

**THE GEORGIAN BAY TRUST
FOUNDATION INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

THE GEORGIAN BAY TRUST FOUNDATION INC.

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
The Georgian Bay Trust Foundation Inc.

Qualified Opinion

We have audited the financial statements of The Georgian Bay Trust Foundation Inc., which comprise the statement of financial position as at December 31, 2024, statement of operations and changes in net assets, and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The Georgian Bay Trust Foundation Inc. as at December 31, 2024 and the results of its operations 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 charitable organizations, The Georgian Bay Trust Foundation Inc. derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Georgian Bay Trust Foundation Inc. and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023 and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 fulfilled our ethical 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 qualified 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 generally accepted auditing standards, 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.

AKLER BROWNING LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

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. 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 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.

Akler Browning LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO, CANADA
JUNE 10, 2025

THE GEORGIAN BAY TRUST FOUNDATION INC.

STATEMENT OF FINANCIAL POSITION

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	December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	1,651,913	716,300
HST rebate receivable	24,480	12,221
Prepays	<u>18,497</u>	<u>38,026</u>
	1,694,890	766,547
STEWARDSHIP FUNDS AND ENDOWMENT (Note 2)	1,873,716	1,867,344
SHEILA MACFEETERS MEMORIAL FUND (Note 2)	217,949	217,949
WALLY AND MARILYN KING AND FAMILY FUND (Note 2)	111,615	111,615
CORRIDOR ONE FUND (Note 2)	1,971,613	-
JOHN CATTO CONSERVATION FUND (Note 2)	200,000	200,000
CONSERVATION WORKING FUND (Note 2)	4,324,185	3,045,987
CONSERVATION LANDS SECUREMENT FUND (Note 2)	524,532	518,636
CAPITAL ASSETS (Note 3)	<u>61,111,770</u>	<u>50,505,919</u>
	<u>72,030,270</u>	<u>57,233,997</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	15,013	47,888
Deferred contributions (Note 4)	<u>627,000</u>	<u>-</u>
	<u>642,013</u>	<u>47,888</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	1,052,877	718,659
INTERNALLY RESTRICTED NET ASSETS	5,048,717	3,764,623
EXTERNALLY RESTRICTED NET ASSETS	4,174,893	2,196,908
NET ASSETS INVESTED IN CAPITAL ASSETS	<u>61,111,770</u>	<u>50,505,919</u>
	<u>71,388,257</u>	<u>57,186,109</u>
	<u>72,030,270</u>	<u>57,233,997</u>

See notes to the financial statements.

APPROVED ON BEHALF OF THE BOARD:

Catherine Bongard DIRECTOR

Ross Carter DIRECTOR

June 10, 2025 DATE

THE GEORGIAN BAY TRUST FOUNDATION INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

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			<u>Externally Restricted</u>				<u>Internally Restricted</u>			Year Ended December 31	
	Operating	Invested	Stewardship	Sheila	Wally and Marilyn	Corridor	John	Conservation	Conservation	2024	2023
	<u>Fund</u>	<u>In</u>	<u>Funds and</u>	<u>MacFeeters</u>	<u>King and Family</u>	<u>One</u>	<u>Conservation</u>	<u>Working</u>	<u>Lands</u>	<u>Total</u>	<u>Total</u>
	\$	Capital	<u>Endowment</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Securement</u>	\$	\$
		<u>Assets</u>	\$	\$	\$	\$	\$	\$	\$		
REVENUES											
Award - GLBC	74,690	-	-	-	-	-	-	-	-	74,690	123,262
Donations - Land and land easements	-	9,612,700	-	-	-	-	-	-	-	9,612,700	5,510,150
Donations - Stewardship, conservation and land acquisition	-	-	6,372	-	-	-	-	-	5,896	12,268	26,815
Government grants	1,210,009	-	-	-	-	-	-	-	-	1,210,009	692,022
Donations	1,000,131	-	-	-	-	2,008,432	-	-	-	3,008,563	646,353
Events	99,749	-	-	-	-	-	-	-	-	99,749	105,758
Investment	<u>1,364,026</u>	-	-	-	-	<u>43,057</u>	-	-	-	<u>1,407,083</u>	<u>111,280</u>
	<u>3,748,605</u>	<u>9,612,700</u>	<u>6,372</u>	-	-	<u>2,051,489</u>	-	-	<u>5,896</u>	<u>15,425,062</u>	<u>7,215,640</u>
EXPENDITURES (Schedules pages 5 and 6)											
Land protection	496,600	-	-	-	-	-	-	-	-	496,600	310,791
Stewardship	188,994	-	-	-	-	79,876	-	-	-	268,870	227,058
Communications and education	130,620	-	-	-	3,500	-	-	-	-	134,120	124,152
Fundraising	123,464	-	-	-	-	-	-	-	-	123,464	111,914
Art auction	60,158	-	-	-	-	-	-	-	-	60,158	43,200
Project management, dues, conference and training	<u>139,702</u>	-	-	-	-	-	-	-	-	<u>139,702</u>	<u>96,319</u>
	<u>1,139,538</u>	-	-	-	<u>3,500</u>	<u>79,876</u>	-	-	-	<u>1,222,914</u>	<u>913,434</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	2,609,067	9,612,700	6,372	-	(3,500)	1,971,613	-	-	5,896	14,202,148	6,302,206
NET ASSETS BEGINNING OF YEAR	718,659	50,505,919	1,867,344	217,949	111,615	-	200,000	3,045,987	518,636	57,186,109	50,883,903
INTERFUND TRANSFERS (Note 5)	<u>(2,274,849)</u>	<u>993,151</u>	-	-	<u>3,500</u>	-	-	<u>1,278,198</u>	-	-	-
NET ASSETS END OF YEAR	<u>1,052,877</u>	<u>61,111,770</u>	<u>1,873,716</u>	<u>217,949</u>	<u>111,615</u>	<u>1,971,613</u>	<u>200,000</u>	<u>4,324,185</u>	<u>524,532</u>	<u>71,388,257</u>	<u>57,186,109</u>

