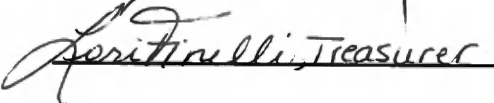
UNRESTRICTED NET ASSETS	1,505,555	952,217
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*(See accompanying Notes to Financial Statements)*

**APPROVED BY:**

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

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**HERITAGE GREEN COMMUNITY TRUST****STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS***Year ended December 31*

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Terrapure Environmental Stoney Creek Landfill royalty	<b>682,548</b>	286,298
Interest	<b>2,702</b>	5,314
	<b>685,250</b>	291,612
<b>EXPENSES</b>		
Administration	<b>1,751</b>	283
Advertising and promotion	<b>1,853</b>	3,179
Professional fees	<b>5,935</b>	9,313
Trustee agency fee	<b>10,942</b>	8,709
Community Grants (Refunded)		
Gatestone Elementary School	-	32,400
Hamilton Naturalists Club	-	(26,137)
Mount Albion Public School	-	(13,691)
Paramount Family Center	-	57,976
Saltfleet District High School	<b>76,431</b>	-
St. James the Apostle Catholic Elementary School	-	23,000
University Scholarships	<b>35,000</b>	27,500
	<b>131,912</b>	122,532
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>553,338</b>	169,080
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<b>952,217</b>	783,137
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<b>1,505,555</b>	952,217

*(See accompanying Notes to Financial Statements)*

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**HERITAGE GREEN COMMUNITY TRUST****STATEMENT OF CASH FLOWS**

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*Year ended December 31*

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED IN):</b>		
OPERATING ACTIVITIES		
Excess of revenue over expenses	<b>553,338</b>	169,080
INCREASE IN CASH	<b>553,338</b>	169,080
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<b>952,217</b>	783,137
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<b>1,505,555</b>	952,217

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*(See accompanying Notes to Financial Statements)*

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**HERITAGE GREEN COMMUNITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended December 31, 2021*

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**1. NATURE OF OPERATIONS**

The Taro Phillip Community Trust indenture was made May 29, 1997 pursuant to the terms and conditions of an agreement dated August 28, 1996 between Philip Environmental Inc. and The Corporation of the City of Stoney Creek. On December 8, 2006, the Organization changed its name to Heritage Green Community Trust. Revenue earned is primarily from royalty fees received from the Terrapure Environmental Stoney Creek Landfill.

The expenditures from the Organization are for community, educational and charitable works or purposes, including:

- Contributions to capital projects undertaken in respect of schools;
- School educational programs;
- Capital works projects and programs benefiting seniors;
- Capital works projects and programs benefiting the community including maintenance of parks;
- and
- Beneficial uses described herein are limited to capital works projects and programs which clearly provide demonstrable benefits to the residents in the former City of Stoney Creek residing south of the Niagara Escarpment and within three kilometres of the perimeter of the Waste Disposal Site.

**2. COVID-19**

The outbreak of the Coronavirus Disease 2019 ("COVID-19") has spread across the globe and is impacting worldwide economic activity. Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. The Organization continues to operate and navigate the challenges created by the pandemic. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on operations cannot be reasonably estimated at this time.

The landfill was deemed an essential service and remained open during the COVID-19 lockdowns, therefore the royalty fees continued as usual.

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**HERITAGE GREEN COMMUNITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended December 31, 2021*

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**3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at cost less any allowance for impairment.

Financial assets measured at amortized cost include cash and short-term investments.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in excess of revenues over expenses. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess of revenues over expenses up to the amount of the previously recognized impairment.

**REVENUE RECOGNITION**

The annual revenue from the Terrapure Environmental Stoney Creek Landfill is determined based on tipping fees charged per tonne for every tonne of waste received at the Waste Disposal Site in the preceding calendar year.

Interest income is accounted for as earned in accordance with the accrual basis of accounting.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include short-term investments that are part of the Organization's cash management portfolio and that are highly liquid.



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**HERITAGE GREEN COMMUNITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS**

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*Year ended December 31, 2021*

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**4. COMMITMENTS**

At December 31, 2021, the Organization has the following future commitments:

A commitment to a maximum of \$30,000 payable in \$2,500 scholarships to 12 local high school students that will be attending post-secondary education for the following school year. This will be ongoing until the Trust closes.

A final commitment for \$415,000 to help expand the Hamilton Public Library. The payment will be made once the library is 80% complete.

An annual commitment of \$10,000 for the Stoney Creek Santa Clause parade exists. However, the amount was not payable in 2021 as the 2021 Stoney Creek Santa Clause parade was cancelled due to province wide COVID-19 lockdown.

A commitment to contribute \$2,000,000 to the Hamilton Conservation Foundation's Saltfleet Wetlands Restoration project. Payments of \$500,000 over four years are to begin in 2022.

