

**The Federation of Ontario Cottagers'
Associations Incorporated**

Financial Statements

September 30, 2025



Independent Auditor's Report

To the Members of

The Federation of Ontario Cottagers' Associations Incorporated

Opinion

We have audited the financial statements of **The Federation of Ontario Cottagers' Associations Incorporated** (the Organization), which comprise the statement of financial position as at **September 30, 2025**, the statements of operations and net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 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 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 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.

The Federation of Ontario Cottagers' Associations Incorporated

Independent Auditor's Report

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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 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.

Clarkson Rouble LLP

Mississauga, Ontario
January 22, 2026

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

The Federation of Ontario Cottagers' Associations Incorporated

Statement of Financial Position As at September 30

	2025	2024
Assets		
Current		
Cash	\$ 200,412	\$ 309,069
Investment (Note 2)	217,900	211,834
Accounts receivable (Note 3)	43,806	33,626
Prepaid expenses	6,586	12,927
	<u>468,704</u>	<u>567,456</u>
Investment (Note 2)	45,324	42,808
Investment - Dues Stabilization Reserves (Note 2)	101,537	-
Investment - Member Support Reserves (Note 2)	100,000	-
	<u>\$ 715,565</u>	<u>\$ 610,264</u>

Liabilities

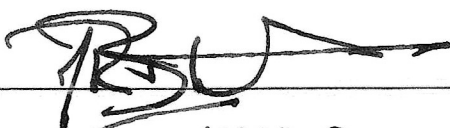
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 39,524	\$ 28,582
Deferred contributions (Note 5)	71,038	85,514
Deferred revenue (Note 6)	177,640	163,765
	<u>288,202</u>	<u>277,861</u>


Net Assets

Unrestricted	427,363	332,403
	<u>\$ 715,565</u>	<u>\$ 610,264</u>

See accompanying notes to financial statements

On behalf of the Board:


 _____ Director
 Jan 27/26


 _____ Director

Jan 27, 2026

The Federation of Ontario Cottagers' Associations Incorporated

Statement of Operations and Net Assets Year Ended September 30

	2025	2024
Revenue		
Membership fees	\$ 307,910	\$ 266,934
Public sector grants	293,331	118,865
Commissions, seminars and other	118,590	101,172
Private sector contributions	51,000	98,500
	<u>770,831</u>	<u>585,471</u>
Expenses		
Salaries and benefits	372,282	324,971
Marketing - internal and external	26,046	27,957
Contractor and grant implementation costs	155,958	80,673
Professional fees	39,412	37,251
Administration and office	28,208	18,359
Rent	11,742	11,874
Member support	14,600	13,573
Telephone and internet	2,905	3,338
Website development	1,273	4,067
Travel	11,421	10,692
Seminars and events	12,024	12,640
	<u>675,871</u>	<u>545,395</u>
Excess of revenue over expenses for the year	94,960	40,076
Net Assets, beginning of year	332,403	292,327
Net Assets, end of year	\$ 427,363	\$ 332,403

See accompanying notes to financial statements

The Federation of Ontario Cottagers' Associations Incorporated

Statement of Cash Flows Year Ended September 30

	2025	2024
Cash provided by operating activities		
Excess of revenue over expenses for the year	\$ 94,960	\$ 40,076
Changes in working capital		
Accounts receivable	(10,180)	14,807
Prepaid expenses	6,341	(3,805)
Accounts payable and accrued liabilities	10,942	(37,442)
Deferred contributions	(14,476)	47,105
Deferred revenue	13,875	19,283
Increase from operating activities	101,462	80,024
Investing activity		
Purchase of investments	(210,119)	(10,553)
(Decrease) increase in cash	(108,657)	69,471
Cash, beginning of year	309,069	239,598
Cash, end of year	\$ 200,412	\$ 309,069

See accompanying notes to financial statements

The Federation of Ontario Cottagers' Associations Incorporated

Notes to Financial Statements September 30, 2025

The Federation of Ontario Cottagers' Associations Incorporated ("the Federation") was incorporated in Ontario on April 13, 1974. The Federation is a not-for-profit organization without share capital. Accordingly, the Federation is not subject to income tax. The Federation's mission is to effectively serve and represent Ontario's lake associations, waterfront property owners and waterfront communities through education, communication and government advocacy.

1. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

a) Cash

The Federation's policy is to present bank balances under cash. Also included in cash are term deposits and GICs with a maturity period of three months or less from the date of acquisition.

b) Revenue recognition

The Federation follows the deferral method of accounting for revenues and contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred. Deferred revenues and contributions are the amounts that represent an excess of funds received over expenditures made to the year end for certain programs.

Membership fees are recognized as revenue in the period in which the membership fees apply.

Commissions are recognized when earned. Seminars revenue is recognized when the seminar is held. Other revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Capital assets

The Federation accounts for capital assets as current operating costs in the year of acquisition. There were \$Nil (2024 - \$Nil) capital expenditures incurred during the year.

The Federation of Ontario Cottagers' Associations Incorporated

Notes to Financial Statements
September 30, 2025

1. Significant accounting policies (continued)

d) Contributed services

The Board of Directors contributed time to assist the Federation. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

e) Measurement uncertainty

The preparation of Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Areas of measurement uncertainty include accounts receivable, accrued liabilities, deferred revenue, and deferred contributions.

f) Financial instruments

Financial instruments

The Federation initially measures its financial assets and liabilities at fair value. The Federation subsequently measures all its financial assets and liabilities at amortized cost, with the exception of investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, short term investments and accounts receivable.

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

The organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

The Federation of Ontario Cottagers' Associations Incorporated

Notes to Financial Statements September 30, 2025

2. Investments

Investments consist of GICs, which have interest rates between 2.15% and 3.00% (2024 - 4.00% and 5.00%) and mature between October 2025 and May 2026 (2024 - October 2024 and March 2025).

Investments - Dues Stabilization Reserves and Member Support Reserves

These investments are designated to benefit the organization and its members by supporting the modernization plan and are intentionally allocated for future use and reinvestment for member benefit. Expenses related to modernization will be funded from these existing reserves.

3. Accounts receivable

	2025	2024
Accounts receivable	\$ 43,806	\$ 33,626
Less: Allowance for doubtful accounts	-	-
	<u>\$ 43,806</u>	<u>\$ 33,626</u>

4. Accounts payable and accrued liabilities

Within accounts payable and accrued liabilities is a government remittances payable in the amount of \$12,354 (2024 - \$10,320).

5. Deferred contributions

The Federation has received certain restricted grants and contributions with the stipulation that these amounts be used for specific purposes. Recognition of these amounts as revenue is deferred until the actual expenditures against these grants and contributions have occurred. The details are summarized as follows:

	Opening Balance	Funding received	Expenses incurred	Ending Balance
Invasive Species Centre				
Programs	\$ 25,537	\$ 48,590	\$ 68,028	\$ 6,099
MECP Programs	56,477	154,267	169,040	41,704
MNR Programs	3,500	19,983	20,983	2,500
DFO Program	-	50,826	30,091	20,735
	<u>\$ 85,514</u>	<u>\$ 273,666</u>	<u>\$ 288,142</u>	<u>\$ 71,038</u>

The Federation of Ontario Cottagers' Associations Incorporated

Notes to Financial Statements September 30, 2025

5. Deferred contributions (continued)

The Invasive Species Centre Programs relate to the Green Shovels and ISampleON Programs.

The MECP Programs relate to the Lake Partner Program and the Best Practices for Source Water Protection Project from the Ministry of the Environment, Conservation and Parks.

The MNR Programs relate to the Boater Pathways and Fire Smart programs from the Ministry of Natural Resources and Forestry.

DFO Program relates to the Aquatic Invasive Species Program funded by the Minister of Fisheries and Oceans Canada.

6. Deferred revenue

The Federation has received certain advance payments for benefits and services that are to be delivered in the future. The details are summarized as follows:

	Membership fees	Fall seminar fees	Total
Opening balance	\$ 163,765	\$ -	\$ 163,765
Fees received/receivable	321,785	11,351	333,136
Fees earned	(307,910)	(11,351)	(319,261)
Ending balance	\$ 177,640	\$ -	\$ 177,640

7. Operating lease commitments

The Federation's total future minimum lease payments under operating lease commitments over the next five year are as follows:

2026	\$ 4,823
	\$ 4,823

The Federation of Ontario Cottagers' Associations Incorporated

Notes to Financial Statements
September 30, 2025

8. Financial instruments risk exposure

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The organization has not had issues with these collections over the past several years. The allowance for doubtful accounts is \$Nil (2024 - \$Nil).

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. The organization expects to meet these obligations as they come due through sufficient cash flow from operations. The organization has not had issues with meeting obligations in the past several years.