
Bruce Peninsula Biosphere Association

Financial Statements

December 31, 2025



RADE BARRINGTON

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Directors of
Bruce Peninsula Biosphere Association

Qualified Opinion

We have audited the financial statements of Bruce Peninsula Biosphere Association, which comprise the statement of financial position as at December 31, 2025 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 Organization as at December 31, 2025 and its financial performance 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, memberships, and fundraising and raffle activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any audit adjustments might be necessary to donations, memberships, fundraising and raffle, excess of revenue over expenses for the year, cash flow from operations for the years ended December 31, 2025 and 2024, and net assets as at December 31 for the the 2025 and 2024 years. The prior year audit opinion on the financial statements for the years ended December 30, 2024 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 responsibility under those standards are further described in the Auditor's Responsibility 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organization, 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 related 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.

Auditors' Responsibility 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 included 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 appropriated 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 disclosure 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 represents 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.

Rade Barrington Professional Corporation

Markham, Ontario
June 13, 2026

Rade Barrington Professional Corporation
Authorized to practice public accounting by the Chartered
Professional Accountants of Ontario

Bruce Peninsula Biosphere Association

Statement of Financial Position

As at December 31, 2025

	<u>2025</u>	<u>2024</u>
Assets		
Current		
Cash	\$ 192,680	\$ 50,793
Short term investment	126,500	160,000
Accounts receivable (Note 3)	68,234	24,297
Merchandise inventory (Note 4)	2,158	-
Prepaid expenses	<u>3,063</u>	<u>-</u>
	392,635	235,090
Capital Assets (Note 5)	<u>618,902</u>	<u>625,160</u>
	<u>\$ 1,011,537</u>	<u>\$ 860,250</u>
Liabilities		
Current		
Amounts payable and accrued liabilities (Note 6)	\$ 49,789	\$ 26,237
Deferred grant revenue (Note 7)	<u>163,178</u>	<u>10,831</u>
	<u>212,967</u>	<u>37,068</u>
Net Assets		
Internally restricted (Note 8)	20,961	20,588
Invested in capital assets	618,902	625,160
Unrestricted	<u>158,707</u>	<u>177,434</u>
	<u>798,570</u>	<u>823,182</u>
	<u>\$ 1,011,537</u>	<u>\$ 860,250</u>

Approved on behalf of the board:

_____ Director

_____ Director

Bruce Peninsula Biosphere Association

Statement of Operations

For the year ended December 31, 2025

	2025	2024
Revenue		
Grants - Water Quality (Note 10)	\$ 137,146	\$ 112,872
Grants - Other programs (Note 10)	42,297	9,917
Grants - Bayside Astronomy	14,235	14,631
Grants - Eco Adventures	-	2,479
Eco Adventures	9,629	9,629
Gran Fondo (Note 11)	64,197	56,091
Fundraising and raffle	14,153	10,510
Donations	25,070	7,780
Memberships and interest	<u>7,906</u>	<u>10,877</u>
	<u>314,633</u>	<u>234,786</u>
Expenses		
Water Quality Projects		
Salaries, benefits and contracts	126,842	37,168
Materials, services and supplies	23,782	80,202
Wetlands Restoration		
Materials, services and supplies	2,890	7,502
Eco Adventures		
Salaries, benefits and contracts	5,721	4,807
Materials, services and supplies	3,534	5,486
Bayside Astronomy		
Salaries, benefits and contracts	24,528	16,668
Materials, services and supplies	5,143	2,355
General and administrative		
Salaries, benefits and contracts	84,721	34,524
Non-recoverable HST	(4,090)	(4,041)
Accounting and legal	10,300	10,300
Consulting	3,446	15,286
Other	1,734	2,743
Website and communications	790	6,459
Insurance	2,645	2,215
Field expenses	-	6
Amortization	7,908	7,578
Lottery and fundraising	<u>39,351</u>	<u>5,118</u>
	<u>339,245</u>	<u>234,376</u>
Excess (deficiency) of revenue over expenses	\$ (24,612)	\$ 410