See notes to the financial statements.

THE GEORGIAN BAY TRUST FOUNDATION INC.**SCHEDULE OF EXPENDITURES****Page 5**

	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
LAND PROTECTION		
Wages, benefits and contract staff	273,699	179,473
Office and general	105,563	36,290
Outreach	77,502	48,050
Travel and meeting	12,215	9,708
Amortization	9,900	7,972
Professional fees	8,069	25,197
Insurance	6,256	4,101
Rent	3,396	-
	<u>496,600</u>	<u>310,791</u>
STEWARDSHIP		
Wages, benefits and contract staff	170,465	139,623
Outreach	57,309	41,345
Travel and meeting	19,661	17,965
Office and general	18,925	15,570
Amortization	2,031	2,558
Rent	479	538
Partnership programs	-	9,459
	<u>268,870</u>	<u>227,058</u>
COMMUNICATIONS AND EDUCATION		
Wages, benefits and contract staff	84,093	82,265
Office and general	24,837	21,846
Outreach	23,207	18,572
Travel and meeting	1,335	131
Events	648	1,338
	<u>134,120</u>	<u>124,152</u>
FUNDRAISING		
Wages, benefits and contract staff	95,724	86,172
Office and general	15,846	14,258
Outreach	9,662	7,232
Travel and meeting	1,218	1,081
Book - Georgian Bay	848	424
Event	166	2,714
Amortization	-	33
	<u>123,464</u>	<u>111,914</u>

See notes to the financial statements.

THE GEORGIAN BAY TRUST FOUNDATION INC.

SCHEDULE OF EXPENDITURES

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	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
ART AUCTION		
Event	52,039	37,390
Wages and benefits and contract staff	5,000	5,000
Administration fee	1,600	185
Travel and meeting	<u>1,519</u>	<u>625</u>
	<u>60,158</u>	<u>43,200</u>
PROJECT MANAGEMENT, DUES, CONFERENCE AND TRAINING		
Investment management fees	48,467	37,082
Wages, benefits and contract staff	47,397	8,283
Rent	21,620	29,623
Professional fees	16,526	15,695
Office and general	4,547	3,692
Amortization	1,145	168
Insurance	<u>-</u>	<u>1,776</u>
	<u>139,702</u>	<u>96,319</u>

See notes to the financial statements.

THE GEORGIAN BAY TRUST FOUNDATION INC.

STATEMENT OF CASH FLOWS

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	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	14,202,148	6,302,206
Adjustments for non-cash items:		
Amortization	13,102	10,730
Donations property - Land and land easements	<u>(9,612,700)</u>	<u>(5,510,150)</u>
	4,602,550	802,786
Net changes in non-cash working capital items:		
Sundry receivables	-	14,560
HST rebate receivable	(12,259)	1,875
Prepays	19,529	(23,659)
Accounts payable and accrued liabilities	<u>(32,875)</u>	<u>30,770</u>
Deferred contributions	<u>627,000</u>	<u>-</u>
Cash Provided By Operating Activities	<u>5,203,945</u>	<u>826,332</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Stewardship Funds and Endowment	(6,372)	(66,733)
Sheila MacFeeters Memorial Fund	-	(17,661)
Wally and Marilyn King and Family Fund	-	3,500
Corridor One Fund	(1,971,613)	-
Conservation Lands Securement Fund	(5,896)	39,918
Conservation Working Fund	(1,278,198)	-
Purchase of capital assets	<u>(1,006,253)</u>	<u>(465,250)</u>
Cash Used In Investing Activities	<u>(4,268,332)</u>	<u>(506,226)</u>
NET INCREASE IN CASH	935,613	320,106
CASH, BEGINNING OF YEAR	<u>716,300</u>	<u>396,194</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>1,651,913</u></u>	<u><u>716,300</u></u>
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash	951,913	716,300
Guaranteed investment certificates	<u>700,000</u>	<u>-</u>
	<u><u>1,651,913</u></u>	<u><u>716,300</u></u>

See notes to the financial statements.

