

Bruce Peninsula Biosphere Association  
Financial Statements  
For the year ended December 31, 2020

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For the year ended December 31, 2020

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## Independent Auditor's Report

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To the Board of Directors of the  
Bruce Peninsula Biosphere Association

### Qualified Opinion

We have audited the accompanying financial statements of the Bruce Peninsula Biosphere Association (the Association), which comprise the statement of financial position as at December 31, 2020 and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Association 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 qualified audit opinion.



## Responsibilities of Management and Those Charged with Governance 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.

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

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

## 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 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 Association'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 Association'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 Association 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
December 6, 2021

Bruce Peninsula Biosphere Association  
Statement of Financial Position

December 31	2020	2019
<b>Assets</b>		
Current		
Cash and bank	\$ 103,129	\$ 147,010
Short-term investments (Note 2)	100,000	-
Accounts receivable (Note 3)	21,949	19,718
Prepaid expenses	1,762	226
	226,840	166,954
Capital assets (Note 4)	7,991	14,440
	\$ 234,831	\$ 181,394
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 31,060	\$ 14,856
Deferred revenue (Note 6)	52,175	41,067
	83,235	55,923
Long term debt (Note 7)	30,000	-
	113,235	55,923
Net assets (Page 6)		
Invested in capital assets	7,991	14,440
Internally restricted for Eco Adventures	29,738	23,264
Unrestricted	83,867	87,767
	121,596	125,471
	\$ 234,831	\$ 181,394

Approved on behalf of the Board of Directors:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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Bruce Peninsula Biosphere Association  
Statement of Changes in Net Assets

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 125,471	\$ 92,619
Excess of revenue over expenses for the year (Page 7)	<u>(3,875)</u>	<u>32,852</u>
Balance, end of the year	<u>\$ 121,596</u>	<u>\$ 125,471</u>

Bruce Peninsula Biosphere Association  
Statement of Operations

For the year ended December 31	2020	2019
<b>Revenue</b>		
Grants - Six Streams Project	\$ 133,807	\$ 118,444
Grants - Phragmites	-	5,000
Grants - Eco Adventures	32,781	57,671
Grants - Other programs	10,169	12,008
Grants - Covid-19 support	28,075	-
Lion's Club donation	-	24,000
Donations	24,627	25,954
Eco Adventures and Gran Fondo	14,579	55,583
Fundraising and raffle	1,210	17,323
Memberships and interest	3,610	871
	248,858	316,854
<b>Expenses</b>		
Six Streams Project		
Salaries, benefits and contracts	61,899	68,551
Materials, services and supplies	83,684	48,680
Phragmites Project		
Salaries, benefits and contracts	-	5,731
Materials, services and supplies	-	6,822
Bioremediation		
Salaries, benefits and contracts	2,621	-
Materials, services and supplies	13,328	-
Dark Sky Project		
Salaries, benefits and contracts	-	12,122
Materials, services and supplies	-	169
Eco Adventures		
Salaries, benefits and contracts	40,735	32,649
Materials, services and supplies	23,923	55,729
General and administrative		
Salaries, benefits and contracts	-	17,936
Audit	2,241	3,710
Payroll and bookkeeping fees	-	11,083
Marketing and communications	363	589
Insurance	3,039	2,042
Field expenses	4,000	-
Other	2,967	971
Website	621	1,127
Non-recoverable HST	2,909	-
Lottery and fundraising	1,354	5,562
Amortization	9,049	10,529
	252,733	284,002
<b>Excess of revenue over expenses for the year</b>	<b>\$ (3,875)</b>	<b>\$ 32,852</b>

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	2020	2019
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ (3,875)	\$ 32,852
Items not involving cash		
Deferred revenue recognized	(41,067)	(116,624)
Amortization of capital assets	9,049	10,529
	<u>(35,893)</u>	<u>(73,243)</u>
Changes in non-cash working capital balances		
Accounts receivable	(2,231)	38,430
Prepaid expenses	(1,536)	(226)
Accounts payable and accrued liabilities	16,204	3,896
Deferred revenue received	52,175	41,067
	<u>28,719</u>	<u>9,924</u>
Investing activities		
Purchase of capital assets	(2,600)	(3,325)
Financing activities		
Proceeds from long-term debt	30,000	-
Short-term investment purchased	(100,000)	-
	<u>(70,000)</u>	<u>-</u>
Increase in cash during the year	(43,881)	6,599
Cash and bank, beginning of the year	147,010	140,411
Cash and bank, end of the year	<u>\$ 103,129</u>	<u>\$ 147,010</u>

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

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Bruce Peninsula Biosphere Association  
Notes to Financial Statements

December 31, 2020

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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 in the Northern part of the 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 stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the capital asset are capitalized. Amortization is provided over the estimated useful life of the assets, using straight-line basis. The useful life of the assets is based on management estimates. The following useful lives are used:

Equipment	5 years
Computers	3 years

Pledges

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

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Bruce Peninsula Biosphere Association  
Notes to Financial Statements

December 31, 2020

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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.

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2. Short-term Investments

	2020	2019
Royal Bank of Canada, redeemable Guaranteed Investment Certificate, bearing interest at 1.4000%, due May 2021	\$ 100,000	\$ -

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Bruce Peninsula Biosphere Association  
Notes to Financial Statements

December 31, 2020

3. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

	2020	2019
Grants and other	\$ 17,025	\$ 14,999
HST Recoverable and other government remittances	4,924	4,719
	\$ 21,949	\$ 19,718

4. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 52,862	\$ 44,871	\$ 50,262	\$ 35,872
Computers	4,500	4,500	4,500	4,450
	\$ 57,362	\$ 49,371	\$ 54,762	\$ 40,322
Net book value		\$ 7,991		\$ 14,440

5. Accounts Payable and Accrued Liabilities

There are no government remittances included in accounts payable and accrued liabilities (2019 - \$48).

6. Deferred Revenue

	2020	2019
Ministry of Natural Resources and Fisheries	\$ -	\$ 7,406
Ontario Trillium Foundation - Ecoadventure Fatbikes	17,400	-
County of Bruce - Grand Fondo	2,500	-
Grey Bruce Community Foundation - Soil testing	2,900	-
Ontario Trillium Foundation - Six Streams	9,864	31,910
Community Foundation - Water Quality	-	1,751
Donations - Water systems	15,027	-
Donations - Bioremediation	4,484	-
	\$ 52,175	\$ 41,067

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7. Long-term Debt

	2020	2019
Canada Emergency Business Account (CEBA) loan non-interest Bearing, repayable December 31, 2022	\$ 30,000	\$ -

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8. Impact of Covid-19

COVID-19 has significantly impacted Canada and the global economy. As the impacts of COVID-19 continue, there could be further impact on the organization, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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9. 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 Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor per financial institution. The Association has deposits of \$146,652 in one financial institution. The Association is exposed to credit risk arising from its accounts receivable and liquidity risk arising from its accounts payable and accrued liabilities.

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10. Comparative Amounts

The comparative amounts have been reclassified to conform to the current year financial statement presentation.

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