

**Environmental / Green Space**

<b>Organization</b>	<b>Address</b>	<b>Foregone Revenue</b>
Cowichan Agricultural Society& Farmers Institute	5855 Clements St	\$ 3,575
Cowichan Community Land Trust	Rainbow Island	\$ 88
Cowichan Green Community	2431 Beverly Street	\$ 1,780
Ducks Unlimited	District Lot 2A	\$ 134
Ducks Unlimited	Swallowfield Road	\$ 1,765
Ducks Unlimited	District Lot 2A	\$ 1,808
Freshwater Fisheries Society of B.C.	2731 Boys Rd	\$ 339
Island Corridor Foundation	Rail Corridor	\$ 75
Island Corridor Foundation	Rail Corridor	\$ 144
Island Corridor Foundation	Rail Corridor	\$ 203
Island Corridor Foundation	Rail Corridor	\$ 430
Island Corridor Foundation	Rail Corridor	\$ 451
Island Corridor Foundation	Rail Corridor	\$ 456
Island Corridor Foundation	Rail Corridor	\$ 468
Island Corridor Foundation	Rail Corridor	\$ 523
Island Corridor Foundation	Rail Corridor	\$ 530
Island Corridor Foundation	Rail Corridor	\$ 606
Island Corridor Foundation	Rail Corridor	\$ 656
Island Corridor Foundation	Rail Corridor	\$ 705
Island Corridor Foundation	Rail Corridor	\$ 926
Island Corridor Foundation	Rail Corridor	\$ 941
Island Corridor Foundation	Rail Corridor	\$ 69
Island Corridor Foundation	Rail Corridor	\$ 603
Island Corridor Foundation	Rail Corridor	\$ 12
Island Corridor Foundation	Rail Corridor	\$ 16
Island Corridor Foundation	Rail Corridor	\$ 132
Island Corridor Foundation	Rail Corridor	\$ 1,212
Island Corridor Foundation	Rail Corridor.	\$ 1,220
Island Corridor Foundation	Rail Corridor	\$ 2,508
Island Corridor Foundation	Rail Corridor	\$ 2,560
Island Corridor Foundation	Rail Corridor	\$ 2,640
Island Corridor Foundation	Rail Corridor	\$ 2,996
Island Corridor Foundation	Rail Corridor	\$ 3,412
Island Corridor Foundation	Rail Corridor	\$ 3,432
Island Corridor Foundation	Rail Corridor	\$ 3,432
Island Corridor Foundation	Rail Corridor	\$ 4,240
Island Corridor Foundation	Rail Corridor	\$ 5,120
Island Corridor Foundation	Rail Corridor	\$ 5,160
Island Corridor Foundation	Rail Corridor	\$ 5,520
Island Corridor Foundation	Rail Corridor	\$ 5,560

Island Corridor Foundation	Rail Corridor	\$	5,680
Island Corridor Foundation	Rail Corridor	\$	6,320
Island Corridor Foundation	Rail Corridor	\$	6,720
Island Corridor Foundation	Rail Corridor	\$	6,880
Island Corridor Foundation	Rail Corridor	\$	7,120
Island Corridor Foundation	Rail Corridor	\$	7,600
Island Corridor Foundation	Rail Corridor	\$	7,880
Island Corridor Foundation	Rail Corridor	\$	12,640
Island Corridor Foundation	Rail Corridor	\$	18,440
Island Corridor Foundation	Rail Corridor	\$	368
Nature Conservancy of Canada	Aitken Rd	\$	3,725
Nature Conservancy of Canada	Maple Bay Rd	\$	12,578
Nature Conservancy of Canada	1241 Maple Bay Rd	\$	2,088
Nature Conservancy of Canada	1501 Khenipsen Rd	\$	5,853
Nature Trust of BC	Trans Canada Hwy	\$	3,349
Nature Trust of BC	Cowichan Bay	\$	62
Nature Trust of BC	Beverly St	\$	2,793
Nature Trust of BC	Trans Canada Hwy	\$	3,273
Nature Trust of BC	Beverly St	\$	675
Nature Trust of BC	Trans Canada Hwy	\$	2,611
Nature Trust of BC	3776 Gibbins Rd	\$	2,808
Nature Trust of BC	6045 Trans Canada Hwy	\$	1,506
Vancouver Island Providence Community Association	Donnay Drive	\$	4,136
Vancouver Island Providence Community Association	1843 Tzouhalem Rd	\$	4,301
		<b>\$</b>	<b>195,851</b>



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**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Cowichan Agricultural Society and Farmers Institute			
Are you registered under the BC Societies Act?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
Are you a registered charity?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
Mailing Address: 5855A Clements Street, Duncan, BC, V9L 3W2			
Contact Person: Paul Tataryn, Treasurer			
Email Address: [REDACTED]	FIPPA s. 22(1)		Phone Number: [REDACTED] FIPPA s. 22(1)
Name and Phone number of two other officials in the organization			
Name: Foster Richardson		Name: Wayne Haddow	
Title President		Title Executive Officer	
Phone Home: [REDACTED] FIPPA s. 22(1)		Phone Home: [REDACTED] FIPPA s. 22(1)	
Phone Work:		Phone Work:	

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:

The Cowichan Agricultura Society and Farmers Institute is incorporated under the Farmers and Womens Institute Regulation of the Farmers and Womens Institute Act of British Columbia.

- (a)to improve conditions of rural life so that settlement may be permanent and prosperous;
- (b)to promote the theory and practice of agriculture;
- (c)to arrange on behalf of its members for the purchase, distribution or sale of commodities, supplies or products;
- (d)to act generally on behalf of its members in all matters incidental to agricultural pursuits and rural development;
- (e)to promote home economics, public health, child welfare, education and better schools.

What charitable, philanthropic, athletic or recreational service does your organization provide to the community?

Community agriculture awareness and support

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:

Cowichan Agricultural Society and Farmers Institute

What is the principal use of the property (including all buildings and/or land)

- CAS & Farmers Institute agricultural meetings and events
- Meeting facility for community clubs and organizations
- We provide a small area of our lot for year-round parking for our neighbour, the Clements Centre Society

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

The building and property is used principally by the members of the CAS Farmers Institute for meetings and agricultural related workshops. We have an annual membership fee of \$20.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

Our facilities are also used for regular meetings by various community organizations including:  
- Cowichan Valley 4H Club, Cowichan Spirit Drummers, Clements Centre Society, Cowichan Valley Naturalists, Shriners, MS Society, Bhopal Rehabilitation, Cowichan Beekeepers

A minimal fee is charged for use of the facility to cover basic costs, usually about \$25  
The 4H Club is not charged for the use of the facility.

To what extent are the buildings or property accessible to the public?

The building is 100% available for booking to members of the public that are affiliated with community organizations.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

The Cowichan Agricultural Society and Farmers Institute is one of the oldest Farmers Institutes in British Columbia, we have been in existence and serving the Cowichan Valley for over 100 years.

