

Long Point Basin Land Trust

Financial Statements

March 31, 2024

Long Point Basin Land Trust

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March 31, 2024

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INDEPENDENT AUDITORS' REPORT

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 March 31, 2024, and the statements of changes in net assets, revenues and expenditures, and cash flows for the period 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 March 31, 2024, 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, 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 March 31, 2023 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.

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.

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.

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Millard, Rouse & Rosebrugh LLP

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

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.

August 1, 2024
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 March 31, 2024

	Operating Fund 2024 <i>March 31</i>	Reserve Fund 2024 <i>March 31</i>	Acquisition Fund 2024 <i>March 31</i>	Stewardship Endowment Fund 2024 <i>March 31</i>	Total 2024 <i>March 31</i>	Total 2023 <i>March 31</i>
ASSETS						
Current						
Cash	\$ 974,066	\$ -	\$ 147,878	\$ -	\$ 1,121,944	\$ 254,494
Investments (<i>Note 3</i>)	-	205,701	682,833	1,478,434	2,366,968	2,981,941
Accounts receivable	119,487	-	479,875	-	599,362	103,781
HST recoverable	10,214	-	58,890	-	69,104	11,373
Prepaid expenses	5,654	-	-	-	5,654	2,217
Due to (from) own funds (<i>Note 5</i>)	11,248	-	(11,248)	-	-	-
	1,120,669	205,701	1,358,228	1,478,434	4,163,032	3,353,806
Property (<i>Net of accumulated amortization</i>) (<i>Note 6</i>)	481,478	-	7,083,438	-	7,564,916	5,163,358
	\$ 1,602,147	\$ 205,701	\$ 8,441,666	\$ 1,478,434	\$ 11,727,948	\$ 8,517,164
LIABILITIES AND NET ASSETS						
Current						
Accounts payable	\$ 208,939	\$ -	\$ -	\$ -	\$ 208,939	\$ 42,356
Deferred revenue (<i>Note 7</i>)	34,946	-	-	-	34,946	58,454
	243,885	-	-	-	243,885	100,810
NET ASSETS						
Unrestricted	1,358,262	-	-	-	1,358,262	650,845
Restricted	-	205,701	8,441,666	1,478,434	10,125,801	7,765,509
	1,358,262	205,701	8,441,666	1,478,434	11,484,063	8,416,354
	\$ 1,602,147	\$ 205,701	\$ 8,441,666	\$ 1,478,434	\$ 11,727,948	\$ 8,517,164

See accompanying notes to financial statements

Long Point Basin Land Trust
Statement of Changes in Net Assets
For the Year Ended March 31, 2024

	Operating Fund <i>March 31</i> 2024	Reserve Fund <i>March 31</i> 2024	Acquisition Fund <i>March 31</i> 2024	Stewardship Endowment Fund <i>March 31</i> 2024	Total March 31 2024	Total <i>March 31</i> 2023
Net assets - beginning of year	\$ 650,845	\$ 50,000	\$ 6,760,803	\$ 954,706	\$ 8,416,354	\$ 8,411,467
Excess of revenue over expenses	723,074	5,701	2,243,346	95,588	3,067,709	4,887
Transfer of funds (<i>Note 4</i>)	(27,059)	150,000	(562,483)	428,140	(11,402)	-
NET ASSETS - END OF YEAR	\$ 1,346,860	\$ 205,701	\$ 8,441,666	\$ 1,478,434	\$ 11,472,661	\$ 8,416,354

See accompanying notes to financial statements

Long Point Basin Land Trust
Statement of Revenues and Expenditures
For the Year Ended March 31, 2024

	Operating Fund 2024	Reserve Fund 2024	Acquisition Fund 2024	Stewardship Endowment Fund 2024	Total 2024 (12 months)	Total 2023 (3 months)
REVENUE						
Conservation grants	\$ 468,823	\$ -	\$ 1,696,367	\$ -	\$ 2,165,190	\$ 109,093
Donations	857,437	-	126,576	-	984,013	7,104
Donations of property	-	-	540,557	-	540,557	-
Investment income	-	5,701	82,065	105,471	193,237	63,385
Other income	6,582	-	-	-	6,582	6,938
	1,332,842	5,701	2,445,565	105,471	3,889,579	186,520
Expenses						
Amortization of property	16,728	-	-	-	16,728	4,224
Donation	-	-	150,000	-	150,000	-
Operations	73,388	-	10,733	9,883	94,004	31,307
Salaries and benefits	208,905	-	-	-	208,905	38,923
Land stewardship	310,747	-	41,486	-	352,233	107,179
	609,768	-	202,219	9,883	821,870	181,633
Excess of revenue over expenses	\$ 723,074	\$ 5,701	\$ 2,243,346	\$ 95,588	\$ 3,067,709	\$ 4,887

See accompanying notes to financial statements

Long Point Basin Land Trust
Statement of Cash Flows
For the Year Ended March 31, 2024

	Total 2024	Total 2023
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 3,067,709	\$ 4,887
Items not affecting cash:		
Amortization of property	16,728	4,224
Donations of property	(540,557)	-
	2,543,880	9,111
Changes in non-cash working capital:		
Accounts receivable	(495,583)	(26,877)
Accounts payable	166,583	26,174
Deferred revenue	(23,508)	1,951
Prepaid expenses	(3,437)	(2,217)
HST recoverable	(57,731)	(4,997)
	(413,676)	(5,966)
Cash flow from operating activities	2,130,204	3,145
INVESTING ACTIVITIES		
Purchase of property	(1,973,285)	-
Disposal of investments	710,531	3,518
Cash flow used by investing activities	(1,262,754)	3,518
INCREASE IN CASH FLOW	867,450	6,663
Cash - beginning of year	254,494	247,831
CASH - END OF YEAR	\$ 1,121,944	\$ 254,494

See accompanying notes to financial statements

Long Point Basin Land Trust

Notes to Financial Statements

For the Year Ended March 31, 2024

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).

