
GEORGIAN BAY FOREVER

FINANCIAL STATEMENTS

DECEMBER 31, 2020

GEORGIAN BAY FOREVER

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of GEORGIAN BAY FOREVER

Qualified Opinion

I have audited the financial statements of GEORGIAN BAY FOREVER (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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 my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, the statement of revenue and expenditures for the year 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 not-for-profit organizations, the Organization derives revenues from the general public in the form of revenue from events and general donations and grants, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to donations revenue, the excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2020 and December 31, 2019, current assets as at December 31, 2020 and December 31, 2019 and net assets as at beginning and the end of the years ended December 31, 2020 and December 31, 2019. My audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

(continued)

INDEPENDENT AUDITOR'S REPORT (continued)

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

(continued)

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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.

I 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 I identify during my audit.

Toronto, Ontario
April 7, 2021

CPA, CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

GEORGIAN BAY FOREVER

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS	2020	2019
CURRENT		
Cash and cash equivalents	\$ 292,351	\$ 172,616
Contributions receivable (Note 2)	-	26,495
Short-term investment (Note 3)	219,536	219,536
Government rebates receivable	4,534	6,599
Prepaid expenses	3,045	3,086
Inventory	1,874	1,874
	521,340	430,206
TANGIBLE CAPITAL ASSETS (Note 4)	78,977	90,533
	\$ 600,317	\$ 520,739
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,186	\$ 19,048
Government remittances payable	7,716	6,900
Deferred contributions (Note 5)	92,029	37,599
	122,931	63,547
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	-	38,000
	122,931	101,547
NET ASSETS		
Unrestricted	472,386	414,192
Endowment (Note 7)	5,000	5,000
	477,386	419,192
TOTAL LIABILITIES AND NET ASSETS	\$ 600,317	\$ 520,739

APPROVED ON BEHALF OF THE BOARD:

Joseph A Tucker Director
ACU Director

April 7, 2021

Date

SIGN HERE

April 7, 2021

Date

SIGN HERE

GEORGIAN BAY FOREVER

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUES		
Donations and grants	\$ 643,086	\$ 655,425
Interest and fundraising income	5,745	6,911
	<hr/> 648,831	<hr/> 662,336
EXPENDITURES		
Programs: (Note 8)		
Wetlands	116,155	166,600
Communications and education	88,777	105,992
Waterlevels	28,554	24,963
Water quality monitoring	151,799	149,264
	<hr/> 385,285	<hr/> 446,819
Operating:		
Fundraising	95,264	82,910
Legal, audit and accounting	57,809	52,317
Office and general administration	28,516	31,066
Meetings and teleconferencing	9,947	3,188
Insurance	7,882	5,711
Telephone	5,247	5,685
Bank service charges	685	338
	<hr/> 205,350	<hr/> 181,215
TOTAL EXPENDITURES	<hr/> 590,635	<hr/> 628,034
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES \$	<hr/> 58,196	<hr/> \$ 34,302

GEORGIAN BAY FOREVER

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

			2020	2019
	Unrestricted	Endowments	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 414,190	\$ 5,000	\$ 419,190	\$ 384,891
Excess (Deficiency) of revenues over expenditures	58,196	-	58,196	34,302
NET ASSETS, END OF YEAR	\$ 472,386	\$ 5,000	\$ 477,386	\$ 419,193

GEORGIAN BAY FOREVER

STATEMENT OF CASH FLOWS

DECEMBER 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (Deficiency) of revenues over expenditures	\$ 58,196	\$ 34,302
Adjust for item not affecting cash:		
Amortization	4,223	4,486
	<u>62,419</u>	<u>38,788</u>
CHANGE IN WORKING CAPITAL:		
Decrease in short term investment	-	
Decrease (increase) in contribution receivables	26,495	(18,200)
Decrease (increase) in rebates receivable	2,066	5,079
Decrease (increase) in prepaid expenses	41	139
Decrease (increase) in inventory	-	(1,874)
Increase (decrease) in accounts payable and accrued liabilities	4,138	(946)
Decrease in government remittances payable	816	1,098
Decrease in deferred capital contributions	(30,670)	-
Increase in deferred contributions	54,430	37,599
	<u>119,735</u>	<u>61,683</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>119,735</u>	<u>61,683</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(80,589)
	<u>-</u>	<u>(80,589)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(80,589)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>119,735</u>	<u>(18,906)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>172,616</u>	<u>191,522</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 292,351</u>	<u>\$ 172,616</u>

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

PURPOSE OF THE ORGANIZATION

The organization was incorporated under the Canada Corporation Act by Letters Patent dated July 13, 1995 as The GBA Foundation and the name was changed to Georgian Bay Forever by supplementary Letters Patent dated May 5, 2009.

The objective of the organization is to educate residents of the Georgian Bay Area and the public on issues of environmental protection, conservation, safety and preservation of the water and natural features in the Georgian Bay Area of Ontario by conducting conferences, workshops and seminars on these issues. Furthermore, the organization conducts research, in conjunction with qualified educational institutes and others, in water and land quality matters to add to the public knowledge and appreciation of these matters. Georgian Bay Forever is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organization (*CPA Canada Handbook - Accounting Part III*) and included the following significant accounting policies:

a. Cash and cash equivalents

All cash and short-term investments with original maturities of three months or less are considered cash and cash equivalents, since they are readily convertible to cash.

b. 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 expenditures 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.