#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

✓	most recent annual financial statement	✓	copy of property title
✓	constitution	✓	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and that the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature: Paul Tataryn	Date: Jul 25, 2023
Name (please print): Paul Tataryn	Date: Jul 25, 2023

Print Form

**NOTE: In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.**

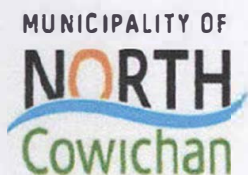
*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director*

**FINANCIAL STATEMENT**

Of the	Cowichan Agricultural Society	Farmers'/Womens' Institute for the year ending	2022
<b>RECEIPTS</b>	<b>AMOUNT</b>	<b>EXPENDITURES</b>	<b>AMOUNT</b>
Bank and Cash Balance from previous year	\$23,050.77	Expenses for Directors and regular meetings	
Membership fees	\$380.00	Officers' salaries	
Government grants		web hosting	
Interest from Banks and Investm.	\$0.12	Utilities: Hydro, Heat, Water	\$2,211.07
Sales		Membership dues to other organizations	\$0.00
Feed and supplies		Building repairs and maintenance	\$0.00
Seed		Property taxes and insurance	\$3,811.00
Fertilizer		Purchases	Feed and supplies
stale dated cheque			Seed
reimbursed from soils workshop	\$0.00		Fertilizer
Hall receipts	\$6,750.00		Fencing, twine, salt, etc.
cashd term deposits (term 34)			Soils Workshop
<b>Total Receipts</b>	<b>\$6,750.00</b>		Bank and audit charges
(include balance from previous year)	\$23,050.77		Donations and honorariums
			re-invest terms (new terms 34 & 35)
			<b>6,122.07</b>
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash on hand and in bank (total receipts less total expenditures)	\$2,437.57		
Investments	\$20,887.81		
Inventory on hand			
Properties and buildings value	469,700.00		
Accounts receivable (unpaid rent )	\$0.00		
<b>Total Assets</b>	<b>\$493,025.38</b>	<b>Total Liabilities</b>	<b>\$0.00</b>

Examined and found correct this		day of			

*(Complete the Annual Report on the reverse of this form)*



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**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Cowichan Community Land Trust	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: 5 55 Station St Duncan, BC V9L 1M2	
Contact Person: Stephanie Cottell	
Email Address: stephanie@cowichanlandtrust.ca	Phone Number: 250-746-0227
Name and Phone number of two other officials in the organization	
Name: Roger Wiles	Name: Pete Keber
Title Treasurer	Title President
Phone Home: [REDACTED] FIPPA s. 22(1)	Phone Home: [REDACTED] FIPPA s. 22(1)
Phone Work:	Phone Work:

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
Ecological conservation, education, and stewardship
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?
The CCLT provides conservation services by holding covenants, providing community education and organization stewardship and restoration activities. <span style="float: right;">+</span>

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
Cowichan Community Land Trust Conservation covenant registered on the property held by Quamichan Watershed Stewardship Society and the Nanaimo Area Land Trust
What is the principal use of the property (including all buildings and/or land)
The whole property is protected by a restrictive conservation covenant for the purpose ecological conservation. Access is limited to annual monitoring. There are no buildings or built structures.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

The property is monitored by the covenant holders, occasionally accompanied by staff or board members of the Cowichan Community Land Trust. There are no fees charged to users. The monitoring requires approximately 4 hour per year, and it's 100% of the usage.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

No

To what extent are the buildings or property accessible to the public?

The property is located in Quamichan Lake and can only be accessed by water. There is no dock or accessible beach for coming ashore, and there is no evidence that the public is accessing it.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

There is no site plan so I have attached the conservation covenant which includes the baseline study, management plan, and property maps.

#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

<input checked="" type="checkbox"/>	most recent annual financial statement	<input checked="" type="checkbox"/>	copy of property title
<input checked="" type="checkbox"/>	constitution	<input checked="" type="checkbox"/>	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. If there is a change in the status of your organization the Municipality of North Cowichan must be notified.

Signature:

[Redacted Signature]

Date:

Apr 26, 2023

Name (please print):

**FIPPA s. 22(1)**  
Stephanie Cottell

Date:

Apr 26, 2023

Print Form

**NOTE:** In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*

**COWICHAN COMMUNITY LAND TRUST SOCIETY**

**Financial Information**

**Year Ended March 31, 2022**

***Palmer Leslie***  
Chartered Professional Accountants



**COWICHAN COMMUNITY LAND TRUST SOCIETY**  
**Index to Financial Information**  
**Year Ended March 31, 2022**

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Alex E. Palmer, CPA, CMA  
Tammy Leslie, CPA, CGA, CA  
Tavish Annis, CPA, CMA

PA Professional Corporation

## COMPILATION ENGAGEMENT REPORT

To the Members of Cowichan Community Land Trust Society

On the basis of information provided by management, we have compiled the statement of financial position of Cowichan Community Land Trust Society as at March 31, 2022, and the statements of changes in net assets, operations and cash flow for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial statements ("financial information").

Management is responsible for the accompanying financial statements, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial statements.

We have not performed an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the statements provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial statements.

Readers are cautioned that the financial statements may not be appropriate for their purposes.

Duncan, British Columbia  
July 27, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

307-394 Duncan Street  
Duncan, BC V9L 2W3

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**COWICHAN COMMUNITY LAND TRUST SOCIETY**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 75,812	\$ 41,212
Accounts receivable	6,543	19,042
Goods and services tax recoverable	418	659
Prepaid expenses	1,068	897
	83,841	61,810
LONG TERM INVESTMENTS <i>(Note 4)</i>	110,000	110,000
CAPITAL ASSETS <i>(Note 5)</i>	22,539	22,974
	<b>\$ 216,380</b>	<b>\$ 194,784</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 28,092	\$ 6,029
Unexpended grants	23,247	26,153
	51,339	32,182
 <b>NET ASSETS</b>		
Invested in capital assets	22,539	22,973
Restricted reserves	141,720	141,106
Society operations	782	(1,477)
	165,041	162,602
	<b>\$ 216,380</b>	<b>\$ 194,784</b>

**APPROVED BY SOLE DIRECTOR**

\_\_\_\_\_ Director

The accompanying notes form an integral part of these financial statements

**COWICHAN COMMUNITY LAND TRUST SOCIETY**  
**Combined Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	Invested in Capital Assets	Restricted Reserves	Society Operations	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 22,973	\$ 141,106	\$ (1,477)	<b>\$ 162,602</b>	<b>\$ 120,474</b>
Amortization	(434)	-	434	-	-
Prior year net asset account not reported on financials	-	-	-	-	(407)
Transfer	-	614	(614)	-	-
	-	-	-	-	-
<b>EXCESS OF REVENUES OVER EXPENSES</b>	-	-	2,439	<b>2,439</b>	<b>42,535</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 22,539</b>	<b>\$ 141,720</b>	<b>\$ 782</b>	<b>\$ 165,041</b>	<b>\$ 162,602</b>

The accompanying notes form an integral part of these financial statements

**COWICHAN COMMUNITY LAND TRUST SOCIETY**  
**Combined Statement of Operations**  
**Year Ended March 31, 2022**

	2022	2021
<b>REVENUES</b>		
Donations	\$ 15,095	\$ 32,317
Grants	94,697	151,800
Membership dues	496	572
Other revenue	24,472	45,365
	<u>134,760</u>	<u>230,054</u>
<b>EXPENSES</b>		
Personnel Costs		
Salaries and wages	56,542	88,813
Training	-	70
Travel	604	701
Project and Program Costs		
Communications and printing	675	323
Consulting and contracting	45,457	47,188
Supplies and small equipment	985	971
Facility Costs		
Insurance	1,578	1,502
Office rental	4,873	5,314
Project Expenses	12,550	33,051
Security	393	393
Telephone and internet	2,167	2,182
Utilities	67	197
Administration and Other		
Office expense	1,511	1,031
Professional fees	4,484	5,433
Capital Asset Activity		
Amortization	435	350
	<u>132,321</u>	<u>187,519</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 2,439</u>	<u>\$ 42,535</u>

The accompanying notes form an integral part of these financial statements

**COWICHAN COMMUNITY LAND TRUST SOCIETY**  
**Combined Statement of Operations**  
**Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 2,439	\$ 42,535
Item not affecting cash:		
Amortization of capital assets	435	350
	<u>2,874</u>	<u>42,885</u>
Changes in non cash working capital:		
Accounts receivable	12,499	(14,844)
Accounts payable	22,063	4,008
Prepaid expenses	(171)	(262)
Goods and services tax payable	241	353
Unexpended grants	(2,906)	(35,683)
Unexpended grants - prior year adjustment	-	(407)
	<u>31,726</u>	<u>(46,835)</u>
Cash flow from (used by) operating activities	<u>34,600</u>	<u>(3,950)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(916)
Increase to Long Term Investments - Restricted Funds	-	(40,000)
Cash flow used by investing activities	<u>-</u>	<u>(40,916)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>34,600</b>	<b>(44,866)</b>
Cash beginning of year	<u>41,212</u>	<u>86,078</u>
<b>CASH - END OF YEAR</b>	<b>\$ 75,812</b>	<b>\$ 41,212</b>
<b>CASH CONSISTS OF:</b>		
Cash	<u>\$ 75,812</u>	<u>\$ 41,212</u>

The accompanying notes form an integral part of these financial statements

# COWICHAN COMMUNITY LAND TRUST SOCIETY

## Notes to Financial Information

Year Ended March 31, 2022

Unaudited - See "NOTICE TO READER" dated July 27, 2022.

