

**Long Point Basin Land Trust**  
Financial Statements  
**December 31, 2021**

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# Long Point Basin Land Trust

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December 31, 2021

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## INDEPENDENT AUDITORS' REPORT

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To the Members of Long Point Basin Land Trust:

### *Qualified Opinion*

We have audited the financial statements of Long Point Basin Land Trust (the Organization), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, revenues and expenditures, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the financial statements).

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 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 Qualified Opinion*

In common with many charitable organizations, the Organization derives revenue from donations and sponsorships, 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 and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets, and net assets. 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 of 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 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 qualified audit opinion.

### *Other Matter*

We draw our attention to Note 7 of the financial statements, which describes the effects of the coronavirus disease (COVID-19) on the Organization. Our opinion is not modified in respect of this matter.

### *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.

(continues)

### **Millard, Rouse & Rosebrugh LLP**

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606

SIMCOE PORT DOVER BRANTFORD HAGERSVILLE TILLSONBURG NORWICH DELHI

Independent Auditors' Report to the Members of Long Point Basin Land Trust *(continued)*

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

*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.

June 13, 2022  
Simcoe, Ontario

*Millard, Rouse & Rosebrugh LLP*

**Millard, Rouse & Rosebrugh LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

**Long Point Basin Land Trust**  
**Statement of Financial Position**  
**As at December 31, 2021**

	Operating Fund 2021	Acquisition Fund 2021	Stewardship Endowment Fund 2021	Total 2021	Total 2020
<b>ASSETS</b>					
<b>Current</b>					
Cash	\$ 82,450	\$ 152,948	\$ -	\$ 235,398	\$ 139,793
Investments	1,441,616	18,196	942,783	2,402,595	679,812
Accounts receivable	149,465	-	-	149,465	21,355
Harmonized sales tax recoverable	53,656	-	-	53,656	1,586
Prepaid expenses	-	3,988	-	3,988	-
	1,727,187	175,132	942,783	2,845,102	842,546
<b>Property (Net of accumulated amortization) (Note 3)</b>	520,032	4,133,575	-	4,653,607	3,261,546
	\$ 2,247,219	\$ 4,308,707	\$ 942,783	\$ 7,498,709	\$ 4,104,092
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current</b>					
Accounts payable	\$ 12,351	\$ -	\$ -	\$ 12,351	\$ 9,237
Deferred revenue (Note 4)	92,872	-	-	92,872	49,661
	105,223	-	-	105,223	58,898
<b>Net assets</b>	2,141,996	4,308,707	942,783	7,393,486	4,045,194
	\$ 2,247,219	\$ 4,308,707	\$ 942,783	\$ 7,498,709	\$ 4,104,092

See accompanying notes to financial statements

**Long Point Basin Land Trust**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	Operating Fund 2021	Acquisition Fund 2021	Stewardship Endowment Fund 2021	<b>Total 2021</b>	Total 2020
<b>Net assets - beginning of year</b>	\$ 130,850	\$ 3,392,646	\$ 521,698	<b>\$ 4,045,194</b>	\$ 3,962,131
Excess of revenue over expenses	2,181,757	1,031,286	135,249	<b>3,348,292</b>	83,063
Transfer of funding	(170,611)	(115,225)	285,836	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,141,996</b>	<b>\$ 4,308,707</b>	<b>\$ 942,783</b>	<b>\$ 7,393,486</b>	<b>\$ 4,045,194</b>

See accompanying notes to financial statements

**Long Point Basin Land Trust**  
**Statement of Revenues and Expenditures**  
**For the Year Ended December 31, 2021**

	Operating Fund (Unrestricted) 2021	Acquisition Fund (Restricted) 2021	Stewardship Endowment Fund (Restricted) 2021	Total 2021	Total 2020
<b>REVENUE</b>					
Conservation grants	\$ 298,832	\$ 354,928	\$ -	\$ 653,760	\$ 137,152
Donations	12,017	231,340	-	243,357	42,741
Investment income	114,210	-	142,723	256,933	35,465
Business sponsors	336	100	-	436	35,205
Rent and royalties	2,541	-	-	2,541	17,043
Bequest donations	2,068,123	-	-	2,068,123	-
In-kind donations	-	459,129	-	459,129	-
Miscellaneous	3,130	-	-	3,130	161
	2,499,189	1,045,497	142,723	3,687,409	267,767
<b>Expenses</b>					
Advertising and promotion	304	-	-	304	-
Amortization	3,490	-	-	3,490	-
Appraisal and surveys	-	-	-	-	3,616
Insurance	3,418	114	-	3,532	2,755
Interest and bank charges	346	-	-	346	492
Management fees	-	-	7,474	7,474	6,495
Memberships	3,993	1,186	-	5,179	3,852
Office	8,498	951	-	9,449	9,880
Professional fees	8,343	-	-	8,343	7,009
Property taxes	7,874	-	-	7,874	8,298
Salaries, benefits, and contracts	255,039	10,625	-	265,664	131,313
Field supplies and signage	17,723	146	-	17,869	283
Training	332	-	-	332	-
Travel	2,873	341	-	3,214	2,613
Utilities	3,986	-	-	3,986	-
Printing and website & graphic design	1,213	848	-	2,061	8,098
	317,432	14,211	7,474	339,117	184,704
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 2,181,757</b>	<b>\$ 1,031,286</b>	<b>\$ 135,249</b>	<b>\$ 3,348,292</b>	<b>\$ 83,063</b>

