

Georgian Bay Forever

Financial Statements

For the year ended December 31, 2025

Independent Auditor's Report

To the Board of Directors of Georgian Bay Forever

Opinion

We have audited the financial statements of Georgian Bay Forever ("the Organization") which comprise the statement of financial position as at December 31, 2025, and the statements of operations and changes in net assets, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

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 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the attached Appendix to the Auditor's Report. This description forms part of our auditor's report.

GTA Accounting Professional Corporation

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario
Toronto, Canada
May 26, 2026

Appendix to the Auditor's Report

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.

Georgian Bay Forever
Statement of Financial Position
As at December 31,

	2025	2024
Assets		
Current		
Cash	\$ 448,714	\$ 453,708
Short-term investments (Note 3)	363,467	315,410
Accounts receivable, trade and other	-	42,361
HST rebates receivable	24,056	7,350
Prepaid expenses and other assets	32,633	28,941
Inventory	8,743	6,954
	<u>877,613</u>	<u>854,724</u>
Property and equipment (Note 4)	282,191	127,118
	<u>1,159,804</u>	<u>981,842</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	83,809	45,509
Source deductions payable	24,420	23,269
Deferred contributions (Note 5)	86,693	86,400
	<u>194,922</u>	<u>155,178</u>
Fund Balance		
Net assets	959,882	821,664
Endowment (Note 6)	5,000	5,000
	<u>\$1,159,804</u>	<u>\$ 981,842</u>

Contingent liability (Note 7)

APPROVED ON BEHALF OF THE BOARD:


_____, Director.


_____, Director

Georgian Bay Forever
Statement of Operations and Changes in Net Assets
For the year ended December 31,

	2025	2024
Revenue		
Donations and grants	\$ 1,343,466	\$ 1,070,669
Interest and fundraising income	12,172	12,525
	1,355,638	1,083,194
Expenditures		
Programs (Note 8)		
Communications and education	280,095	140,857
Water levels	58,946	48,687
Water quality monitoring	297,471	327,932
Wetlands	243,403	204,913
	879,915	722,389
Operating		
Fundraising	129,505	134,685
General and administrative	109,960	78,490
Insurance	9,649	11,217
Interest and bank charges	565	521
Meeting and conference	19,118	19,582
Professional fees	62,284	62,510
Telephone and telecommunications	6,424	7,244
	337,505	314,249
Total Expenditures	1,217,420	1,036,638
Excess (deficiency) of revenues over expenditures	138,218	46,556
Net assets, beginning of year	821,664	775,108
Net assets, end of year	\$ 959,882	\$ 821,664

Georgian Bay Forever
Statement of Cash Flows
For the year ended December 31,

	2025	2024
Cash provided by (used in)		
Operations		
Excess (deficiency) of revenues over expenditures	\$ 138,218	\$ 46,556
Items not affecting cash		
Amortization	14,569	14,569
	152,787	61,125
Net changes in non-cash working capital		
Accounts receivable, trade and other	42,361	(39,886)
HST rebates receivable	(16,706)	563
Prepaid expenses and other assets	(3,692)	(8,870)
Inventory	(1,789)	(670)
Accounts payable and accrued liabilities	38,300	22,361
Source deductions payable	1,151	11,120
Deferred contributions	293	22,460
	212,705	68,203
Investing		
Acquisition of short-term investments	(48,057)	(11,378)
Acquisition of property and equipment	(169,642)	(33,537)
	(217,699)	(44,915)
Net change in cash	(4,994)	23,288
Cash, beginning of year	453,708	430,420
Cash, end of year	\$ 448,714	\$ 453,708

1. NATURE OF THE ORGANIZATION

Georgian Bay Forever ("the Organization") was incorporated under the Canadian Corporations Act by Letters Patent on 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Organization.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

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. Restricted contributions are deferred and recognized as revenue when the related expenses are recognized.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 amounts reported in the financial statements and accompanying notes. Management believes that the estimates used in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to amortization of property and equipment.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Contributed property is recorded at the fair value at the date of the gift. When property and equipment no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

The Organization amortizes its property and equipment on the diminishing balance method and straight-line method at the following rates per annum:

Boat	15 years straight line
Computer	4 years straight line
Office equipment	4 years straight line
AUV Equipment	7% declining balance

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.

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.

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

The Organization subsequently measures its financial assets and financial liabilities at amortized cost using the straight-line method.

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities.

Cash, short-term investments, and accounts receivable are measured at amortized cost.

Accounts payable and accrued liabilities are measured at amortized cost.

Financial instruments measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenue over expenditures. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

Contributed Services

Volunteers have contributed time and services to assist the Organization in the delivery of its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. SHORT-TERM INVESTMENTS

Short term investments consist of Guaranteed Investment Certificates and accrued interest in the amount of \$363,467 (2024 - \$315,410), that mature and are redeemable in one year. The investments earn interest between 2.50% and 2.66% (2024 - 4.10%).

The Organization has begun establishing a contingency reserve to strengthen its financial position and enhance its ability to respond to future economic uncertainties.

Georgian Bay Forever
Notes to the Financial Statements
For the year ended December 31, 2025

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Boat	\$ 180,953	\$ 50,523	\$130,430	\$ 31,272
Computer	26,616	19,091	7,525	11,692
Office Equipment	3,436	2,540	896	73
AUV Equipment	185,780	42,440	143,340	84,081
	\$ 396,785	\$ 114,594	\$282,191	\$ 127,118

Georgian Bay Forever
Notes to the Financial Statements
For the year ended December 31, 2025

5. DEFERRED CONTRIBUTIONS

	2025	2024
Balance, beginning of year	\$ 86,400	\$ 63,940
Amounts received in the year	278,300	76,400
Amounts recognized as revenue	(278,007)	(53,940)
Balance, end of year	\$ 86,693	\$ 86,400

Deferred contributions represent unspent grant and donations subject to externally imposed restrictions that funds be used in 2026. These contributions will be recorded as revenue when the related expenses are recognized.

6. ENDOWMENT FUND

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.

7. CONTINGENT LIABILITY

The Organization is contingently liable to return all or a portion of grants received for expenditures should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such losses or repayments are not currently anticipated or determinable. In the event of repayment of a grant, the losses will be recorded if and when it becomes anticipated and determinable. Included in contingent liabilities is an estimate made by management for the repayment of any potential portion of grants, however the amount is currently unknown.

Georgian Bay Forever
Notes to the Financial Statements
For the year ended December 31, 2025

8. EXPENSE REALLOCATION

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

Wages and benefits	\$ 825,819
Sub contracts	124,733
Conferences	35,954
Supplies	26,304
Boat operating costs	20,313
Printing and copying	16,264
Outside computer services	8,658
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	\$1,058,045
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Allocated to:

	Opening	Reallocation	Total
Wetlands	-	243,403	243,403
Communications and education	8,938	271,157	280,095
Water levels	-	58,946	58,946
Water quality monitoring	7,244	290,227	297,471
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Total programs	16,182	863,733	879,915
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Professional fees	17,709	44,575	62,284
Fundraising	38,049	91,456	129,505
General and administrative	51,679	58,281	109,960
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	\$ 123,619	\$1,058,045	\$ 1,181,664
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9. FINANCIAL INSTRUMENT RISKS

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Organization maintains a portion of its invested assets in liquid securities.

Market Risk

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the Organization. The Organization is subject to market risk on its short-term investments. The values of these short-term investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments.

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 market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Excess of revenue over expenses reported previously has not been affected by this reclassification.