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### 1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of Cowichan Community Land Trust Society as at March 31, 2022, and the statements of changes in net assets, operations and cash flow for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
  - investments recorded at cost
  - property, plant and equipment amortized on the same basis as for income tax
  - accounts payable and accrued liabilities
- 

### 2. PURPOSE OF ORGANIZATION

The Cowichan Community Land Trust Society (the Society) is a local organization operating programs aimed at preserving, protecting and enhancing the environmental integrity of the lands of the Cowichan Valley Regional District and surrounding area. The Society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements were compiled based on information supplied by management. They may not be in accordance with Canadian Generally Accepted Accounting Principles.

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives on the diminishing balance basis at the following rates:

Computer equipment	55%	declining balance method
Furniture and office equipment	20%	declining balance method

#### Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions and grants related to the general operations of the Society are recognized as revenue in the combined statement of operations in the year in which the related expenses are incurred.

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### 4. LONG TERM INVESTMENTS

INVESTMENT IN VANCOUVER FOUNDATION ENDOWMENT (COVENANTS) - This is an externally restricted amount from which interest income is used for the purpose of conservation covenant monitoring.

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**COWICHAN COMMUNITY LAND TRUST SOCIETY**

**Notes to Financial Information**

**Year Ended March 31, 2022**

*Unaudited - See "NOTICE TO READER" dated July 27, 2022.*

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 22,000	\$ -	\$ 22,000	\$ 22,000
Computer equipment	4,476	4,167	309	686
Furniture and office equipment	3,605	3,375	230	288
	<u>\$ 30,081</u>	<u>\$ 7,542</u>	<u>\$ 22,539</u>	<u>\$ 22,974</u>

6. UNEXPENDED GRANTS

	2022	2021
Projects	\$ 23,247	\$ 24,633
Shawnigan	-	1,345
THINC	-	175
	<u>\$ 23,247</u>	<u>\$ 26,153</u>

7. STATEMENT OF RESTRICTED RESERVES

	Reserve balance, beginning of year	Allocation from net income	2022	2021
Land Acquisition Reserve	\$ 13,858	\$ 782	\$ 14,640	\$ 13,858
Covenant Monitoring Reserve	11,326	(168)	11,158	11,326
Environment Protection Fund (Covenants)	110,000	-	110,000	110,000
CEP's Wrap-up / Eelgrass Buoys	5,922	-	5,922	5,922
	<u>\$ 141,106</u>	<u>\$ 614</u>	<u>\$ 141,720</u>	<u>\$ 141,106</u>

8. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the current year presentation standards.



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## COWICHAN COMMUNITY LAND TRUST SOCIETY

6-55 Station Street  
Duncan, BC  
V9L 1M2

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July 27, 2022

Confidential

Client Number: 2C700

PALMER LESLIE, Chartered Professional Accountants  
301-394 Duncan Street  
Duncan British Columbia V9L 3W4

Further to the engagement letter dated June 23, 2022, we acknowledge that we are responsible for:

- a. The compiled financial information;
- b. Selecting the basis of accounting to be applied in the preparation of the compiled financial information that is appropriate for the intended use;
- c. The accuracy and completeness of the information provided to you; and
- d. Attaching the compilation engagement report when distributing or reproducing the compiled financial information.

Acknowledged and agreed on behalf of Cowichan Community Land Trust Society by:

---

Stephanie Cottell

---

Date signed

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Cowichan Green Community Society	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Mailing Address: 360 Duncan Street, Duncan, BC V9L 3W4	
Contact Person: Judy Stafford, Executive Director	
Email Address: judy@cowichangreencommunity.org	Phone Number: 250-748-8506
Name and Phone number of two other officials in the organization	
Name: Leela Hamilton	Name: Nathan Harben
Title General Manager	Title Project Manager
Phone Home:	Phone Home:
Phone Work: (250) 748-8506	Phone Work: (250) 748-8506

**SECTION 2 – ORGANIZATION INFORMATION**

<p><b>Please provide a brief description of the goals and objectives of the organization:</b></p> <p>Cowichan Green Community (CGC) is a non-profit organization that has been focusing on environmental sustainability in the Cowichan Region officially since March 2004. Since 2007, CGC's mandate is to improve food security by developing strong relationships with local food producers and increasing urban and rural food production. The mission is to cultivate food, community and resilience.</p> <p>CGC is a community leader, creating and supporting a future where the foundation is built on health and well-being; the environment, economy and social fabric are resilient, inclusive and vibrant; CGC celebrates the connection to the earth and to each other; and all persons are valued equally.</p> <p>CGC is also a hub for social innovation, community engagement and community building; nurturing the relationships between ourselves and the environment. CGC creates positive change through education, regenerative projects, and celebration.</p> <p>CGC's Guiding Principles are evident in all of the work that is done: valuing inclusion, intention, responsibility, commitment, positive solutions, diversity, collaboration, and environmental reverence.</p>
<p><b>What charitable, philanthropic, athletic or recreational service does your organization provide to the community?</b></p> <p>CGC provides a wide range of services to the Cowichan residents focused on increasing food security. This is done through a variety of activities and programs, including food recovery, summer camp, workshops and trainings, community meals, educational publications and operating two teaching farms. See our year in review video <a href="https://www.youtube.com/watch?v=04HjAj5LAtI">https://www.youtube.com/watch?v=04HjAj5LAtI</a></p>

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

<p><b>The lands are registered in the name of:</b></p> <p>Municipality of North Cowichan</p>
<p><b>What is the principal use of the property (including all buildings and/or land)</b></p> <p>The property located at 2431 Beverly Street has been managed by CGC since August 2015 when we acquired a License of Occupation with the Municipality of North Cowichan. We have set up a community farm including market gardens, greenhouse food production, a native plant nursery, seed bank, seed farm, and senior's community gardens. And it is the future home of the Food Hub including a warehouse, distribution space, office space, and commercial kitchen.</p>

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

Various groups/community members use our space including:

- school groups attend educational workshops (upwards of 30 students/per visit)
- seniors who participate in the inclusion gardens (we served over 50 seniors last year)
- community members and volunteers who either help with farm activities or just come and ask questions (over 20 in the past few years)
- customers who purchase plants and produce. (over 885 customers this year so far)

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

At this time, no. However we do have plans to build a warehouse on site and then part of the space will be utilized by the Cow-op Online Farmers market for aggregation and distribution. And the new commercial kitchen will be rented by farmers and food producers.

To what extent are the buildings or property accessible to the public?

The gardening space and growing spaces are accessible to the public to come and learn more about gardening and farming. One greenhouse is the space where customers can access to look at and purchase plants, however some of the greenhouses/growing spaces are not accessible. We generally do not have members of the public in the office building.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

This farm has become a valued community space for the neighbour and beyond. Daily community members stop by, access knowledge, comment on the valuable contribution to the neighbourhood this community farm brings. Here are just a few of the testimonials we have received:

"Words out, you have the healthiest plants around" We hear that a lot, people are really pleased with the quality."

