

Bruce Peninsula Biosphere Association
Financial Statements
For the year ended December 31, 2015

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Independent Auditor's Report

To the Board of Directors of the Bruce Peninsula Biosphere Association

We have audited the accompanying financial statements of Bruce Peninsula Biosphere Association, which comprise of the balance sheet as at December 31, 2015 and the statements of operations, 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 entity'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 entity'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 qualified audit opinion.



Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising 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 organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2015 and 2014, current assets as at December 31, 2015 and 2014, and net assets as at January 1 and December 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Bruce Peninsula Biosphere Association as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
July 8, 2016

**Bruce Peninsula Biosphere Association
Balance Sheet**

December 31	2015	2014
Assets		
Current		
Cash and bank	\$ 71,194	\$ 68,833
Short-term investments (Note 2)	100,000	-
Accounts receivable (Note 3)	17,731	86,813
	\$ 188,925	\$ 155,646
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 61,661	\$ 16,553
Deferred revenue (Note 5)	58,495	105,908
	120,156	122,461
Net assets (Page 5)		
Unrestricted	68,769	33,185
	\$ 188,925	\$ 155,646

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

Bruce Peninsula Biosphere Association
Statement of Changes in Net Assets

<u>For the year ended December 31</u>	<u>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 33,185	\$ 11,379
Excess of revenue over expenses for the year (Page 6)	<u>35,584</u>	<u>21,806</u>
Balance, end of the year	<u>\$ 68,769</u>	<u>\$ 33,185</u>

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

Bruce Peninsula Biosphere Association
Statement of Operations

For the year ended December 31	2015	2014
Revenue		
Grants - Six Streams Project	\$ 280,280	\$ 243,046
Grants - Conservation and Stewardship Plan Development	-	16,284
Grants - Phragmites	75,866	26,156
Grants - Forest Re-Connectivity	32,908	-
Grants - Other programs	47,740	70,640
Donations	3,604	395
Fundraising and raffle	6,115	6,888
Memberships	360	855
Miscellaneous and interest	-	1,715
	446,873	365,979
Expenses		
Six Streams Project		
Salaries, benefits and contracts	104,502	55,931
Materials and supplies	176,853	189,028
Conservation and stewardship plan development		
Salaries, benefits and contracts	2,329	47,886
Materials and supplies	2,622	8,941
Phragmites Project		
Salaries, benefits and contracts	50,704	18,238
Materials and supplies	25,163	7,918
Forest Re-Connectivity		
Salaries, benefits and contracts	27,758	-
Materials and supplies	5,150	-
Dark Sky project		
Bayside astronomy	4,666	6,812
Salaries, benefits and contracts	187	4,017
General and administrative	8,709	4,780
Office expenses	-	-
Lottery and promotion	2,169	462
Fundraising	477	160
	411,289	344,173
Excess of revenue over expenses for the year	\$ 35,584	\$ 21,806

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

Bruce Peninsula Biosphere Association
Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 35,584	\$ 21,806
Changes in non-cash working capital balances		
Accounts receivable	69,082	(65,510)
Accounts payable and accrued liabilities	45,108	3,528
Deferred revenue	(47,413)	51,112
	<u>102,361</u>	<u>10,936</u>
Investing activities		
Purchase of short-term investment	<u>(100,000)</u>	-
Increase in cash during the year	2,361	10,936
Cash and bank, beginning of the year	<u>68,833</u>	<u>57,897</u>
Cash and bank, end of the year	\$ 71,194	\$ 68,833

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

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies

**Nature and Purpose of
Organization**

Established in 2000, the Bruce Peninsula Biosphere Association is dedicated to implementing the concepts of UNESCO World Biosphere Reserves within the 750 kilometre long Niagara Biosphere Reserve. The Association is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

Basis of Accounting

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

These financial statements have been prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Donations, fundraising, raffle and memberships are recorded when received.

Capital Assets

Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations.

Pledges

Pledges to donate funds to the Association are not included in revenues until such time as the funds are received.

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies - (continued)

Contributed Services Volunteers assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed Materials and Services Contributed materials and services which are used in the normal course of the Association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

2. Short-Term Investments

The Association has a one-year cashable GIC of \$100,000 with an interest rate of 1% due October 14, 2016.

3. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

	<u>2015</u>		<u>2014</u>
Grants and other	\$ 100	\$	72,812
HST Recoverable	17,631		14,001
	<u>\$ 17,731</u>	\$	<u>86,813</u>

4. Accounts Payable and Accrued Liabilities

There are \$1,867 in government remittances included in accounts payable and accrued liabilities (2014 - \$2,966).

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2015

5. Deferred Revenue

	2015	2014
Environment Canada - EcoAction	\$ 7,322	\$ 31,900
Environment Canada - Phragmites	14,050	35,657
Environment Canada - Habitat Stewardship	5,315	-
Friends of the Greenbelt Foundation	4,092	4,951
Municipality of Northern Bruce Peninsula	8,400	8,400
Ontario Trillium Foundation	-	25,000
Ministry of Natural Resources and Fisheries	14,690	-
Ausable Bayfield Conservation Authority	4,626	-
	<u>\$ 58,495</u>	<u>\$ 105,908</u>

6. Financial Risks

The Association is exposed to risks that arise from its use of financial instruments. The Association's financial instruments consist of cash and bank, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant currency risk arising from these financial instruments. The Association is exposed to credit risk arising from its accounts receivable and liquidity risk arising from its accounts payable and accrued liabilities.

7. Commitments

The Bruce Peninsula Biosphere Association ordered a portable automatic sampler costing \$14,690 plus HST. The equipment was not shipped until January 7, 2016 and, therefore, has not yet been recorded in the expenses of the organization.
