
GEORGIAN BAY FOREVER

FINANCIAL STATEMENTS

DECEMBER 31, 2017

GEORGIAN BAY FOREVER

DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of GEORGIAN BAY FOREVER

I have audited the accompanying financial statements of **GEORGIAN BAY FOREVER**, which comprise the statement of financial position as at **December 31, 2017**, and the statement of revenues and expenditures, statement of changes in net assets and statement of 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 generally accepted accounting principles, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity's internal control. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

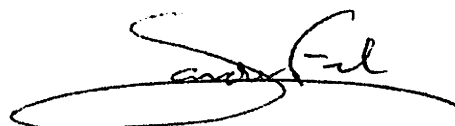
Basis for Qualified Opinion

The organization derives revenue from members and the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue 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 revenue, excess of revenues over expenditures, assets and net assets.

Qualified Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenue as described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 13, 2018



CPA, CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

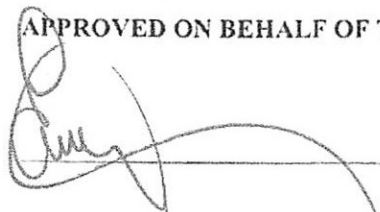
GEORGIAN BAY FOREVER

STATEMENT OF FINANCIAL POSITION

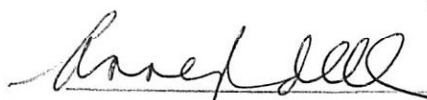
AS AT DECEMBER 31, 2017

ASSETS	AS AT DECEMBER 31, 2017	
	2017	2016
CURRENT		
Cash and cash equivalents	\$ 467,008	\$ 452,141
Contributions receivable	25,746	-
Rebates receivable	4,236	6,298
Prepaid expenses	3,216	3,625
	<u>500,206</u>	<u>462,064</u>
EQUIPMENT (Note 2)	<u>19,555</u>	<u>21,984</u>
	<u>\$ 519,761</u>	<u>\$ 484,048</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 29,456	\$ 27,839
Government remittances payable	5,848	6,899
	<u>35,304</u>	<u>34,738</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 3)	<u>38,000</u>	<u>-</u>
	<u>73,304</u>	<u>34,738</u>
NET ASSETS		
Unrestricted	441,457	444,310
Endowment (Note 4)	5,000	5,000
	<u>446,457</u>	<u>449,310</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 519,761</u>	<u>\$ 484,048</u>

APPROVED ON BEHALF OF THE BOARD:


Director

June 24/18 Date


Director

June 25/18 Date

GEORGIAN BAY FOREVER

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUES		
Donations and grants	\$ 508,829	\$ 454,816
Interest income	2,227	295
	<hr/> 511,056	<hr/> 455,111
EXPENDITURES		
Programs: (Note 5)		
Communications and education	100,945	98,704
Wetlands	106,823	61,548
Waterlevels	62,741	109,733
Water quality monitoring	47,099	34,483
	<hr/> 317,608	<hr/> 304,468
Operating:		
Fundraising	98,106	83,123
Legal, audit and accounting	45,496	41,072
Office and general administration	34,668	29,363
Telephone	6,364	5,968
Insurance	5,931	7,761
Meetings and teleconferencing	5,053	3,778
Bank service charges	683	574
	<hr/> 196,301	<hr/> 171,639
TOTAL EXPENDITURES	<hr/> 513,909	<hr/> 476,107
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (2,853)	\$ (20,996)

GEORGIAN BAY FOREVER

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

	2017			2016
	Unrestricted	Endowments	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 444,310	\$ 5,000	\$ 449,310	\$ 470,306
Deficiency of revenues over expenditures	(2,853)	-	(2,853)	(20,996)
NET ASSETS, END OF YEAR	\$ 441,457	\$ 5,000	\$ 446,457	\$ 449,310

GEORGIAN BAY FOREVER

STATEMENT OF CASH FLOWS

DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES:		
Deficiency of revenues over expenditures	\$ (2,853)	\$ (20,996)
Adjust for item not affecting cash:		
Amortization	2,849	2,131
	(4)	(18,865)
CHANGE IN WORKING CAPITAL:		
Increase (decrease) in contribution receivables	(25,746)	19,949
Decrease in rebates receivable	2,062	18,107
Decrease (increase) in prepaid expenses	409	(94)
Increase (decrease) in accounts payable and accrued liabilities	1,617	(168,763)
Increase (decrease) in government remittances payable	(1,051)	1,296
Increase in deferred capital contributions	38,000	-
Cash flow from (used in) operating activities	15,287	(148,370)
INVESTING ACTIVITIES:		
Purchase of equipment	(420)	-
Redemption of non-cashable GIC	-	40,044
Cash flow from (used in) in investing activities	(420)	40,044
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,867	(108,326)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	452,141	560,467
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 467,008	\$ 452,141
Cash and cash equivalents consist of		
Cash	\$ 247,008	\$ 235,141
Cashable guaranteed investment certificate	220,000	217,000
	\$ 467,008	\$ 452,141

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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. The short-term investments are stated at cost, which approximates fair value.

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, 2017

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

d. Equipment

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

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

Investment in shares held in publicly traded companies are shown on the statement of financial position at their fair values at the year-end date. All other financial instruments are recorded at amortized cost less any discovered impairment.

f. Use of estimates

The preparation of financial statements in accordance with Canadian generally 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. Such estimates include the useful life of the tangible capital asset. Actual results could differ from those estimates.

2. EQUIPMENT

	Cost	Accumulated Amortization	Net 2017	Net 2016
Boat	\$ 32,533	\$ 13,661	\$ 18,872	\$ 21,041
Computer	1,612	1,463	149	605
Office equipment	1,321	787	534	338
	<u>\$ 35,466</u>	<u>\$ 15,911</u>	<u>\$ 19,555</u>	<u>\$ 21,984</u>

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

3. 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.

	2017	2016
Balance, beginning of year	\$ -	\$ -
Capital contributions received	38,000	-
Amount recognized as revenue in the year	-	-
Balance, end of year	\$ 38,000	\$ -

4. ENDOWMENT

The endowment has been permanently restricted by the donor.

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

5. EXPENSE REALLOCATION

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

	2017	2016
Wages and benefits	\$ 328,394	\$ 281,358
Communications and education	4,091	4,570
Boat operating costs	2,169	1,503
Fundraising activities	-	5,319
	\$ 334,654	\$ 292,750

Allocated to:

	2017	2016
Wetlands	\$ 83,262	\$ 44,673
Water levels	57,723	78,945
Fundraising	56,696	49,273
Communications and education	52,489	39,553
Legal and accounting	35,992	32,720
Water quality monitoring	29,507	29,531
	315,669	274,695
General administration	18,985	18,055
	\$ 334,654	\$ 292,750

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

6. FINANCIAL INSTRUMENTS

The organization is exposed to the following potentially financial 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's credit risk is mainly related to cash, GIC term deposits and contributions receivable. Subsequent to year end, 100% of the contributions receivable have been collected. It is management's opinion that the credit risk related to cash and GIC is minimal.

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. The GIC with fixed interest rate subject the organization to a fair value risk.

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.

7. COMPARATIVE FIGURES

Certain of the comparative figures 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.