Long Point Basin Land Trust

Financial Statements

March 31, 2026

Millards

Chartered Professional Accountants

Long Point Basin Land Trust

Index to Financial Statements

March 31, 2026

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

Millards
Chartered Professional Accountants

Millards
Chartered Professional Accountants

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, 2026, 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 March 31, 2026, 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, 2025 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.

(continues)

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.

Millard, Rouse & Rosebrugh LLP

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

July 10, 2026
Simcoe, Ontario

Long Point Basin Land Trust

Statement of Financial Position

As at March 31, 2026

	Operating Fund 2026	Reserve Fund 2026	Acquisition Fund 2026	Stewardship Endowment Fund 2026	**Total 2026**	Total 2025
ASSETS						
Current						
Cash	$ 258,850	$ -	$ 71,627	$ -	**$ 330,477**	$ 231,669
Investments *(Note 3)*	-	218,220	518,938	2,509,569	**3,246,727**	3,703,446
Accounts receivable	58,200	-	1,113,889	-	**1,172,089**	419,072
HST recoverable	7,846	-	153,217	623	**161,686**	4,926
Prepaid expenses	11,409	-	-	-	**11,409**	6,581
Due to (from) own funds *(Note 5)*	78,339	-	(360,339)	282,000	**-**	-
	414,644	218,220	1,497,332	2,792,192	**4,922,388**	4,365,694
Property *(Net of accumulated amortization) (Note 6)*	1,035,061	-	11,976,394	-	**13,011,455**	9,465,473
	$ 1,449,705	$ 218,220	$ 13,473,726	$ 2,792,192	**$ 17,933,843**	$ 13,831,167
LIABILITIES AND NET ASSETS						
Current						
Accounts payable	$ 51,740	$ -	$ -	$ -	**$ 51,740**	$ 65,872
Deferred revenue *(Note 7)*	220,644	-	-	-	**220,644**	239,234
	272,384	-	-	-	**272,384**	305,106
NET ASSETS						
Unrestricted	1,177,321	-	-	-	**1,177,321**	461,154
Restricted	-	218,220	13,473,726	2,792,192	**16,484,138**	13,064,907
	1,177,321	218,220	13,473,726	2,792,192	**17,661,459**	13,526,061
	$ 1,449,705	$ 218,220	$ 13,473,726	$ 2,792,192	**$ 17,933,843**	$ 13,831,167

See accompanying notes to financial statements

Long Point Basin Land Trust

Statement of Changes in Net Assets

For the Year Ended March 31, 2026

	Operating Fund 2026	Reserve Fund 2026	Acquisition Fund 2026	Stewardship Endowment Fund 2026	**Total 2026**	Total 2025
Net assets - beginning of year	$ 461,154	$ 213,677	$ 10,856,047	$ 1,995,183	**$ 13,526,061**	$ 11,484,063
Excess (deficiency) of revenue over expenses	6,658	4,543	3,846,603	277,594	**4,135,398**	2,041,998
Transfer of funds *(Note 4)*	709,509	-	(1,228,924)	519,415	**-**	-
NET ASSETS - END OF YEAR	$ 1,177,321	$ 218,220	$ 13,473,726	$ 2,792,192	**$ 17,661,459**	$ 13,526,061

See accompanying notes to financial statements

Long Point Basin Land Trust

Statement of Revenues and Expenditures

For the Year Ended March 31, 2026

	Operating Fund 2026	Reserve Fund 2026	Acquisition Fund 2026	Stewardship Endowment Fund 2026	**Total 2026**	Total 2025
REVENUE						
Conservation grants	$ 625,298	$ -	$ 3,802,370	$ -	**$ 4,427,668**	$ 1,851,121
Donations	87,713	-	42,181	-	**129,894**	632,046
Donations of property	5,000	-	112,601	-	**117,601**	59,031
Investment income, net	-	4,543	28,398	302,212	**335,153**	249,580
Other income	32,286	-	-	-	**32,286**	12,218
	750,297	4,543	3,985,550	302,212	**5,042,602**	2,803,996
Expenses						
Amortization of property	27,357	-	-	-	**27,357**	16,059
Land stewardship	213,425	-	-	-	**213,425**	268,743
Operations	102,802	-	100,165	24,618	**227,585**	111,501
Salaries and benefits	400,055	-	38,782	-	**438,837**	365,695
	743,639	-	138,947	24,618	**907,204**	761,998
Excess of revenue over expenses	$ 6,658	$ 4,543	$ 3,846,603	$ 277,594	**$ 4,135,398**	$ 2,041,998

