
GEORGIAN BAY FOREVER

FINANCIAL STATEMENTS

DECEMBER 31, 2016

GEORGIAN BAY FOREVER

DECEMBER 31, 2016

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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, 2016**, and the statements 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, 2016 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 19, 2017

CPA, CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

GEORGIAN BAY FOREVER

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

ASSETS	2016	2015
CURRENT		
Cash and cash equivalents	\$ 452,141	\$ 560,467
Short-term investment (Note 2)	-	40,044
Contributions receivable	-	19,949
Rebates receivable	6,298	24,405
Prepaid expenses	3,625	3,531
	462,064	648,396
EQUIPMENT (Note 3)	21,984	24,115
	\$ 484,048	\$ 672,511
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 27,839	\$ 196,602
Government remittances payable	6,899	5,603
	34,738	202,205
NET ASSETS		
Unrestricted	444,310	465,306
Endowment (Note 4)	5,000	5,000
	449,310	470,306
TOTAL LIABILITIES AND NET ASSETS	\$ 484,048	\$ 672,511

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Date

_____ Director

_____ Date

GEORGIAN BAY FOREVER

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
REVENUES		
Donations and grants	\$ 454,816	\$ 492,585
Interest income	295	3,135
	455,111	495,720
EXPENDITURES		
Programs: (Note 5)		
Waterlevels	109,733	228,773
Communications and education	98,704	118,694
Wetlands	61,548	38,203
Water quality monitoring	34,483	19,384
	304,468	405,054
Operating:		
Fundraising	83,123	90,259
Legal, audit and accounting	41,072	41,055
Office and general administration	29,363	34,749
Insurance	7,761	5,440
Telephone	5,968	5,609
Meetings and teleconferencing	3,778	7,321
Bank service charges	574	1,236
	171,639	185,669
TOTAL EXPENDITURES	476,107	590,723
(DEFICIENCY)EXCESS OF REVENUES OVER EXPENDITURES	\$ (20,996)	\$ (95,003)

GEORGIAN BAY FOREVER

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2016

	2016			2015
	Unrestricted	Endowments	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 465,306	\$ 5,000	\$ 470,306	\$ 565,309
(Deficiency)Excess of revenues over expenditures	(20,996)	-	(20,996)	(95,003)
NET ASSETS, END OF YEAR	\$ 444,310	\$ 5,000	\$ 449,310	\$ 470,306

GEORGIAN BAY FOREVER

STATEMENT OF CASH FLOWS

DECEMBER 31, 2016

	2016	2015
OPERATING ACTIVITIES:		
(Deficiency) excess of revenues over expenditures	\$ (20,996)	\$ (95,003)
Adjust for item not affecting cash:		
Amortization	2,131	2,797
	(18,865)	(92,206)
CHANGE IN WORKING CAPITAL:		
Decrease (increase) in current assets	78,006	(29,757)
Increase (decrease) in current liabilities	(167,468)	157,929
Cash flow from operating activities	(108,327)	35,966
INVESTING ACTIVITIES:		
Cash used in investing activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(108,327)	35,966
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	560,467	524,501
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 452,140	\$ 560,467
Cash and cash equivalents consist of		
Cash	\$ 235,141	\$ 502,983
Cashable guaranteed investment certificate	217,000	57,484
	\$ 452,141	\$ 560,467

GEORGIAN BAY FOREVER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, 2016

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. SHORT-TERM INVESTMENT

The short-term investment consists of guaranteed investment certificate (GIC) held in a Canadian chartered bank and earns interest at a rate 0.79%.

3. EQUIPMENT

	Cost	Accumulated Amortization	Net 2016	Net 2015
Boat	\$ 32,533	\$ 11,492	\$ 21,041	\$ 22,544
Computer	1,612	1,007	605	1,008
Office equipment	900	562	338	563
	\$ 35,045	\$ 13,061	\$ 21,984	\$ 24,115

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NOTES TO THE FINANCIAL STATEMENTS

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4. ENDOWMENT

The endowment has been permanently restricted by the donor.

5. EXPENSE REALLOCATION

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

	2016	2015
Wages and benefits	\$ 281,358	\$ 238,813
Communications and education	4,570	-
Fundraising activities	5,319	-
Boat operating costs	1,503	2,169
	<hr/>	<hr/>
	\$ 292,750	\$ 240,982

Allocated to:

	2016	2015
Communications and education	\$ 39,553	\$ 20,465
Water quality monitoring	29,531	15,287
Water levels	78,945	91,662
Wetlands	44,673	15,287
Legal and accounting	32,720	32,720
Fundraising	49,273	46,937
	<hr/>	<hr/>
General administration	274,695	222,358
	18,055	18,624
	<hr/>	<hr/>
	\$ 292,750	\$ 240,982

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

6. FINANCIAL INSTRUMENTS

Financial risks

The organization is exposed to various risk through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Credit risk

Credit risk is the risk that one party to a financial will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to accounts receivable. The organization did not provide credit to its clients in the current year, therefore this organization is not exposed to 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 GIC investment interest rate risk on its floating interest rate financial instruments. Floating interest rate instruments subject the organization to related cash flow 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.