Bruce Peninsula Biosphere Association

Statement of Changes in Net Assets

For the year ended December 31, 2025

	Unrestricted	Invested in Capital Assets	Internally Restricted	2025 Total	2024 Total
			(Note 8)		
Net assets, beginning of the year	\$ 177,434	\$ 625,160	\$ 20,588	\$ 823,182	\$ 822,772
Excess (deficiency) of revenue over expenses for the year	\$ (24,612)	\$ -	\$ -	\$ (24,612)	\$ 410
Transfer to purchase of capital asset	\$ (1,650)	\$ 1,650	-	-	-
Amortization	\$ 7,908	\$ (7,908)	\$ -	\$ -	\$ -
Transfer of Eco-Adventures excess (deficiency) of revenue over expenditures	\$ (373)	\$ -	\$ 373	\$ -	\$ -
Net assets, end of the year	\$ 158,707	\$ 618,902	\$ 20,961	\$ 798,570	\$ 823,182

Bruce Peninsula Biosphere Association

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (24,612)	\$ 410
Items not involving cash		
Deferred revenue recognized	(10,831)	(59,022)
Amortization of capital assets	<u>7,908</u>	<u>7,578</u>
	(27,535)	(51,034)
Changes in non-cash working capital balances		
Accounts receivable	(43,937)	6,218
Merchandise inventory	(2,158)	-
Prepaid expenses	(3,063)	-
Accounts payable and accrued liabilities	23,552	(621)
Deferred revenues received	<u>163,178</u>	<u>10,831</u>
	<u>110,037</u>	<u>(34,606)</u>
Financing activity		
Short term investment redeemed (purchased)	<u>33,500</u>	<u>(60,000)</u>
Investing activity		
Purchase of capital assets	<u>(1,650)</u>	<u>-</u>
Change in cash during the year	141,887	(94,606)
Cash, beginning of year	<u>50,793</u>	<u>145,399</u>
Cash, end of year	\$ 192,680	\$ 50,793

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

1. Purpose of the 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.

2. Significant Accounting Policies

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 Organization 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 determined and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Donations, fundraising, raffle, memberships and interest are recognized 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

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

2. Significant Accounting Policies cont'd

Inventory

Inventory consists of merchandise purchased for resale. Inventory is measured at the lower of cost and net realizable value. Cost is determined using the average cost method. Net realizable value is the estimated selling price in the ordinary course of operations less any costs necessary to make the sale.

The Association reviews inventory at each reporting date and records a write-down when inventory is impaired or obsolete. Any write-downs are recognized as an expense in the period in which the impairment occurs.

Allocation of expenses

The Association allocates certain expenses to projects and programs based on the nature of the cost. Direct project-specific expenses are charged directly to the applicable project or program. Salaries, benefits, and contract services are allocated based on the hourly rate and the number of hours worked on each project or program, as recorded by employees and contractors.

Management reviews and approves the allocation methodology annually to ensure that it reasonably reflects the effort and resources applied to specific projects and programs.

Pledges

Pledges to donate funds to the Association are not included in revenues until such time as the funds are received.

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.

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

2. Significant Accounting Policies cont'd

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.

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

3. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

	<u>2025</u>	<u>2024</u>
Grants and other		
Government of Ontario	\$ 42,000	\$ 18,750
Eco Canada Careers	8,960	-
Government of Canada	4,500	-
Ausable Bayfield Conservation Authority	3,000	-
Other	2,107	4,017
HST Recoverable	<u>7,667</u>	<u>1,530</u>
Balance, end of year	<u>\$ 68,234</u>	<u>\$ 24,297</u>

4. Inventory

Inventory consists of merchandise held for resale and is recorded at the lower of cost and net realizable value. At December 31, 2025, inventory totaled \$2,158 (2024 - \$NIL).

5. Capital Assets

Capital assets consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 610,667	\$ -	\$ 610,667	\$ 610,667
Equipment	101,663	93,893	7,770	13,563
Computers	<u>8,443</u>	<u>7,978</u>	<u>465</u>	<u>930</u>
	<u>\$ 720,773</u>	<u>\$ 101,871</u>	<u>\$ 618,902</u>	<u>\$ 625,160</u>

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

6. Accounts Payable and Accrued Liabilities

There are no government remittances included in accounts payable and accrued liabilities (2024 - \$NIL).

