

Bruce Peninsula Biosphere Association
Financial Statements
For the year ended December 31, 2017

Bruce Peninsula Biosphere Association
Financial Statements
For the year ended December 31, 2017

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Balance Sheet	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10



Tel: 519 376 6110
Fax: 519 376 4741
www.bdo.ca

BDO Canada LLP
1717 2nd Avenue E, Third Floor
PO Box 397
Owen Sound ON N4K 5P7 Canada

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, 2017 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, 2017 and 2016, current assets as at December 31, 2017 and 2016, and net assets as at January 1 and December 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2016 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, 2017 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
May 16, 2018

**Bruce Peninsula Biosphere Association
Balance Sheet**

December 31	2017	2016
Assets		
Current		
Cash and bank	\$ 130,301	\$ 104,248
Accounts receivable (Note 2)	74,168	55,454
	<hr/>	<hr/>
	\$ 204,469	\$ 159,702
<hr/>		
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 13,007	\$ 13,152
Deferred revenue (Note 4)	135,841	77,331
	<hr/>	<hr/>
	148,848	90,483
Net assets (Page 5)		
Unrestricted	55,621	69,219
	<hr/>	<hr/>
	\$ 204,469	\$ 159,702

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

Bruce Peninsula Biosphere Association
Statement of Changes in Net Assets

For the year ended December 31	2017	2016
Balance, beginning of the year	\$ 69,219	\$ 68,769
Excess of revenue over expenses (expenses over revenue) for the year (Page 6)	(13,598)	450
Balance, end of the year	\$ 55,621	\$ 69,219

Bruce Peninsula Biosphere Association
Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Grants - Six Streams Project	\$ 374,492	\$ 405,960
Grants - Phragmites	77,541	42,332
Grants - Wilderness Eco Adventures	21,994	-
Grants - Forest Re-Connectivity	-	4,092
Grants - Other programs	5,854	40,700
Donations	2,897	1,918
Fundraising and raffle	7,318	8,281
Memberships	737	443
Miscellaneous and interest	77	2,028
	490,910	505,754
Expenses		
Six Streams Project		
Salaries, benefits and contracts	144,759	116,797
Materials, services and supplies	209,481	295,425
Conservation and Stewardship Plan Implementation		
Materials and supplies	-	405
Phragmites Project		
Salaries, benefits and contracts	52,383	41,561
Materials, services and supplies	21,752	8,614
Forest Re-Connectivity		
Materials, services and supplies	-	4,472
Dark Sky Project		
Salaries, benefits and contracts	5,846	4,465
Materials, services and supplies	-	1,366
Wilderness Eco Adventures		
Salaries, benefits and contracts	9,485	-
Materials, services and supplies	13,128	-
General and administrative		
Salaries, benefits and contracts	25,454	15,062
Materials, services and supplies	17,577	11,770
Lottery and promotion	4,643	5,367
	504,508	505,304
Excess of revenue over expenses (expenses over revenue) for the year	\$ (13,598)	\$ 450

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	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ (13,598)	\$ 450
Changes in non-cash working capital balances		
Accounts receivable	(18,714)	(37,723)
Accounts payable and accrued liabilities	(145)	(48,509)
Deferred revenue	58,510	18,836
	<u>26,053</u>	<u>(66,946)</u>
Investing activities		
Purchase of short-term investment	-	100,000
	<u>26,053</u>	<u>33,054</u>
Increase in cash during the year	26,053	33,054
Cash and bank, beginning of the year	104,248	71,194
Cash and bank, end of the year	\$ 130,301	\$ 104,248

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

Bruce Peninsula Biosphere Association Notes to Financial Statements

December 31, 2017

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, 2017

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. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

	<u>2017</u>		<u>2016</u>
Grants and other	\$ 54,718	\$	37,811
HST Recoverable and other government remittances	19,450		17,643
	<u>\$ 74,168</u>	\$	<u>55,454</u>

3. Accounts Payable and Accrued Liabilities

There are \$2,938 in government remittances included in accounts payable and accrued liabilities (2016 - \$3,786).

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2017

4. Deferred Revenue

	2017	2016
Environment Canada - EcoAction	\$ 28,183	\$ -
Environment Canada - Habitat Stewardship	12,941	-
Nature Conservancy of Canada - Phragmites	5,205	-
Ontario Trillium Foundation - Soil Erosion	21,166	22,231
Ontario Trillium Foundation - Wilderness Eco Adventures	29,463	-
Ministry of Natural Resources and Fisheries	662	-
Ministry of the Environment - Great Lakes Guardian Community Fund	-	10,885
Ontario Regional Tourism for Eco Adventures	721	-
Ministry of the Environment - Septic Systems	37,500	33,500
Ontario Soil and Crop Improvement Association (OSCIA) - Great Lakes Agricultural Stewardship Initiative (GLASI)	-	10,715
	\$ 135,841	\$ 77,331

5. 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.