"I came down to talk to farm team , I knew you could answer my question."

"We love coming shopping here rather than the grocery stores, your location is so convenient and you have such a funky vibe going on. We're happy to support you."

"I bought my plants here last year and am back again. I can't believe the changes"

"I was shopping at Superstore and a clerk there recommended that I should come by the farm. She said the plants were so healthy."

"I drive by this place everyday to and from work and have really noticed the changes that are being made. Your farm looks great."

"I love being at the farm. It is such a supportive environment and there is always someone there to help me if I have a question. I am grateful for the time and energy that the farm team puts into making us all feel at home. And I love getting fresh farm produce in my own neighbourhood." Margaret, community gardener


#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

✓	most recent annual financial statement	✓	copy of property title
✓	constitution	✓	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:  <b>FIPPA s. 22(1)</b>	Date: Jun 27, 2023
Name (please print): Judy Stafford	Date: Jun 27, 2023

Print Form

**NOTE: In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.**

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*

**Cowichan Green Community Society**  
**Compiled Financial Information**  
*December 31, 2022*

To the Management of Cowichan Green Community Society:

On the basis of information provided by management, we have compiled the statement of financial position as at December 31, 2022, and the statements of revenues and expenses, changes in net assets for the year, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Duncan, British Columbia

June 21, 2023



Chartered Professional Accountants

# Cowichan Green Community Society

## Statement of Financial Position

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash	136,079	206,214
Term deposit	-	753,210
Accounts receivable	21,758	21,883
Grants Receivable	70,794	103,149
Advances to Cowichan Green Community Foundation	11,754	8,036
	<b>240,385</b>	1,092,492
<b>Capital assets (Note 3)</b>	<b>864,209</b>	163,475
<b>Investment in Cowichan Green Community Holdings Ltd.</b>	<b>110</b>	110
	<b>1,104,704</b>	1,256,077
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	44,506	30,900
Deferred contributions (Note 4)	54,602	306,227
Advances from Cowichan Green Holdings Ltd.	65,058	12,844
Canada Emergency Business Account	40,000	40,000
	<b>204,166</b>	389,971
<b>Long-term debt (Note 5)</b>	<b>50,000</b>	50,000
<b>Deferred contributions related to capital assets (Note 6)</b>	<b>945,924</b>	800,000
	<b>1,200,090</b>	1,239,971
<b>Net Assets</b>		
Unrestricted	(110,335)	(6,193)
Invested in capital assets	14,949	22,299
	<b>(95,386)</b>	16,106
	<b>1,104,704</b>	1,256,077

# Cowichan Green Community Society

## Statement of Operations

*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Grant Funding	696,924	638,208
Program Revenues	553,057	434,728
Administrative services	185,948	146,624
Rental income	14,086	28,283
Other income	24,858	35,937
Donations	6,657	2,208
Memberships	2,729	1,361
Dividend income	12,935	-
Amortization of deferred contributions <i>(Note 6)</i>	48,192	-
	<b>1,545,386</b>	1,287,349
<b>Cost of Goods Sold</b>	<b>145,770</b>	92,382
	<b>1,399,616</b>	1,194,967
<b>Expenses</b>		
Advertising	2,219	4,590
Amortization	55,542	8,242
Bad debts	2,116	2,786
Bank charges and interest	4,499	4,497
Insurance	12,218	8,958
Office Expenses	37,758	28,983
Professional fees	21,659	10,828
Program expenses	498,216	376,149
Rent	34,500	30,750
Repairs and maintenance	10,344	30,866
Wages and Benefits	832,037	742,877
<b>Total expenses</b>	<b>1,511,108</b>	1,249,526
<b>Deficiency of expenses over revenues</b>	<b>(111,492)</b>	(54,559)

**Cowichan Green Community Society**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2022*

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	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<b>2022</b>	<i>2021</i>
<b>Net assets, beginning of year</b>	<b>(6,193)</b>	<b>22,299</b>	<b>16,106</b>	70,665
<b>Deficiency of expenses over revenues</b>	<b>(104,142)</b>	<b>(7,350)</b>	<b>(111,492)</b>	(54,559)
<b>Net assets, end of year</b>	<b>(110,335)</b>	<b>14,949</b>	<b>(95,386)</b>	16,106

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# Cowichan Green Community Society

## Notes to the Compiled Financial Information

*For the year ended December 31, 2022*

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### 1. Nature of the organization

Cowichan Green Community Society (the "Organization") is a non-profit organization that is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. It was established in 2004 and focuses on developing strong relationships with local food producers, increasing capacity for local food production (both urban and rural), and empowering people with the knowledge, skills and resources they need to feed their community.

### 2. Basis of accounting

The basis of accounting applied in the preparation of the financial information of Cowichan Green Community Society as at December 31, 2022 is on the historical cost basis, reflecting cash transactions with the addition of:

- Term deposits are recorded at cost plus accrued interest
- Accounts receivable
- Grants received are recorded upon confirmation that the funds will be awarded
- Capital assets are amortized over their useful life
- Accounts payable and accrued liabilities
- Deferred contributions are recorded as a liability until the funds are spent

### 3. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	<b>2021 Net book value</b>
Buildings	844,796	33,792	811,004	141,176
Automotive	101,900	54,587	47,313	14,934
Office equipment	26,110	20,218	5,892	7,365
	<b>972,806</b>	<b>108,597</b>	<b>864,209</b>	<b>163,475</b>

### 4. Deferred Contributions

Deferred contributions consist of unspent contributions externally restricted for specific programs and projects of subsequent fiscal years. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Funds included in Deferred Contributions are as follows:

	<b>2022</b>	<b>2021</b>
Gaming	-	64,833
VIHA	6,000	35,661
Refresh Coupon	275	20,628
City of Duncan - Grant - Resiliency Project	7,947	13,048
Cow-Op Online Farmers Market	-	126,234
College Education Centre	-	10,446
Employment and Social Development Canada - Snack Trail GEC Trail	-	8,534
PHAC Grant	10,631	16,672
Other	29,749	10,171
<b>Total</b>	<b>54,602</b>	<b>306,227</b>

### 5. Long-term debt

Contributions payable to the Greater Vancouver Community Assistance Foundation (now Van City)("GVCAF"). Amount is payable on sale of property held by Cowichan Green Holdings Ltd. plus interest at 4.39% based on an appreciation recovery as defined by GVCAF.

**Cowichan Green Community Society**  
**Notes to the Compiled Financial Information**

*For the year ended December 31, 2022*

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**6. Deferred contributions related to capital assets**

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Balance, beginning of year	<b>800,000</b>	-
Amount received during the year - HUB	<b>146,116</b>	800,000
Amounts received during the year - vehicle	<b>48,000</b>	-
Less: Amounts recognized as revenue during the [year]	<b>(48,192)</b>	-
<hr/>		
Balance, end of year	<b>945,924</b>	800,000

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**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Ducks Unlimited Canada	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: PO Box 84664, Surrey, BC, V3W 6Y7	
Contact Person: Richard Topp	
Email Address: r_topp@ducks.ca	Phone Number: 604-360-8677
Name and Phone number of two other officials in the organization	
Name: Matthew Christensen	Name: Sarah Nathan
Title Head Conservation Programs	Title Provincial Manager of Operations
Phone Home:	Phone Home:
Phone Work: 341-0672	Phone Work: (778) 888-1706

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
Our mission is to conserve, restore and manage wetlands and associated habitats for the benefit of North America's waterfowl. These habitats also benefit other wildlife and people.
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
Ducks Unlimited Canada
What is the principal use of the property (including all buildings and/or land)
The principal use of this property is for conservation purposes. Maintaining the property as healthy estuary landscape with wetland and upland areas that provide habitat for waterfowl, fish and other wildlife while also providing valuable cultural and recreational activities that do not impact the environmental values.
The management goals for the property are:
1. Conserve, maintain, and enhance the environmental value of the property for the benefit of waterfowl, fish and other wildlife
2. Recognize and support the long-term human use and cultural heritage of the property
3. Encourage human activities that protect and enhance the estuary's natural environment value and discourage human activities harmful to this natural value

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

The property is open to public access. Activities that take place on this property range from dog walking, bird watching, and even hunting during the hunting season. No fees are charged to users of the property. Percentages for public use of the lands is not tracked and could vary with the season.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

No portion of the property is used or rented by commercial or private individuals. No buildings exist on the property.