See accompanying notes to financial statements

**Long Point Basin Land Trust**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

	Total 2021	Total 2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 3,348,292	\$ 83,063
Item not affecting cash:		
Amortization of property	3,490	-
	<b>3,351,782</b>	83,063
Changes in non-cash working capital:		
Accounts receivable	(128,113)	(4,054)
Accounts payable	3,117	(618)
Deferred revenue	43,211	8,946
Prepaid expenses	(3,988)	-
Harmonized sales tax recoverable	(52,070)	187
	<b>(137,843)</b>	4,461
Cash flow from operating activities	<b>3,213,939</b>	87,524
<b>INVESTING ACTIVITIES</b>		
Purchase of property	(1,395,550)	-
Purchase of marketable securities	(1,722,784)	(46,301)
Cash flow used by investing activities	<b>(3,118,334)</b>	(46,301)
<b>INCREASE IN CASH FLOW</b>	<b>95,605</b>	41,223
Cash - beginning of year	<b>139,793</b>	98,570
<b>CASH - END OF YEAR</b>	<b>\$ 235,398</b>	<b>\$ 139,793</b>

See accompanying notes to financial statements

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# Long Point Basin Land Trust

## Notes to Financial Statements

Year ended December 31, 2021

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### 1. PURPOSE OF THE ORGANIZATION

The Organization is a not-for-profit organization and is registered as a charitable organization as defined by the Income Tax Act of Canada. The purpose of the Organization is to preserve habitats through land ownership and land management services.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Revenue recognition

Long Point Basin Land Trust follows the restricted fund method of accounting for contributions.

Restricted contributions for which there is a corresponding restricted fund are recognized as revenue of that fund when received or receivable. Restricted contributions for which there is no corresponding restricted fund are recognized in the Operating Fund in accordance with the deferral method. Revenue is recognized in the Operating Fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Donations and business sponsorships are recognized as revenue in the year which related donation has been received or receivable.

Government and conservation grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with all necessary conditions to obtain the grants.

Investments from securities traded actively in an open market are carried at fair market value and therefore unrealized gains and losses are recorded in the income statement.

Rental and royalties, sales of products, and other revenue are recognized when the service is performed or product is provided.

#### Expenses

Expenses are reported on the accrual basis of accounting, which records the cost of goods and services acquired in the period, whether or not payment has been made for the invoices received.

#### Fund accounting

The Acquisition Fund is a restricted fund to report the purchase of properties and costs incurred in the securement of these properties.

The Stewardship Endowment Fund represents the capital that is to be held in perpetuity and the investment income is reported in the Stewardship Endowment Fund.

The Operating Fund reports the Organization's program delivery and administrative activities as well as ongoing expenses incurred through ownership and custodianship of the properties.

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# Long Point Basin Land Trust

## Notes to Financial Statements

Year ended December 31, 2021

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### 3. PROPERTY (continued)

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Building - 1039 Bay Street	\$ 443,522	\$ 3,490	\$ 440,032	\$ -
Land - 1039 Bay Street	80,000	-	80,000	-
	\$ 523,522	\$ 3,490	\$ 520,032	\$ -

### 4. DEFERRED REVENUE

	2021	2020
Beginning balance	\$ 49,661	\$ 40,715
Funding received	300,565	124,743
Funding used	(257,354)	(115,797)
	\$ 92,872	\$ 49,661

The majority of the deferred revenue relates to the biodiversity projects as the funding agreements overlap the Organization's year end.

### 5. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2021.

#### (a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its supporters and accounts payable.

#### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk, and other price risk. The Organization is mainly exposed to interest rate risk.

#### (c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its investments.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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# Long Point Basin Land Trust

## Notes to Financial Statements

Year ended December 31, 2021

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### 6. PRIOR PERIOD ADJUSTMENT

During 2020 year-end, the Organization changed their policy for recording investment income for the Stewardship Endowment Fund. The investment income for the Stewardship Endowment Fund was previously being recorded in the Operating Fund, whereas, now the investment income for the Stewardship Endowment Fund is to be recorded in the Stewardship Endowment Fund.

### 7. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies.

As at the date of issuance of the financial statements, the Organization is aware of changes in its operations as a result of the COVID-19 crisis. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Organization's operations as at the date of these financial statements.