Grants are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in the endowments balance.

c. Contributed services

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

d. Tangible Capital Assets

Purchased equipment is recorded at cost. Contributed equipment is recorded at fair value at the date of contribution.

Amortization is calculated on assets which were put into use during the year. Amortization is provided annually at rates calculated to write-off the equipment over their estimated useful lives as follows:

Boat	-- 15 years straight line
Computer	-- 4 years straight line
Office equipment	-- 4 years straight line

e. Financial instruments

The organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost consist of cash, contributions receivable, short term investments and government rebates receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and government remittances payable.

f. Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Estimates include useful life of tangible capital assets, deferred revenues and allocation of expenses. Actual results could differ from those estimates.

g. Inventory

Inventory is valued at the lower of cost and net realizable value. The inventory is used in the production of the services for volunteers contributing their time to the organization.

h. Expense Reallocation

The organization classifies expenses on the statement of operations by function. General support expenses are allocated using an estimate of staff time related to each area of activity and applying these bases consistently

i. Contributions Receivable

The policy of the organization is to recognize contributions pledged by year end, whether or not the funds have been received at that time.

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. CONTRIBUTIONS RECEIVABLE

No subsequent collection as of year end December 31, 2020.

3. SHORT-TERM INVESTMENT

Short term investments consist of Guaranteed Investment Certificates and accrued interest in the amount of \$219,528 (2019 - \$219,536), that mature and are redeemable in one year, The investments earn interest at 1.50% (2019 - 1.50%)

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Boat	\$ 32,533	\$ (20,168)	\$ 12,365	\$ 14,534
Computer	9,198	(5,615)	3,583	5,375
Office equipment	1,950	(1,425)	525	787
AUV Equipment	69,837	(7,333)	62,504	69,837
	<u>\$ 113,518</u>	<u>\$ (34,541)</u>	<u>\$ 78,977</u>	<u>\$ 90,533</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent grant and donations subject to externally imposed restrictions requiring that funds be used for various water levels projects and ecosystem restoration projects.

	2020	2019
Balance, beginning of year	\$ 37,599	\$ -
Contributions received	92,029	66,412
Deferred expenses	-	-
Amount recognized as revenue in the year	37,599	28,813
Balance, end of year	<u>\$ 92,029</u>	<u>\$ 37,599</u>

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions received and designated to be used for the purchase of capital assets. Deferred capital contributions are amortized on the same basis as the related capital assets. The organization purchased equipment as of year end 2019 which began being amortized in 2020. The deferred capital was amortized at the same time.

	2020	2019
Balance, beginning of year	\$ 38,000	\$ 38,000
Addition to capital contributions	-	-
Amount recognized as revenue in the year	38,000	-
Amount recognized as revenue in the year	-	-
Balance, end of year	\$ -	\$ 38,000

Deferred contributions related to capital assets

Deferred contributions related to capital assets of \$38,000 represent the unamortized amount of contributions received in year 2019 for the purchase of capital assets. The amortization of such contributions is recorded as revenue in the statement of operations.

7. ENDOWMENT

The endowment has been permanently restricted by the donor for use. The fund was established in the early years of becoming a charity with the intent to fund working capital in a going concern situation. The fund does not accumulate investment income.

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

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8. EXPENSE REALLOCATION

Certain expenses have been allocated to the programs, as follows:

	2020	2019
Wages and benefits	\$ 404,492	
Communications and education	22,726	
Boat operating costs	9,502	
Board expenses	32,573	
Newsletter	15,120	
Conferences	7,767	
	\$ 492,180	

Allocated to:

	Opening	Reallocation	2020	Total
2019				
Wetlands		\$ 116,155		116,155
Communications and education	32,317	56,460		88,777
Water levels		28,554		28,554
Water quality monitoring		151,799		151,799
	32,317	472,071		385,285
Legal and accounting		41,037		
Fundraising		78,066		
General administration		20,109		
		\$ 492,180	\$ 385,285	

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

9. FINANCIAL INSTRUMENTS

The organization is exposed to risks through its financial instruments. The main risks are broken down below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the organization by failing to discharge an obligation. The organization has minimal concentrations of credit risk, in contributions receivable. There have been no material changes in credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The organization is exposed to interest rate risk in respect to its short term GIC. There are no concentrations of this risk and no material changes from the prior year.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. There are no concentrations of this risk and no material change from the prior year.

10. SUBSEQUENT EVENTS

In March, 2020, the COVID virus declared, is expected by management to affect the contributions from donors and government in the current and subsequent year. Government aid is expect for charitable organizations in the form of wage and other subsidies and expected for it's donor base. The financial impact to the Organization cannot be estimated at the date of the audit.

11. COMPARATIVE FIGURES

Certain of the comparative figures and notes to the financial statements may have been reclassified to conform with the current year's presentation. The reclassification has no effect on previously reported operation results and net assets.