To what extent are the buildings or property accessible to the public?

The property is accessible to the public through unofficial walking trails that have developed over time through public use.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

This property is a part of the Chemainus Estuary Project at Ducks Unlimited Canada.


#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

✓	most recent annual financial statement	✓	copy of property title
✓	constitution	✓	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

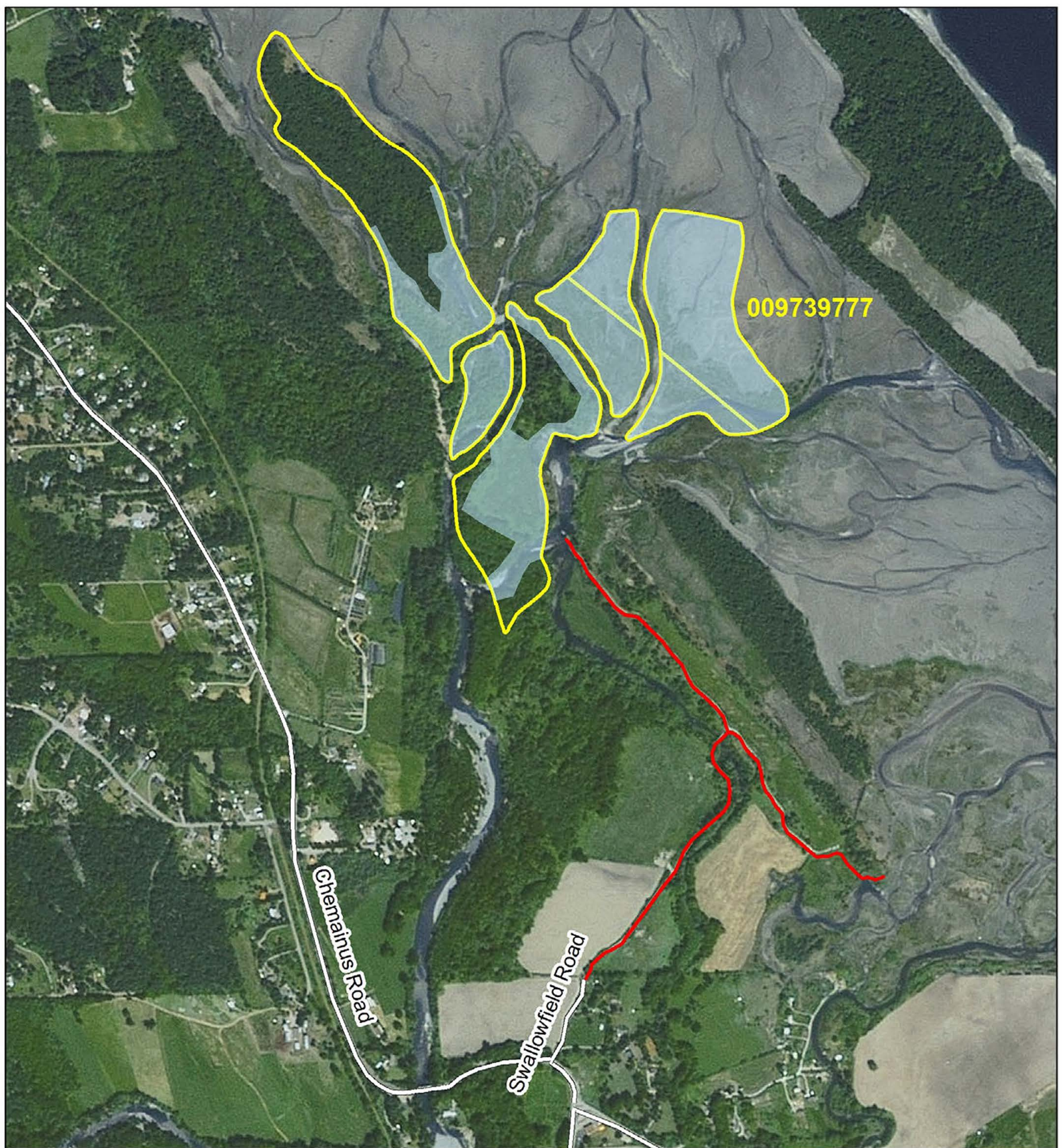
I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:	 <b>FIPPA s. 22(1)</b>	Date:	Aug 4, 2023
Name (please print):	Matt Christensen	Date:	Aug 4, 2023

Print Form

**NOTE:** In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*



-  Existing trail
-  QARS access for fish monitoring



**Site sketch plan for  
PID 009-739-777**



**Ducks Unlimited Canada**  
Conserving Canada's Wetlands

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Ducks Unlimited Canada	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: PO Box 84664, Surrey, BC, V3W 6Y7	
Contact Person: Richard Topp	
Email Address: r_topp@ducks.ca	Phone Number: 604-360-8677
Name and Phone number of two other officials in the organization	
Name: Matthew Christensen	Name: Sarah Nathan
Title Head Conservation Programs	Title Provincial Manager of Operations
Phone Home:	Phone Home:
Phone Work: 341-0672	Phone Work: (778) 888-1706

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
Our mission is to conserve, restore and manage wetlands and associated habitats for the benefit of North America's waterfowl. These habitats also benefit other wildlife and people.
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
Ducks Unlimited Canada
What is the principal use of the property (including all buildings and/or land)
The principal use of this property is for conservation purposes. Maintaining the property as healthy estuary landscape with wetland and upland areas that provide habitat for waterfowl, fish and other wildlife while also providing valuable cultural and recreational activities that do not impact the environmental values.
The management goals for the property are:
1. Conserve, maintain, and enhance the environmental value of the property for the benefit of

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

The property is open to public access. Activities that take place on this property range from dog walking, bird watching, and even hunting during the hunting season. No fees are charged to users of the property. Percentages for public use of the lands is not tracked and could vary with the season.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

No portion of the property is used or rented by commercial or private individuals. No buildings exist on the property.

To what extent are the buildings or property accessible to the public?

The property is accessible to the public through unofficial walking trails that have developed over time through public use.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

This property is a part of the Chemainus Estuary Project at Ducks Unlimited Canada.

#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

<input checked="" type="checkbox"/>	most recent annual financial statement	<input checked="" type="checkbox"/>	copy of property title
<input checked="" type="checkbox"/>	constitution	<input checked="" type="checkbox"/>	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