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets within actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

Bequest Donations and donation of property are recognized as revenue in the year which related donation has been received or receivable.

Donations of property are recognized at the fair value of the property received at the time of transfer.

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.

Investment income (loss) is recognized in the period when earned.

Other income is 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.

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Long Point Basin Land Trust

Notes to Financial Statements

For the Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

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.

The Reserve Fund represents internally restricted funds consisting of a Building Reserve to be held for maintenance of the building at 1039 Bay Street and an Operating Reserve to be held to ensure financial stability of the organization and maintain the cash flow and capacity necessary to deliver programs.

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.

Property

Property is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Building	4% declining balance method
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Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The estimates in these financial statements include the useful life of property, deferred revenue and the determination of accruals contained in accounts payable.

Long Point Basin Land Trust

Notes to Financial Statements

For the Year Ended March 31, 2024

3. INVESTMENTS

Reserve funds - mutual funds and equities

Operating reserve - board designated funds for cash flow and financial stability	\$ 154,276
Building reserve - board designated funds for building maintenance	51,425

205,701

Acquisition Fund - mutual funds and equities

Board designated funds for new acquisitions	389,077
Board designated funds for future opportunities	293,756

682,833

Stewardship Endowment Fund - mutual funds and equities

Board designated and externally restricted funds for the long-term protection of the conservation properties	1,478,434
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TOTAL **\$ 2,366,968**

4. INTERFUND TRANSFERS

During the year, the Acquisition Fund and Operating Fund transferred a net amount of \$155,701 to the Reserve Fund and \$428,140 to the Stewardship Endowment Fund. The transfers occurred to meet the restrictions related to the various funds to meet operational activities, internally imposed restrictions of investment income and to eliminate any balances due between the various funds.

5. DUE TO (FROM) OWN FUNDS

The Operating Fund will pay for purchases and deposit receipts for the other funds. As a result, balances are owing between the funds at the year end. The Acquisition Fund owes \$11,248 (\$6,880 in 2023) to the Operating Fund for disbursements made from the Operating Fund on behalf of the Acquisition Fund. The loan bears no interest and has no set repayment terms.

Long Point Basin Land Trust

Notes to Financial Statements

For the Year Ended March 31, 2024

6. PROPERTY

Acquisition Fund

	2024	2023
Al (Pic) and Pat Robinson Nature Reserve	\$ 75,050	\$ 75,050
Arthur Langford Nature Reserve	349,623	349,623
Delhi Wetland Nature Reserve	24,000	24,000
Fishers Creek Nature Reserve (Working Name)	1,281,634	-
Hammond Hemlock Slough Reserve	434,894	434,894
Harlow Dune Nature Reserve	437,134	437,134
Jackson-Gunn Old Growth Forest	240,249	240,249
Marshall Malcolm Wetland Reserve	26,500	26,500
Shirley and George Pond Nature Reserve	459,101	459,101
Spring Arbour Expansion (Working Name)	1,136,652	-
Spring Arbour Farm Nature Reserve	422,518	422,518
Stackhouse Forest Sanctuary	531,578	531,578
Stead Family Scientific Reserve	356,640	356,640
Strongman-Guiler Conservation Legacy	495,916	495,916
Trout Creek Nature Reserve	811,949	811,949
	\$ 7,083,438	\$ 4,665,152

Operating Fund

	2024	2023
Building - 1039 Bay Street	\$ 443,521	\$ 443,521
Buildings - acc amort	(42,042)	(25,315)
Land - 1039 Bay Street	80,000	80,000
	\$ 481,479	\$ 498,206

7. DEFERRED REVENUE

	2024	2023
Beginning balance	\$ 58,454	\$ 56,503
Funding received	2,141,682	72,384
Funding used	(2,165,190)	(70,433)
	\$ 34,946	\$ 58,454

The majority of the deferred revenue relates to the land acquisition and maintenance projects as the funding agreements overlap the Organization's year end.

Long Point Basin Land Trust

Notes to Financial Statements

For the Year Ended March 31, 2024

8. 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 March 31, 2024.

(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) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency 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.

9. CHANGE IN YEAR-END

On September 21, 2022 the Long Point Basin Land Trust requested to change their fiscal year-end from December 31 to March 31. This was approved by the Charities Directorate starting with the fiscal year ending March 31, 2023. As a registered charity can only file an annual information return for a fiscal period of 12 months or less, the Long Point Basin Land Trust was required to complete an annual information return for the 3-month transition period from January 1, 2023 to March 31, 2023.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.