

Bruce Peninsula Biosphere Association
Financial Statements
For the year ended December 31, 2021

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For the year ended December 31, 2021

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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

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, 2021 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, 2021, 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 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
April 17, 2023

Bruce Peninsula Biosphere Association
Statement of Financial Position

December 31	2021	2020
Assets		
Current		
Cash and bank	\$ 321,039	\$ 103,129
Short-term investments (Note 2)	-	100,000
Accounts receivable (Note 3)	35,822	21,958
Prepaid expenses	1,497	1,762
	358,358	226,849
Capital assets (Note 4)	9,618	7,991
	\$ 367,976	\$ 234,840
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 31,708	\$ 31,069
Deferred revenue (Note 6)	124,882	52,175
	156,590	83,244
Long term debt (Note 7)	30,000	30,000
	186,590	113,244
Net assets (Page 6)		
Invested in capital assets	9,618	7,991
Internally restricted for Eco Adventures	29,364	29,738
Unrestricted	142,404	83,867
	181,386	121,596
	\$ 367,976	\$ 234,840

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	2021	2020
Balance, beginning of the year	\$ 121,596	\$ 125,471
Excess of revenue over expenses for the year (Page 7)	<u>59,790</u>	<u>(3,875)</u>
Balance, end of the year	<u>\$ 181,386</u>	<u>\$ 121,596</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	2021	2020
Revenue		
Grants - Six Streams Project	\$ 198,569	\$ 133,807
Grants - Conservation Stewardship	19,500	-
Grants - Eco Adventures	49,185	32,781
Grants - Climate Change	144,653	-
Grants - Other programs	28,086	10,169
Grants - Covid-19 support	38,404	28,075
Grants - Phragmites	5,198	-
Donations	8,534	24,627
Eco Adventures and Gran Fondo (Note 8)	55,846	14,579
Fundraising and raffle	3,220	1,210
Memberships and interest	3,340	3,610
	554,535	248,858
Expenses		
Six Streams Project		
Salaries, benefits and contracts	67,923	61,899
Materials, services and supplies	132,514	83,684
Conservation and Stewardship		
Salaries, benefits and contracts	13,509	-
Materials and supplies	11,826	-
Phragmites Project		
Salaries, benefits and contracts	5,517	-
Materials, services and supplies	1,012	-
Bioremediation		
Salaries, benefits and contracts	16,387	2,621
Materials, services and supplies	1,599	13,328
Climate Change		
Salaries, benefits and contracts	45,967	-
Materials, services and supplies	75,989	-
Eco Adventures		
Salaries, benefits and contracts	73,440	40,735
Materials, services and supplies	19,078	23,923
General and administrative		
Accounting and legal	4,524	2,241
Salaries, benefits and contracts	4,486	-
Website and communications	1,118	984
Insurance	3,377	3,039
Field expenses	-	4,000
Other	4,808	2,967
Non-recoverable HST	5,045	2,909
Lottery and fundraising	-	1,354
Amortization	6,626	9,049
	494,745	252,733
Excess of revenue over expenses for the year	\$ 59,790	\$ (3,875)

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	2021	2020
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 59,790	\$ (3,875)
Items not involving cash		
Deferred revenue recognized	(52,175)	(41,067)
Amortization of capital assets	6,626	9,049
	<u>14,241</u>	<u>(35,893)</u>
Changes in non-cash working capital balances		
Accounts receivable	(13,864)	(2,231)
Prepaid expenses	265	(1,536)
Accounts payable and accrued liabilities	639	16,204
Deferred revenue received	124,882	52,175
	<u>126,163</u>	<u>28,719</u>
Investing activities		
Purchase of capital assets	<u>(8,253)</u>	<u>(2,600)</u>
Financing activities		
Proceeds from long-term debt	-	30,000
Short-term investment redeemed (purchased)	<u>100,000</u>	<u>(100,000)</u>
	<u>100,000</u>	<u>(70,000)</u>
Increase (decrease) in cash during the year	217,910	(43,881)
Cash and bank, beginning of the year	<u>103,129</u>	<u>147,010</u>
Cash and bank, end of the year	<u>\$ 321,039</u>	<u>\$ 103,129</u>

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

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2021

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.

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2021

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

	2021	2020
Royal Bank of Canada, redeemable Guaranteed Investment Certificate, bearing interest at 1.4%, due May 2021	\$ -	\$ 100,000

Bruce Peninsula Biosphere Association
Notes to Financial Statements

December 31, 2021

3. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

	2021	2020
Grants and other		
Friends of Greenbelt	\$ 4,307	\$ 7,491
Ontario Trillium Foundation	6,400	-
Eco Canada Careers	8,400	-
Government of Canada	5,878	8,690
Agri-Science Canada	1,741	-
Accrued interest	-	853
HST Recoverable and other government remittances	9,096	4,924
	\$ 35,822	\$ 21,958

4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 59,500	\$ 50,958	\$ 52,862	\$ 44,871
Computers	6,115	5,039	4,500	4,500
	\$ 65,615	\$ 55,997	\$ 57,362	\$ 49,371
Net book value		\$ 9,618		\$ 7,991

5. Accounts Payable and Accrued Liabilities

There are no government remittances included in accounts payable and accrued liabilities (2020 - \$NIL).

Bruce Peninsula Biosphere Association
Notes to Financial Statements

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6. Deferred Revenue

	2021	2020
Ministry of Environment - Septic systems	\$ 41,723	\$ -
Northern Bruce Peninsula - Bayside Astronomy	2,000	-
Ontario Trillium Foundation - Eco Adventures 3 day trip	25,000	-
Environment Canada - Climate Change	30,757	-
Environment Canada - Ecoaction	13,883	-
Ontario Trillium Foundation - Eco Adventures Fatbikes	11,290	17,400
County of Bruce - Grand Fondo	-	2,500
Grey Bruce Community Foundation - Soil testing	-	2,900
Ontario Trillium Foundation - Six Streams	-	9,864
Donations - Bayside Astronomy	229	-
Donations - Water systems	-	15,027
Donations - Bioremediation	-	4,484
	\$ 124,882	\$ 52,175

7. Long-term Debt

	2021	2020
Canada Emergency Business Account (CEBA) loan non-interest Bearing, repayable December 31, 2023	\$ 30,000	\$ 30,000

8. Gran Fondo

Gran Fondo includes net revenues of \$43,744. The gross revenues were \$64,505 including sponsorship revenues and gross expenses were \$20,761.

9. 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.

Bruce Peninsula Biosphere Association
Notes to Financial Statements

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10. 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 \$315,378 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.