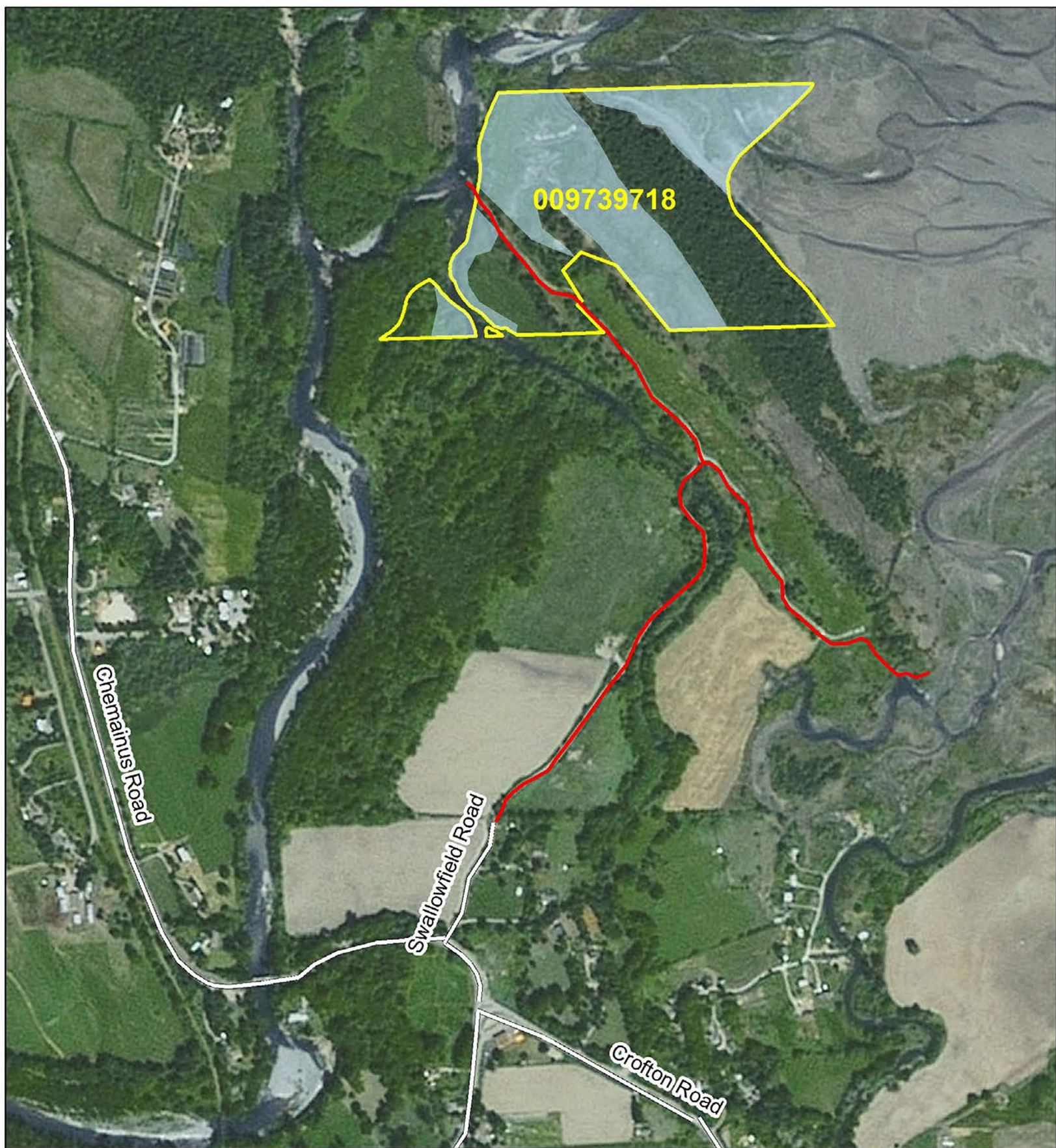
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Signature:	Date: Aug 4, 2023
Name (please print): Matt Christensen	Date: Aug 4, 2023

Print Form

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-  Existing trail
-  QARS permitted access for fish monitoring



**Site sketch plan for  
PID 009-739-718**



**Ducks Unlimited Canada**  
Conserving Canada's Wetlands



**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Ducks Unlimited Canada	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: PO Box 84664, Surrey, BC, V3W 6Y7	
Contact Person: Richard Topp	
Email Address: r_topp@ducks.ca	Phone Number: 604-360-8677
Name and Phone number of two other officials in the organization	
Name: Matthew Christensen	Name: Sarah Nathan
Title Head Conservation Programs	Title Provincial Manager of Operations
Phone Home:	Phone Home:
Phone Work: 341-0672	Phone Work: (778) 888-1706

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
Our mission is to conserve, restore and manage wetlands and associated habitats for the benefit of North America's waterfowl. These habitats also benefit other wildlife and people.
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?

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The management goals for the property are:
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#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

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<input checked="" type="checkbox"/>	constitution	<input checked="" type="checkbox"/>	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

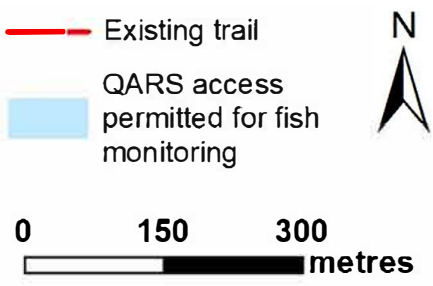
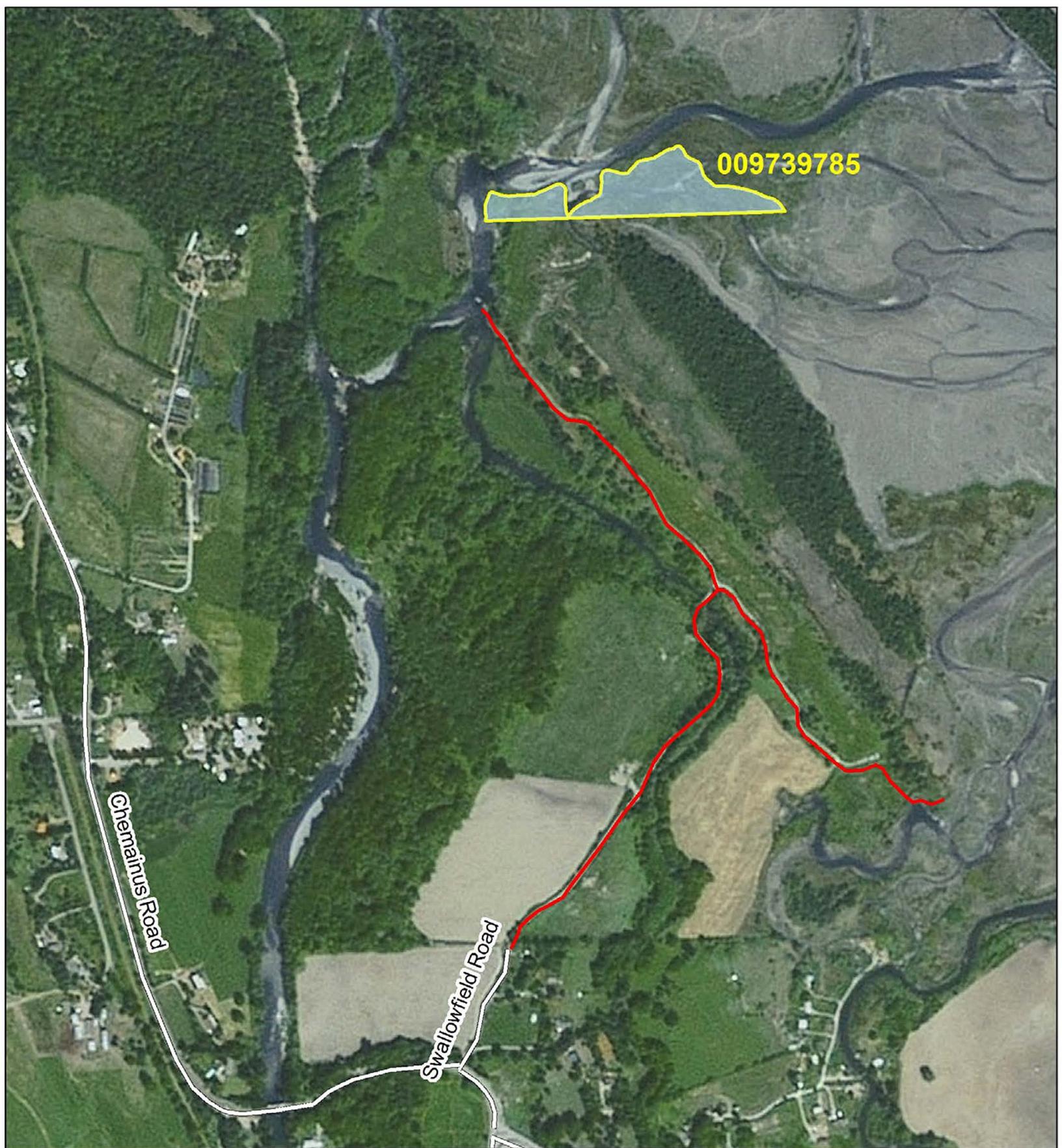
I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and that the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:	Date: Aug 4, 2023
Name (please print): Matt Christensen	Date: Aug 4, 2023

Print Form

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**Site sketch plan for  
PID 009-739-785**





## Independent auditor's report

To the Directors of Ducks Unlimited Canada

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ducks Unlimited Canada (DUC) as at March 31, 2022 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.

