

**FINANCIAL STATEMENTS OF**

**THE LAND BETWEEN**

**March 31, 2015**

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**INDEPENDENT AUDITORS' REPORT**

To the Members of  
The Land Between

*Report on the Financial Statements*

We have audited the accompanying financial statements of The Land Between, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net assets 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Organization's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Qualified Opinion*

The Land Between derives a material amount of revenue from donations and merchandise sales. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donation and merchandise revenues and the accuracy and classification of merchandise revenues. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

## INDEPENDENT AUDITORS' REPORT, continued

### *Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2015 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.

### *Emphasis of Matter*

We draw attention to Note 6 to the financial statements which describes amendments to the financial statements originally reported on September 14, 2015.

*Collins Barrow Kawartha LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Lindsay, Ontario  
February 16, 2016

**THE LAND BETWEEN**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2015**

	2015	2014
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (note 3)	35,400	31,652
Accounts receivable	4,368	-
HST rebate receivable	9,714	8,574
	<u>49,482</u>	<u>40,226</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	35,942	11,347
<b>Deferred contributions - operating (note 5)</b>	-	25,000
	<u>35,942</u>	<u>36,347</u>
<b>Net assets (note 6(b))</b>	<u>13,540</u>	<u>3,879</u>
	<u>49,482</u>	<u>40,226</u>

*The accompanying notes are an integral part of these financial statements*

**THE LAND BETWEEN**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
For the year ended March 31, 2015

	2015	2014
	\$	\$
<b>Revenues</b>		
Special projects - grants and contributions (note 7)	130,170	82,402
Merchandise, books, DVD sales	10,657	17,458
Workshops and events	787	2,039
Donations	520	860
Memberships	168	3,004
Special projects - contract	-	5,800
	<u>142,302</u>	<u>111,563</u>
<b>Expenses</b>		
Administrative		
Contractor Services	605	-
Office	8,148	9,751
Professional fees	8,378	6,510
Advertising and promotion	5,679	3,809
Insurance	1,537	1,404
Interest and bank charges	68	278
	<u>24,415</u>	<u>21,752</u>
Special projects		
Administration	53,601	10,548
Blueway greenway	41,312	-
Travel and meetings	9,219	5,923
Special project office	3,513	-
Turtle Guardians	581	5,398
Wages	-	33,200
Tourism services	-	20,563
Equipment	-	7,249
Communications & outreach	-	1,757
Tourism products	-	309
	<u>108,226</u>	<u>84,947</u>
	<u>132,641</u>	<u>106,699</u>
<b>Excess of revenues over expenses for the year</b>	<u>9,661</u>	<u>4,864</u>
As previously stated	(11,322)	(985)
Prior period adjustment (note 6(b))	15,201	-
<b>Net assets (deficit), as restated</b>	<u>3,879</u>	<u>(985)</u>
<b>Net assets (deficit) - end of year</b>	<u>13,540</u>	<u>3,879</u>

*The accompanying notes are an integral part of these financial statements*

**THE LAND BETWEEN**  
**STATEMENT OF CASH FLOWS**  
For the year ended March 31, 2015

	2015	2014
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	9,661	4,864
Change in non-cash working capital items		
Increase in accounts receivable	(4,368)	-
Increase in HST rebate receivable	(1,140)	(2,206)
Increase (decrease) in accounts payable and accrued liabilities	24,595	(5,704)
Deferred contributions - operating	(25,000)	14,440
<b>Increase in cash</b>	<b>3,748</b>	<b>11,394</b>
<b>Cash - beginning of year</b>	<b>31,652</b>	<b>20,258</b>
<b>Cash - end of year</b>	<b>35,400</b>	<b>31,652</b>

*The accompanying notes are an integral part of these financial statements*

**THE LAND BETWEEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2015**

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**1. NATURE OF OPERATIONS**

The Land Between was incorporated by letters patent without share capital under the provisions of the Canada Corporations Act on June 13, 2011, and began operations in May of 2012. The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

The objects of the Organization are as follows:

- (a) To protect, preserve and conserve the ecotone along the southern edge of the Canadian shield, from southern Georgian Bay to the Frontenac axis north of Kingston in Ontario ("the land between").
- (b) To conduct research into social, economic, environmental and cultural issues that are relevant to the land between and disseminating the results of such research to the public.
- (c) To convene conferences, seminars and workshops for the benefit of the public on social, economic, environmental and cultural issues that are relevant to the land between.
- (d) To convene meetings of the public for the purpose of exchanging knowledge about best practices for preserving, conserving and restoring the land between.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) *Cash equivalents*

Cash and cash equivalents are defined as cash, balances with banks, bank overdrafts, and short term deposits with term maturity of three months or less at the date of purchase.