See accompanying notes to financial statements

Long Point Basin Land Trust

Statement of Cash Flows

For the Year Ended March 31, 2026

	Total 2026	Total 2025
OPERATING ACTIVITIES		
Excess of revenue over expenses	**$ 4,135,398**	$ 2,041,998
Items not affecting cash:		
Amortization of property	**27,357**	16,059
In kind donations of property and investments	**(124,310)**	(59,031)
Unrealized gain on investments	**(357,473)**	-
	3,680,972	1,999,026
Changes in non-cash working capital:		
Accounts receivable	**(753,017)**	180,290
Accounts payable	**(14,133)**	(143,067)
Deferred revenue	**(18,590)**	204,288
Prepaid expenses	**(4,828)**	(927)
HST recoverable	**(156,760)**	64,178
	(947,328)	304,762
Cash flow from operating activities	**2,733,644**	2,303,788
INVESTING ACTIVITIES		
Purchase of property	**(3,498,339)**	(1,916,616)
Net proceeds from (purchase of) investments	**863,503**	(1,277,447)
Cash flow used by investing activities	**(2,634,836)**	(3,194,063)
INCREASE (DECREASE) IN CASH FLOW	**98,808**	(890,275)
Cash - beginning of year	**231,669**	1,121,944
CASH - END OF YEAR	**$ 330,477**	$ 231,669

See accompanying notes to financial statements

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 (ASNPO).

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 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.

(continues)

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 the 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

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.

3. INVESTMENTS

Reserve funds - mutual funds and equities	
Operating reserve - board designated funds for cash flow and financial stability	$ 163,665
Building reserve - board designated funds for building maintenance	54,555
	218,220
Acquisition Fund - mutual funds and equities	
Board designated funds for new acquisitions	74,782
Board designated funds for future opportunities	444,156
	518,938
Stewardship Endowment Fund - mutual funds and equities	
Board designated and externally restricted funds for the long-term protection of the conservation properties	2,509,569
TOTAL	**$ 3,246,727**

4. INTERFUND TRANSFERS

During the year, the Acquisition Fund transferred a net amount of $709,509 to the Operating Fund, and $519,415 to the Stewardship Endowment Fund (2025 - Operating Fund transferred a net amount of $402,246 to the Acquisition Fund and $358,756 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 $78,339 (2025 - $871) to the Operating Fund for disbursements made from the Operating Fund on behalf of the Acquisition Fund. The Acquisition Fund owes $282,000 (2025 - $0) to the Stewardship Endowment Fund because it is the Organization's policy to invest a portion of each purchase price into the endowment. The loan bears no interest and has no set repayment terms.

6. PROPERTY

Acquisition Fund

	2026	2025
Al (Pic) and Pat Robinson Nature Reserve	**$ 75,050**	$ 75,050
Alton Family Nature Reserve	**1,276,448**	1,276,448
Arthur Langford Nature Reserve	**349,623**	349,623
Clear Creek Reserve	**375,000**	-
Decloet Family Forest Legacy	**640,168**	640,168
Delhi Wetland Nature Reserve	**24,000**	24,000
Fred Jonckheere Fishers Creek Reserve	**1,281,634**	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
Swallow Hills Nature Reserve	**861,962**	-
Sand Prairie Savanna Nature Reserve	**1,136,652**	1,136,652
Shirley and George Pond Nature Reserve	**459,101**	459,101
Spring Arbour Farm Nature Reserve	**422,518**	422,518
St. William Savanna Reserve	**1,739,378**	-
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
	$ 11,976,394	$ 9,000,054

Operating Fund

	2026	2025
Building - 1039 Bay Street	**$ 443,522**	$ 443,521
Buildings - accumulated amortization	**(73,520)**	(58,102)
Land - 1039 Bay Street	**80,000**	80,000
Buildings: Swallow Hills Nature Reserve	**596,999**	-
Building - Swallow Hills Nature Reserve house & shed - accumulated amortization	**(11,940)**	-
	$ 1,035,061	$ 465,419

7. DEFERRED REVENUE

	2026	2025
Beginning balance	**$ 239,234**	$ 34,946
Funding received	**4,409,078**	2,055,408
Funding used	**(4,427,668)**	(1,851,120)
	$ 220,644	$ 239,234

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

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, 2026.

(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.