

**LONG POINT WORLD
BIOSPHERE RESERVE FOUNDATION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of **LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION**:

We have reviewed the accompanying statement of financial position of Long Point World Biosphere Reserve Foundation as at December 31, 2019, and the statements of operations, changes in fund balance, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Long Point World Biosphere Reserve Foundation as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Other Matter

The financial statements for the year ended December 31, 2018 were prepared by another practitioner and were not subject to an audit engagement or a review engagement. We were not engaged to audit, review or apply any procedures to the financial statements for the year ended December 31, 2018 and, accordingly, do not express a conclusion or any other form of assurance on the financial statements for the year ended December 31, 2018 taken as a whole.

Millard, Rouse + Rosebrugh LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

Simcoe, Ontario
May 31, 2020

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

(With comparative figures as at December 31, 2018)

(Unaudited)

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	94,511	124,601
Short term investments	50,000	-
Accounts receivable	2,620	850
Accrued interest receivable	490	-
Harmonized sales taxes receivable	1,237	369
Prepaid expenses	4,956	-
Total current assets	153,814	125,820
Original Artwork	1,800	1,800
Total Assets	155,614	127,620
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts payable and accrued liabilities	4,474	4,000
Deferred revenue	71,407	47,823
Total current liabilities	75,881	51,823
Fund Balance		
Restricted Fund	50,000	50,000
Unrestricted fund	29,733	25,797
Total Liabilities and Fund Balance	155,614	127,620

Approved on behalf of the Board

_____ Director

_____ Director

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

STATEMENT OF CHANGES IN FUND BALANCE

For the year ended December 31, 2019

(With comparative figures for the year ended December 31, 2018)

(Unaudited)

	2019	2018
	\$	\$
Unrestricted Fund Balance, Beginning of Year	25,797	28,042
Excess of Revenue over Expenses for the Year	3,936	(2,245)
Fund Balance, End of Year	29,733	25,797

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

STATEMENT OF OPERATIONS

For the year ended December 31, 2019

(With comparative figures for the year ended December 31, 2018)

(Unaudited)

	2019	2018
	\$	\$
Income		
Government Grants	102,129	60,540
Third Party Fundraising	3,569	869
Conference Fees	1,705	-
Memberships	1,286	799
Interest	947	921
CanadaHelps Donations	408	-
Corporate Sponsorship	250	-
General Donations	374	3,498
Other Income	105	-
Total income	110,773	66,627
General and Administrative Expenses		
Administration Contract	11,806	3,200
HST unrecoverable	2,837	-
Website development and maintenance	1,188	2,174
Insurance	1,003	899
Advertising and promotion	665	-
Volunteer	635	-
Office	576	7,160
Professional fees	1,593	7,625
Bank charges	289	-
Meetings	239	-
Licenses and dues	108	83
Total expenses	20,939	21,141
Programming Expenses		
Education	6,749	1,825
Public Awareness	347	8,079
Research and Conservation	76,172	26,141
Sustainable Tourism	2,630	11,686
Total expenses	85,898	47,731
Excess of Revenue over Expenses for the Year	3,936	(2,245)

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

(With comparative figures for the year ended December 31, 2018)

(Unaudited)

	2019	2018
	\$	\$
Cash Flows from (used in) Operating Activities		
Excess of revenue over expenses for the year	3,936	(2,245)
Adjustments to harmonized sales taxes recoverable	(2,832)	-
Changes in non-cash working capital accounts		
Decrease (increase) in accounts receivable	(1,770)	(850)
Decrease (increase) in harmonized sales taxes receivable	(868)	490
Decrease (increase) in inventory	(490)	-
Decrease in prepaid expenses	(4,956)	-
Increase (decrease) in accounts payable and accrued liabilities	475	(297)
Increase (decrease) in deferred revenue	(23,584)	(75,396)
Cash flows from (used in) operating activities	(30,089)	(78,298)
Investment in restricted fund	50,000	50,000
Increase (Decrease) in Cash During the Year	19,911	(28,298)
Cash, Beginning of Year	124,601	152,899
Cash, End of Year	144,512	124,601

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

(Unaudited)

1. NATURE OF ORGANIZATION

The Long Point World Biosphere Reserve Foundation (the Foundation) represents an area of terrestrial and coastal ecosystem that is internationally recognized within the United Nations Educational, Scientific and Cultural Organization (UNESCO) Man and Biosphere (MAB) Program for promoting and demonstrating a balanced relationship between people and nature. The Foundation promotes research, monitoring, education and appropriate projects that support the goals of conservation and sustainable use in the Long Point World Biosphere Reserve. The Foundation is a registered charitable organization and accordingly is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(a) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Other revenue is recognized when it is received or receivable and collection can be reasonably assured. Donations are recorded when received.

(b) Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and deferred revenue. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with 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 are expensed when incurred.

All financial instruments in these financial statements are reported at amortized cost which approximates fair value due to their short-term nature.

(c) Contributed Services

Volunteers contribute many hours per year to assist the Foundation. Because of the difficulty of determining fair value, contributed services are not recognized in the financial statements.

(d) Government Grants

Government grants are recorded when there is reasonable assurance that the Foundation has complied with and will continue to comply with all the necessary conditions to obtain the grants. Deferred revenue results from contributions and funds received prior to year end for programs that are to be completed in the next fiscal year.

LONG POINT WORLD BIOSPHERE RESERVE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Use of Estimates

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 amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting 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 those estimates. The primary estimates made by management relate to accruals and deferred contributions.

3. DEFERRED CONTRIBUTIONS

Deferred contributions are related to funds received prior to year-end for programs and spending expected to occur in the next fiscal year. Deferred contributions relate to the Long Point Causeway Improvement Project, the Sustainable Tourism Project, the Community Conservation Initiative, Ontario's Priority Place and Nature Canada's Naturehood Program. As funds are spent under these programs, the corresponding revenue is recognized.

4. COMMITMENTS

The Foundation has committed, under contract, to monitor its tree plantings at various stages covering 25 years from the date of planting. Enough funds have been advanced to the Long Point Region Conservation Authority to monitor these tree plantings over the life of these contracts.

5. FINANCIAL INSTRUMENTS

The Foundation 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 Foundation's risk exposure and concentration as of December 31, 2019.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Foundation is not exposed to significant credit risk as any receivables relate to government funding due in respect of contractual agreements.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The Foundation is exposed to liquidity risk only in respect of its accounts payable, however, this risk is minimized given the nature of the operations in that typically funding is matched with expenditures, and payables result from timing differences between these two amounts.

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 is comprised of three types of risk: currency risk, interest rate risk and other price risk. The Foundation does not have significant exposure to any type of market risk.