(b) *Property, plant and equipment*

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The average total revenues of the Organization over the past two years is less than \$500,000 and therefore the Organization is not required to record capital assets and amortization in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. As a result, additions to capital assets, both purchased and contributed, are recorded as capital expenditure in the statement of operations and changes in net assets in the year of acquisition. .

(c) *Revenue recognition*

The Organization follows the deferral method of accounting for contributions. 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. Investment income is recognized as revenue when earned. Revenue from merchandise sales are recognized when goods are shipped.

**THE LAND BETWEEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2015**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(d) Financial instruments*

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed up by the related parties.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.

*(e) Contributed services*

Volunteers contribute a significant number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials with an estimable fair market value are recognized if they would have been otherwise purchased in the normal course of operations.

*(f) 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 disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**THE LAND BETWEEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2015**

**3. CASH**

In connection with its banking agreement, the Organization has agreed to maintain an account with a minimum balance of \$2,000, equal to the credit limit on the VISA card. A breakdown of the cash accounts is as follows:

	2015	2014
	\$	\$
Chequing account	33,397	29,651
Funds held for VISA	2,003	2,001
	<b>35,400</b>	<b>31,652</b>

**4. INVENTORY**

Total inventory purchased and expensed in the current year is \$4,181 (2014 - \$5,155).

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions consist of restricted contributions received that have not been spent as at the date of the statement of financial position. The balances for the year are as follows:

	2015	2014
	\$	\$
Salamander Foundation	-	25,000

**6. AMENDMENTS FROM PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

(a) The current period financial statements have been amended from the audited financial statements dated September 14, 2015 to reflect additional receivables of \$2,820, additional payables \$14,909 and the realization of \$48,605 of deferred contributions - operating as a result of special projects reconciliations which determined amounts to have been spent. This has resulted in a \$1,653 increase in accounts receivable, \$1,167 increase in HST rebate receivable, a \$48,605 decrease in deferred contributions - operating, a \$35,054 increase in special projects revenue, a \$14,909 increase in accounts payable and accrued liabilities and various expenses. Overall, these adjustment, combined with the adjustments below, have resulted in a net increase in net assets of \$36,514.

(b) The comparative figures have been restated to reflect special projects income of \$15,201 which was previously deferred but subsequently reconciled and determined to have been spent. This has resulted in an increase in special projects revenue and net assets of \$15,201 and a corresponding decrease in deferred contributions - operating.

**THE LAND BETWEEN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2015

7. **SPECIAL PROJECTS - GRANTS AND CONTRIBUTIONS**

	2015	2014
	\$	\$
Wildlife Habitat of Canada	58,400	-
RBC Bluewater	20,000	-
Environment Canada	16,500	-
Ontario Federation of Anglers and Hunters (OFAH)	10,000	-
Salamander Foundation	25,000	-
Special Projects Income	215	-
Turtle Guardians	55	-
County of Haliburton	-	10,000
TD Friends of the Environment Foundation	-	8,000
Haliburton County Development Corporation	-	9,842
Ontario Trillium Foundation	-	54,560
	<b>130,170</b>	<b>82,402</b>

8. **FINANCIAL INSTRUMENTS**

The Organization is exposed to the following risks in respect of certain of the financial instruments held:

(a) *Liquidity risk*

Liquidity risk is the risk that the Organization will not be able to repay its liabilities as they become due. The Organization is exposed to liquidity risk on its accounts payable and accrued liabilities. The Organization maintains a credit card to repay accounts payable as they become due.