
GEORGIAN BAY FOREVER

FINANCIAL STATEMENTS

DECEMBER 31, 2018

GEORGIAN BAY FOREVER

DECEMBER 31, 2018

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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, 2018**, 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, 2018 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 5, 2019


CPA CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT



GEORGIAN BAY FOREVER

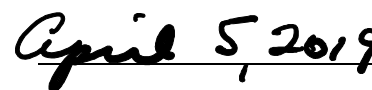

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS	2018	2017
CURRENT		
Cash and cash equivalents	\$ 408,522	\$ 467,008
Contributions receivable	8,295	25,746
Rebates receivable	11,678	4,236
Prepaid expenses	3,225	3,216
	431,720	500,206
EQUIPMENT (Note 2)	16,967	19,555
	\$ 448,687	\$ 519,761
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 19,994	\$ 29,456
Government remittances payable	5,803	5,848
	25,797	35,304
DEFERRED CAPITAL CONTRIBUTIONS (Note 3)	38,000	38,000
	63,797	73,304
NET ASSETS		
Unrestricted	379,890	441,457
Endowment (Note 4)	5,000	5,000
	384,890	446,457
TOTAL LIABILITIES AND NET ASSETS	\$ 448,687	\$ 519,761

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

 Date
 Date

SIGN

GEORGIAN BAY FOREVER

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUES		
Donations and grants	\$ 504,788	\$ 508,829
Interest income	2,052	2,227
	506,840	511,056
EXPENDITURES		
Programs: (Note 5)		
Wetlands	162,545	106,823
Communications and education	111,454	100,945
Waterlevels	63,765	62,741
Water quality monitoring	38,511	47,099
	376,275	317,608
Operating:		
Fundraising	96,126	98,106
Legal, audit and accounting	44,368	45,496
Office and general administration	35,083	34,668
Insurance	5,556	5,931
Telephone	5,433	6,364
Meetings and teleconferencing	4,914	5,053
Bank service charges	652	683
	192,132	196,301
TOTAL EXPENDITURES	568,407	513,909
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (61,567)	\$ (2,853)

GEORGIAN BAY FOREVER

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018			2017
	Unrestricted	Endowments	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 441,457	\$ 5,000	\$ 446,457	\$ 449,310
Deficiency of revenues over expenditures	(61,567)	-	(61,567)	(2,853)
NET ASSETS, END OF YEAR	\$ 379,890	\$ 5,000	\$ 384,890	\$ 446,457

GEORGIAN BAY FOREVER

STATEMENT OF CASH FLOWS

DECEMBER 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficiency of revenues over expenditures	\$ (61,567)	\$ (2,853)
Adjust for item not affecting cash:		
Amortization	2,589	2,849
	(58,978)	(4)
CHANGE IN WORKING CAPITAL:		
Decrease (increase) in contribution receivables	17,451	(25,746)
Decrease (increase) in rebates receivable	(7,442)	2,062
Decrease (increase) in prepaid expenses	(9)	409
Increase (decrease) in accounts payable and accrued liabilities	(9,463)	1,617
Decrease in government remittances payable	(45)	(1,051)
Increase in deferred contributions	-	38,000
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(58,486)	15,287
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(420)
CASH FLOWS USED IN INVESTING ACTIVITIES	-	(420)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(58,486)	14,867
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	467,008	452,141
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 408,522	\$ 467,008
 Cash and cash equivalents consist of		
Cash	\$ 191,522	\$ 247,008
Cashable guaranteed investment certificate	217,000	220,000
	\$ 408,522	\$ 467,008

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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, 2018

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 2018	Net 2017
Boat	\$ 32,533	\$ (15,830)	\$ 16,703	\$ 18,872
Computer	2,033	(1,769)	264	149
Office equipment	900	(900)	-	534
	\$ 35,466	\$ (18,499)	\$ 16,967	\$ 19,555

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NOTES TO THE FINANCIAL STATEMENTS

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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.

	2018	2017
Balance, beginning of year	\$ 38,000	\$ -
Addition to capital contributions	-	38,000
Amount recognized as revenue in the year	-	-
Balance, end of year	\$ 38,000	\$ 38,000

4. ENDOWMENT

The endowment has been permanently restricted by the donor.

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NOTES TO THE FINANCIAL STATEMENTS

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5. EXPENSE REALLOCATION

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

	2018	2017
Wages and benefits	\$ 342,264	\$ 328,394
Communications and education	3,525	4,091
Boat operating costs	2,169	2,169
	\$ 347,958	\$ 334,654

Allocated to:

	2018	2017
Wetlands	\$ 94,425	\$ 83,262
Water levels	61,299	57,723
Fundraising	55,836	56,696
Communications and education	54,635	52,489
Legal and accounting	31,417	35,992
Water quality monitoring	31,391	29,507
	329,003	315,669
General administration	18,955	18,985
	\$ 347,958	\$ 334,654

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NOTES TO THE FINANCIAL STATEMENTS

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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.