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Nature of Operations

The Georgian Bay Trust Foundation Inc. is a non-profit organization Federally incorporated without share capital and is registered with the Canada Revenue Agency as a charity, within the meaning of the Income Tax Act. The principal activities of the organization include maintaining and managing significant and representative properties in Georgian Bay, educating the public toward conservation and preservation of the landscape, ecology and wildlife of the Georgian Bay area.

Note 1: Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into funds relating to the specific activities and operations. These funds are as follows:

(a) Operating Fund

This fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating resources.

(b) Invested in Capital Assets

This fund reports the assets, liabilities, revenues and expenditures related to the organization's capital assets.

(c) Stewardship Funds and Endowment

This fund reports only externally restricted resources that are to be used to help meet annual costs associated with the stewardship of properties and includes Endowment funds subject to external restrictions stipulating that the resources be maintained permanently.

(d) Sheila MacFeeters Memorial Fund

This fund reports externally restricted resources that are to be used exclusively for conservation research and conservation planning purposes. Any release of principal of the fund must be approved by the donor trustee.

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Note 1: Significant Accounting Policies - cont'd

Fund Accounting - cont'd

(e) Wally and Marilyn King and Family Fund

This is an externally restricted fund established for the purpose of supporting and providing research, educational programs and opportunities which further advance that part of the organization's stated mission, "to promote the appreciation of this special area". It is the intention that only the income generated from this fund will be used to support the above, but in extraordinary circumstances, the capital may be encroached upon, subject to Board approval.

(f) Corridor One Fund

This fund is an externally restricted fund that was established for the purpose of preserving and protecting wilderness lands and species along the eastern shore of Georgian Bay and the North Channel and its adjacent watershed. The fund's purpose is to provide capital to fund the perpetual stewardship of the Phases 1 and 2 of the Corridor Project and the acquisition of conservation easements and road allowances for Phase 2 of the Corridor Project.

(g) John Catto Memorial Fund

This internally restricted fund, initiated by the Catto Family, honours the great generosity, long-term guidance and wonderful friendship of John Catto. It recognizes and continues John's commitment to the conservation of Georgian Bay. The funds may be used to support Board approved projects and activities directly related to studying, maintaining, protecting and preserving the natural heritage values and ecosystem health of The Georgian Bay Trust Foundation Inc. protected areas. It is the intention that the capital will only be encroached upon subject to Board approval.

(h) Conservation Working Fund

This fund is an internally restricted fund that was established to provide stability in cash flow and also to provide seed money for new projects or initiatives.

(i) Conservation Lands Securement Fund

This fund consists of internally restricted resources that are to be used to acquire properties or the costs associated with receiving donated properties.

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Note 1: Significant Accounting Policies - cont'd

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Capital Assets

Capital assets are accounted for at cost or at appraised or assessed value if donated, and amortized over their useful life on a declining balance basis using the following rates:

Equipment	20%
Furniture and fixtures	20%
Computer hardware	30%

Contributed Services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Revenue Recognition

The organization uses the restricted fund method of accounting. Contributions for which there is an appropriate restricted fund are recognized as revenue when received. Restricted contributions for which there is not an appropriate restricted fund are recognized in accordance with the deferral method whereby contributions related to expenditures of future periods are deferred and recognized as revenue in the general fund in the period in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Stewardship Funds and Endowment, Sheila MacFeeters Memorial Fund, Wally and Marilyn King and Family Fund, John Catto Conservation Fund, Conservation Land Securement Fund and Conservation Working Fund resources are recognized as revenue of the Operating Fund when earned. All other investment income is recognized as it is earned in the appropriate fund.

THE GEORGIAN BAY TRUST FOUNDATION INC.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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Note 1: Significant Accounting Policies - cont'd

Financial Instruments

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

The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as revenue in the appropriate fund in the period incurred.

Financial assets measured at amortized cost include cash and cash equivalents.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value are equity instruments held in the Stewardship Funds and Endowment, Sheila MacFeeters Memorial Fund, Wally and Marilyn King Family Fund, Corridor One Fund, John Catto Conservation Fund, Conservation Lands Securement Fund and Conservation Working Fund.

Impairment

For financial assets measured at amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the Operating Fund. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than 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 the Operating Fund.