7. Deferred Revenue

	<u>2025</u>	<u>2024</u>
Ontario Trillium Foundation - Water Quality	\$ 49,433	\$ -
Ontario Ministry of Environment - Septic systems	26,821	-
Environment Canada - Ecoaction	17,225	-
JP Bickell Foundation	17,100	-
Grey Bruce Community Foundation	13,000	-
Barrow Bay Property Owners Association	12,875	-
Lottery and fundraising	10,027	7,156
Greenbelt Foundation	9,795	-
Trillium Mutual Insurance	3,000	-
Government of Canada - Water Canada	2,885	-
Eco Canada	1,017	-
Ontario Ministry of Environment - Six Streams	-	2,405
Eco Adventures Program	<u>-</u>	<u>1,270</u>
Balance, end of year	<u>\$ 163,178</u>	<u>\$ 10,831</u>

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

8. Internally Restricted Net Assets

The Internally Restricted Net Assets related to The Association's Eco Adventure program and have been internally restricted by the board to hedge the risk against the program not earning profit to disseminate to The Association's conservation and stewardship efforts. The Association sought grants to assist with the start up phase of the program, and have restricted any excess of revenue over expenses that the program generated to segregate funds appropriately.

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 20,588	\$ 18,554
Excess of revenue over expenses for Eco Adventures	<u>373</u>	<u>2,034</u>
Balance, end of year	<u>\$ 20,961</u>	<u>\$ 20,588</u>

9. Government Grants

During the year the Association received a number of government grants to be used for specific on going projects.

Water Quality (2024 - Six Streams)

The Association received approval for a \$358,300 grant from the Ontario Trillium Foundation, distributed over three years, to advance the Water Quality (2024 - Six Streams) Project addressing water quality on the Bruce Peninsula. In the current year, the association received \$154,500 (2024 - \$NIL) in funding from this grant, \$105,067 (2024 - \$NIL) has been recognized as revenue and \$49,433 (2024 - \$NIL) of which has been deferred to continue the work in fiscal 2026.

The Association also received approval for a \$192,000 grant from the Ontario Ministry of the Environment, Conservation and Parks distributed over three years to continue the Association's Septic System Incentive project, which operates under the larger Water Quality project title. The grant assists with Septic System inspections and replacements for home owners on the Bruce Peninsula in high-priority water-shed areas. In the current year \$42,000 (2024 - \$NIL) has been recorded as a receivable contribution with \$15,179 (2024 - \$NIL) being recorded as revenue and \$26,821 (2024 \$NIL) being deferred to continue the work in fiscal 2026.

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

10. Government Grants Cont'd

The Association also received approval for a \$77,000 grant from the Canadian Ministry of the Environment (Canadian Water Agency) distributed over three years for further support in the water quality projects undertaken by the association on the Bruce Peninsula. In the current year \$8,515 (2024 - \$NIL) has been recorded as revenue and \$17,225 (2024 - \$NIL) has been deferred to continue work in fiscal 2026.

11. Gran Fondo

Gran Fondo includes net revenues of \$64,197 (2024 - \$56,091). The gross revenues were \$96,139 (2024 - \$84,311) including sponsorship and donation revenues and gross expenses were \$31,942 (2024 - \$28,220).

Bruce Peninsula Biosphere Association

Notes to Financial Statements

December 31, 2025

12. Financial Instruments and Risk Management

In accordance with section 3855, Financial Instruments - Recognition and Measurement, financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The financial assets and financial liabilities of The Association are classified and measured as follows:

Financial Asset/ Liability	Category	Measurement
Cash	Available for sale	Fair value
Accounts receivable	Loans and receivables	Amortized cost
HST recoverable	Loans and receivables	Amortized cost
Amounts payable	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs. Gains and losses arising from changes in fair value of financial instruments classified as available for sale are recognized in the statement of changes in net assets until the financial asset is sold or otherwise derecognized. Upon sale or derecognition, the cumulative gain or loss previously recognized in the statement of changes in net assets is transferred to the statement of operations.

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability at the reporting date.

For HST recoverable and amounts payable, the fair values approximate their carrying value due to their short term maturity or capacity of prompt liquidation. The fair value of loan payable is not determinable and it is recorded at its carrying value.

The Organization's risk management policy is to reduce volatility in cash flow and earnings. The Board of Directors reviews the risk management policy on an annual basis. It is the Board's opinion that the Organization is not exposed to significant interest rate risk, credit risk or liquidity risk.