#### What we have audited

DUC's financial statements comprise:

- the statement of financial position as at March 31, 2022;
- the statement of revenue and expenses and changes in unrestricted net assets for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of DUC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### 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.

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In preparing the financial statements, management is responsible for assessing DUC'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 DUC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing DUC's financial reporting process.

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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 DUC'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 DUC'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 DUC 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
June 11, 2022

# DUCKS UNLIMITED CANADA

Statement of Financial Position  
(Expressed in thousands of Canadian dollars)

As at March 31

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 19,019	\$ 16,882
Accounts receivable	27,620	19,853
Derivative asset (note 20)	576	85
Receivable from Ducks Unlimited, Inc. (note 3)	-	2,432
Inventories (note 4)	543	606
Project materials, prepaid expenses and deposits	1,875	1,110
Short-term investments (note 5)	15,701	8,701
	<u>65,334</u>	<u>49,669</u>
Investments (note 5)	174,053	176,252
Property, plant and equipment, net of accumulated amortization (note 6)	6,958	6,600
Land held for resale (note 7)	12,613	15,498
Conservation lands (note 8)	195,942	189,644
	<u>\$ 454,900</u>	<u>\$ 437,663</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (notes 15 and 16)	14,031	10,147
Revolving loans (note 9)	10,923	13,274
Deferred contributions from Ducks Unlimited, Inc. (note 3)	1,145	-
Current portion of unearned revenue	6,502	6,577
Current portion of deferred contributions (note 10)	15,908	11,264
	<u>48,509</u>	<u>41,262</u>
Unearned revenue	8,972	10,225
Deferred contributions (note 10)	2,135	2,119
Accrued pension and post-employment benefits obligations (note 11)	11,792	11,388
	<u>71,408</u>	<u>64,994</u>
Commitments (note 15)		
Net assets to support conservation activities:		
Internally restricted (note 12)	169,765	164,469
Invested in land held for resale, property, plant and equipment and conservation lands (note 13)	201,487	195,205
Unrestricted	12,240	12,995
	<u>383,492</u>	<u>372,669</u>
	<u>\$ 454,900</u>	<u>\$ 437,663</u>

See accompanying notes to financial statements.

On behalf of the Board:



Kevin Harris  
President



Patrick O'Connor  
Treasurer

# DUCKS UNLIMITED CANADA

Statement of Revenue and Expenses and Changes in Unrestricted Net Assets  
(Expressed in thousands of Canadian dollars)

Year ended March 31

	2022	2021
Revenue:		
Philanthropic fundraising (note 17)	\$ 6,548	\$ 6,550
Grassroots fundraising	1,464	1,576
Grant revenue (notes 7 and 18)	70,386	59,291
Program and other (note 16)	18,185	20,974
Investment income	9,759	32,560
	106,342	120,951
Expenses (note 21):		
Conservation program (notes 9 and 16)	82,473	72,571
Fundraising (note 4)	4,535	4,944
Administration	6,986	5,409
	93,994	82,924
Surplus of revenue over expenses for the year	12,348	38,027
Transfers from unrestricted net assets (note 14)	(13,103)	(36,183)
Change in unrestricted net assets	(755)	1,844
Opening balance, unrestricted net assets	12,995	11,151
Closing balance, unrestricted net assets	\$ 12,240	\$ 12,995

See accompanying notes to financial statements.



# DUCKS UNLIMITED CANADA

Statement of Changes in Net Assets  
(Expressed in thousands of Canadian dollars)

	Internally restricted (note 12)	Invested in land held for resale, property, plant and equipment and conservation lands (note 13)	Unrestricted (note 14)	Total
Balance, March 31, 2020	\$ 133,884	\$ 187,706	\$ 11,151	\$ 332,741
Surplus of revenue over expenses for the year	-	-	38,027	38,027
Pension remeasurement, valuation allowance and other items (note 11)	909	-	-	909
Internally imposed restrictions (note 12(b))	29,676	-	(29,676)	-
Invested in land held for resale, property, plant and equipment and conservation lands (note 13)	-	6,507	(6,507)	-
Donated land (notes 7, 8 and 13)	-	992	-	992
Balance, March 31, 2021	\$ 164,469	\$ 195,205	\$ 12,995	\$ 372,669
Surplus of revenue over expenses for the year	\$ -	\$ -	\$ 12,348	\$ 12,348
Pension remeasurement, valuation allowance and other items (note 11)	(2,978)	-	-	(2,978)
Internally imposed restrictions (note 12(b))	8,274	-	(8,274)	-
Invested in land held for resale, property, plant and equipment and conservation lands (note 13)	-	4,829	(4,829)	-
Donated land and equipment (notes 8 and 13)	-	1,453	-	1,453
Balance, March 31, 2022	\$ 169,765	\$ 201,487	\$ 12,240	\$ 383,492

See accompanying notes to financial statements.

# DUCKS UNLIMITED CANADA

## Statement of Cash Flows

(Expressed in thousands of Canadian dollars)

Year ended March 31

	2022	2021
Cash provided by (used in):		
Operating activities:		
Surplus of revenue over expenses for the year	\$ 12,348	\$ 38,027
Adjustments for items not affecting cash:		
Depreciation and amortization	870	822
Amortization of deferred contributions related to property, plant and equipment	(172)	(144)
Loss (gain) on disposal of property, plant and equipment	6	(50)
Loss on disposal of land held for resale	1,781	1,870
Loss on disposal of conservation lands	97	-
Non-cash pension and post-employment benefit expense	1,809	2,116
Net change in realized and unrealized gains on Investments	(7,205)	(28,562)
Unrealized gain on derivative financial instruments	(491)	(470)
Employer contributions to pension	(4,383)	(5,492)
Net change in non-cash working capital (note 19)	2,308	(2,581)
	6,968	5,536
Investing activities:		
Contributions to investments	(11,333)	(7,902)
Proceeds from disposal of investments	13,737	14,723
Purchase of conservation lands	(5,192)	(6,666)
Proceeds from disposal of conservation lands	100	3
Purchase of land held for resale	(4,288)	(8,018)
Proceeds from disposal of land held for resale	5,392	5,886
Purchase of property, plant and equipment	(1,107)	(500)
Proceeds from sale of property, plant and equipment	23	80
	(2,668)	(2,394)
Financing activities:		
Contributions restricted for purchase of property, plant and equipment	188	116
Proceeds from revolving loans	5,390	10,457
Repayment of revolving loans	(7,741)	(10,831)
	(2,163)	(258)
Net increase in cash and cash equivalents during the year	2,137	2,884
Cash and cash equivalents, beginning of year	16,882	13,998
Cash and cash equivalents, end of year	\$ 19,019	\$ 16,882

See accompanying notes to financial statements.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 1. General:

Ducks Unlimited Canada (“DUC”) is a registered charity under the Canadian *Income Tax Act*. DUC is an internationally supported, private, conservation company incorporated under the *Canada Not-for-profit Corporations Act*.

DUC’s mission is to conserve, restore and manage wetlands and associated habitats for North America’s waterfowl. These habitats also benefit other wildlife and people.