Allocation of Expenses

The organization maintains and manages significant properties in Georgian Bay. The related costs include various administrative expenses. The organization allocates these costs between its programs and activities by identifying the appropriate basis of allocating each component expenditure and applies that basis consistently each year.

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Note 1: Significant Accounting Policies - cont'd

Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenditures for the period covered. The main estimates relate to the impairment of financial assets, estimated useful life of capital assets and accrued expenses.

Note 2: Restricted Funds

Major categories of restrictions on funds are as follows:

	December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
Restricted for stewardship purposes	1,636,216	1,629,844
Stewardship endowment	<u>237,500</u>	<u>237,500</u>
	<u>1,873,716</u>	<u>1,867,344</u>
Lizard Stewardship Fund	18,611	18,611
Andy Griggs Memorial Fund	55,836	55,836
Alexander Stewardship Fund	122,165	118,093
Robertson Stewardship Fund	11,933	11,933
Watson Stewardship Fund	179,297	177,297
Legacy Stewardship Fund	1,073,408	1,073,108
David & Beverly Stager Stewardship Fund	51,341	51,341
Stewardship Campaign	98,175	98,175
McKenzie Island Steamboat Channel Fund	142,500	142,500
Madawaska	36,000	36,000
Tadenac Stewardship Fund	35,000	35,000
Rose Island Stewardship Fund	37,100	37,100
Ukraine Stewardship Fund	5,650	5,650
Halpenny Stewardship Fund	5,500	5,500
Other	<u>1,200</u>	<u>1,200</u>
Stewardship Funds and Endowment	1,873,716	1,867,344
Sheila MacFeeters Memorial Fund	217,949	217,949
Wally and Marilyn King and Family Fund	111,615	111,615
Corridor One Fund	1,971,613	-
John Catto Conservation Fund	200,000	200,000
Conservation Working Fund	4,324,185	3,045,987
Conservation Lands Securement Fund	<u>524,532</u>	<u>518,636</u>
	<u>9,223,610</u>	<u>5,961,531</u>

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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Note 2: Restricted Funds - cont'd

These funds consist of the following:

	December 31	
	<u>2024</u>	<u>2023</u>
	\$	\$
Canadian equity instruments	4,604,527	3,304,390
Foreign equity instruments	1,811,352	410,212
Fixed income securities and funds	2,748,330	-
Cash	<u>59,401</u>	<u>2,246,929</u>
	<u>9,223,610</u>	<u>5,961,531</u>

Note 3: Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	December 31	
	\$	\$	<u>2024</u>	<u>2023</u>
			\$	\$
Land	36,244,945	-	36,244,945	34,972,942
Land easements	<u>24,785,349</u>	<u>-</u>	<u>24,785,349</u>	<u>15,472,649</u>
	61,030,294	-	61,030,294	50,445,591
Equipment	123,242	51,448	71,794	50,413
Furniture and fixtures	13,457	10,052	3,405	3,986
Computer hardware	<u>20,750</u>	<u>14,473</u>	<u>6,277</u>	<u>5,929</u>
	<u>61,187,743</u>	<u>75,973</u>	<u>61,111,770</u>	<u>50,505,919</u>

Note 4: Deferred Contributions

During the year, the organization received a \$627,000 donation to secure conservation easements and contribute to associated field work on three areas of land in the eastern Georgian Bay. The distribution in the current year is to be utilized over a three year period through fiscal 2025 to 2027. As of December 31, 2024, none of the funding had been utilized.

Note 5: Interfund Transfers

During the year, the following transfers occurred: \$1,278,198 was transferred from the Operating Fund to the Conservation Working Fund to increase the available fund balance (2023 - \$Nil); \$993,151 was transferred from the Operating Fund to the Invested in Capital Assets Fund related to costs associated with capital asset acquisitions (2023 - \$454,520); and \$3,500 was transferred from the Operating Fund to the Wally and Marilyn King and Family Fund to fund bursaries (2023 - \$3,500). These transfers were approved by the Board of Directors.

THE GEORGIAN BAY TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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Note 6: Contractual Obligations

The organization is obligated to minimum subscription fees under an accounting software agreement as follows:

2025	\$ 69,705
2026	<u>22,461</u>
	<u>\$ 92,166</u>

Note 7: Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relate to its cash held in a single financial institution. There has been no change in the risk exposure from the prior year.

(b) 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 to its trade payables. The organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to currency risk, interest rate risk and other price risk.

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Note 6: Financial Instruments - cont'd

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to foreign currency risk with respect to cash and investments within the restricted funds denominated in foreign currencies because of fluctuations in the relative value of foreign currencies against the Canadian dollar. The organization monitors the fluctuations regularly to ensure significant loss is not incurred.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the organization to risk of changes in fair value. The exposure to this risk also fluctuates as the quantity of fixed rate instruments held changes from year to year.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in equity securities for which the value fluctuates with the quoted market price.