

The Land Between
Financial Statements
For the year ended March 31, 2019

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**To the Board of Directors of
The Land Between**

Opinion

We have audited the financial statements of The Land Between (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenses, 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 balance sheet of the organization as at March 31, 2019, and the statements of revenue and expenses, fund balances and 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 and cash receipts the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues other than grants, excess of revenue over expense, assets and fund balances.

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.

Other Matter

The financial statements of the Organization for the year ended March 31, 2018 were audited by another auditor who expressed a modified opinion on those statements on July 20, 2018.

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 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 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.

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.

**The Land Between
Statement of Financial Position**

March 31 **2019** **2018**

Assets

Current

Cash	\$ 121,920	\$ 15,846
Accounts receivable	20,310	9,498
Prepaid expenses	2,350	-
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	\$ 144,580	\$ 25,344

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 2,637	\$ 2,064
Deferred revenue (Note 2)	116,354	-
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	118,991	2,064

Net assets

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	25,589	23,280
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	\$ 144,580	\$ 25,344

The accompanying notes are an integral part of these financial statements

**The Land Between
Statement of Net Assets**

For the year ended March 31	2019	2018
Balance - beginning of the year	\$ 23,280	\$ 20,671
Excess of revenue over expenses	2,309	2,609
Balance - end of the year	\$ 25,589	\$ 23,280

The accompanying notes are an integral part of these financial statements

The Land Between Statement of Revenue and Expenses

For the year ended March 31	2019	2018
Revenue		
Donations	\$ 5,158	\$ 6,836
Merchandise, books and DVD sales	4,817	4,366
Special projects - grants	327,577	93,688
Workshops and events	2,816	3,065
	340,368	107,955
Expenses		
Administrative		
Bank charges and interest	213	118
Human resources staffing	-	2,270
Insurance	100	1,475
Office	8,088	6,640
Professional fees	2,179	4,210
	10,580	14,713
Outreach		
Advertising and promotion	1,203	2,112
Meeting and catering	12,332	2,948
	13,535	5,060
Special projects		
Advertising and promotion	13,261	11,112
Blueway greenway	-	46
Contractor services	114,303	9,701
Honorariums	6,570	5,714
Human resources staffing	116,649	37,582
Internet and communications	7,739	686
Office and supplies	28,837	5,564
Publications and printing	9,936	6,992
Travel and workshops	12,609	8,176
Turtle guardians	4,040	-
	313,944	85,573
Total expenses	338,059	105,346
Excess of revenue over expenses	\$ 2,309	\$ 2,609

The accompanying notes are an integral part of these financial statements

The Land Between Statement of Cash Flows

For the year ended March 31	2019	2018
Operating activities		
Excess of revenue over expenses	\$ 2,309	\$ 2,609
Changes in non-cash working capital balances		
Accounts receivable	(10,815)	11,912
Prepaid expenses	(2,350)	-
Accounts payable and accrued liabilities	576	(23,227)
Deferred revenue	116,354	(26,573)
Net change in cash during the year	106,074	(35,279)
Cash position, beginning of the year	15,846	51,125
Cash position, end of the year	\$ 121,920	\$ 15,846

The accompanying notes are an integral part of these financial statements

The Land Between Notes to Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies

a) Nature of the Entity

The Land Between ("the Organization") 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 has defined its mission 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 - "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 the land between; and

d) to convene meetings of the public for the purpose of exchanging knowledge about best practices for preserving, conserving, and restoring the land between.

b) Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

c) Revenue Recognition

The organization utilizes 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 can be reasonably estimated and collection is reasonably assured.

d) Financial Instruments

i) Measurement

Financial instruments are recorded at fair value at initial recognition.

The company's financial assets consisting of cash and accounts receivable are recorded at fair value when acquired or issued. The company's financial liabilities consisting of accounts payable and accrued liabilities are recorded at fair value when acquired or issued.

ii) Impairment

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

(continued)

The Land Between Notes to Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies (continued)

d) Financial Instruments (continued)

iii) Transaction Costs

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

e) Accounts Receivable

The Organization records accounts receivable for amounts owing by a funder for approved expenditures incurred in the current year; and recognizes the HST/GST refund for expenditures paid or payable during the year.

f) Capital Assets

Capital assets are expensed at acquisition in accordance with not-for-profit accounting guidelines.

g) Deferred Revenue

Deferred revenue is the amount which represents an excess of revenue received for specific programs over expenditures made by the year end for those programs.

h) Contributed Services and Materials

Volunteers contribute significant hours each year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, these services are not recognized in the financial statements.

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

i) Management Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

Key areas where management has made complex or subjective judgments include determination of accounts payable and accrued liabilities.

Differences in actual results from prior estimates are taken into account at the time the differences are determined.

The Land Between Notes to Financial Statements

March 31, 2019

2. Deferred Revenue

Deferred revenue is comprised of unspent operating grants and unspent restricted donations. The availability of the grants in future periods is ultimately dependant upon various funding bodies, and as a result amounts included in deferred contributions may become repayable to the funder.

	Donations	Trillium ₁	Trillium ₂	Total
Opening balance	\$ -	\$ -	\$ -	\$ -
Funding received	12,913	336,600	66,600	416,113
Amount earned	(5,157)	(257,908)	(36,694)	(299,759)
Ending balance	<u>\$ 7,756</u>	<u>\$ 78,692</u>	<u>\$ 29,906</u>	<u>\$ 116,354</u>

Program Legend:

- ¹ Trillium Agreement - Turtle Guardians
 - ² Trillium Agreement - Blue Lake
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3. Financial Instrument Risk

The Organization's financial instruments consists of cash, accounts receivable, accounts payable and accrued liabilities and deferred revenue. The financial instruments are subject to several types of risk, the main components being:

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligation. The Organization is exposed to that risk from its funders. Due to the nature of the Organization, the credit risk is minimized by the signed contracts received from recognized government prior to beginning the programs in question.

The Organization's bank accounts are held at a national bank and the total amount on deposit exceeds the Canadian Deposit Insurance Corporation (CDIC). The Organization is subject to credit risk on the excess deposits over CDIC coverage of \$100,000.

Changes in Risk

There have been no significant changes in the Organization's risk exposures from the prior year.