## 2. Significant accounting policies:

These financial statements have been prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described below.

### (a) Revenue recognition:

DUC follows the deferral method of accounting for contributions.

Contributions received with external restrictions are deferred until the related obligations are met. Unrestricted contributions are recorded as revenue when received.

Externally restricted contributions for non-capital items are initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are incurred. Project funding by way of grant or cost sharing arrangement, for the purposes of developing or enhancing particular projects, is recognized as revenue when all conditions related thereto have been satisfied.

Contributions that are externally restricted for the purpose of depreciable capital asset acquisitions or construction are deferred when initially recorded in the accounts and are amortized to revenue over the estimated useful life of the respective capital assets on a straight-line basis.

Contributions that are externally restricted solely for the purpose of non-depreciable capital asset acquisitions including conservation lands are recorded directly to net assets.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 2. Significant accounting policies (cont'd):

Grassroots fundraising revenue is earned through fundraising events organized primarily by volunteer committees and merchandise sales. Revenue from fundraising events is recognized when received from the volunteer committee. Revenue from the sale of merchandise is recognized when merchandise is picked up or shipped to the customer, collection is reasonably assured and the value of the sale is known.

Program revenue includes amounts earned through land and water leases and haying and grazing agreements as well as conservation restoration and related services contracts. DUC recognizes revenue from land and water leases and haying and grazing agreements over the period to which the agreement relates when collection is reasonably assured and the amount of revenue is measurable. Conservation restoration and related services revenue is recognized based on the percentage of work completed towards fulfilling the contractual obligations under the agreement, when the value of the revenue is measurable and collection is reasonably assured.

Investment income includes dividend and interest income, income distributions from pooled funds and equity, and realized and unrealized gains and losses, and is recorded net of transaction costs, which are expensed as incurred. Investment income earned is recognized as revenue on the statement of revenue and expenses and changes in unrestricted net assets.

### (b) Conservation program expenses:

The ongoing conservation activities of DUC focus on the continual preservation and maintenance of wetlands and associated waterfowl habitats in Canada, through restoration and maintenance of such areas, and through public education and research. Waterfowl habitat enhancement and restoration costs are treated as an expense in the year the costs are incurred, and consist of project development, construction and maintenance of the habitat areas through conservation easements, leases and rights of way.

Conservation easements are legal agreements entered into by DUC under which a landowner agrees to restrict or limit the type and amount of development that may take place on his or her land to conserve its natural habitat. Once registered on title, that agreement runs with the title and binds all future owners. Conservation easements are not capitalized.

### (c) Cash and cash equivalents:

Cash and cash equivalents include funds on deposit and short-term investments with maturities less than 90 days at date of purchase. Cash and investments meeting the definition of cash held for investing rather than liquidity purposes are classified as investments.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 2. Significant accounting policies (cont'd):

### (d) Project materials:

Project materials are valued at the lower of cost and replacement cost, with cost determined at average cost.

### (e) Inventories:

Inventories to be distributed at no charge or for a nominal charge are recorded at the lower of cost and current replacement cost. Other inventories, which are held for resale, are valued at the lower of cost and net realizable value. Cost includes purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The costs are assigned using an average cost formula.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (f) Land held for resale:

Land held for resale is recorded at the lower of cost and estimated amount recoverable from its sale. The land is sold once the conservation easement is in place, and the funds are used to reinvest in other lands within DUC priority areas.

### (g) Property, plant and equipment:

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at appraised values, which approximates fair value, at the date of contribution.

Property, plant and equipment are amortized on a straight-line basis over their estimated useful lives. Any gain or loss on disposal of these assets is recorded in the statement of revenue and expenses and changes in unrestricted net assets in the year of disposal.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 2. Significant accounting policies (cont'd):

The estimated useful lives of property, plant and equipment are as follows:

Assets	Years
Buildings	20-40
Exhibits	4-10
Vehicles	4
Equipment	3-10

### (h) Conservation lands:

Conservation lands secured through land purchases are recorded at cost when title is transferred. Contributed conservation lands are recorded at fair market value when title is transferred with an equal amount recorded directly to net assets.

### (i) Leases:

Leases are classified as either capital or operating leases. At the time DUC enters into a capital lease, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

### (j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments, equity instruments and pooled funds that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. DUC has elected to carry all investments at fair value.

DUC purchases foreign currency forward contracts in United States ("U.S.") dollars ("USD") to hedge against foreign currency exchange exposure relating to revenue from the U.S. and expenditures denominated in USD, which arise in the normal course of business, and to hedge against foreign currency exchange exposure relating to USD funds held. DUC's current policy is to hedge up to 80% of the USD currency exchange exposure of the subsequent year. DUC does not engage in the trading of these derivative financial instruments for speculative purposes. DUC does not formally designate these contracts as part of a hedging relationship, and as a result, these contracts are recorded at fair value. Unrealized gains and losses on foreign exchange contracts are recognized at each reporting period along with a corresponding amount recognized on the statement of financial position.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 2. Significant accounting policies (cont'd):

Investing activities on the statement of cash flows relating to the DUC investment portfolio (note 5) are presented on a net basis where realized gains (losses), interest and dividends and any other distributions are automatically reinvested within the portfolio.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

### (k) Employee future benefits:

DUC sponsors a defined benefit pension plan covering qualifying part-time and full-time employees. The benefits are based on years of service and final average salary. DUC also provides four other post-employment benefit plans, which primarily include health care benefits.

DUC uses the immediate recognition approach to account for its defined benefit plans. Under this approach, DUC recognizes the amount of the accrued benefit obligation, net of the fair market value of plan assets (for funded plans) measured as at the date of the statement of financial position, adjusted for any valuation allowance, in the statement of financial position. The excess of funding payments over pension expense is recorded as an asset to the extent there is a future economic benefit to DUC in the form of refunds from the plans or reductions in future contributions. A valuation allowance is recorded to the extent refunds from the plan or reductions in future contributions are not permissible.

Current service and finance costs are included in the cost of the plans for the year and recorded in the statement of revenue and expenses and changes in unrestricted net assets in the year they are incurred. Remeasurement gains and losses and other items, which include actuarial gains and losses, past service costs and gains and losses arising from settlements and curtailments, are recognized directly in net assets in the statement of changes in net assets.

DUC accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and other retirement benefits. The accrued liability for the pension plans is determined based on an actuarial valuation report prepared for funding purposes. This funding rate is also used by DUC to determine its accrued liability for its other unfunded post-employment benefit plans. The measurement date of the plan assets and accrued benefit obligation for the pension plan coincides with DUC's fiscal year. The pension plan's assets are measured at fair value as at the date of the statement of financial position.

DUC's unfunded post-employment benefit plans consist of a post-retirement non-pension benefit plan ("PBOP"), a supplemental executive retirement plan ("SERP"), a lump-sum

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 2. Significant accounting policies (cont'd):

benefit plan ("LSBP") and a retirement income agreement ("RIA"). The PBOP, SERP, LSBP and RIA represent unfunded obligations.

Actuarial valuations are performed at least every three years for the defined benefit plans. In years where an actuarial valuation is not prepared, DUC uses a roll-forward technique to estimate the accrued liability using assumptions for the most recent actuarial valuation report.

### (l) Foreign currency translation:

Monetary items denominated in a foreign currency and non-monetary items, carried at market, are adjusted as at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary assets and liabilities and revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the determination of excess of revenue over expenses for the period.

### (m) Allocation of expenses:

Information technology expenses are allocated between conservation program, fundraising and administration expenses based on the number of people employed within those functions.

### (n) Donated goods and services:

Donated project materials and supplies are recorded at their fair value, as revenue and expenses, at the date of contribution when fair value can be reasonably estimated and when the materials and supplies are used in the normal course of operations and would otherwise have been purchased.

A large number of volunteers donate significant amounts of their time for various DUC activities. No amount has been reflected in these financial statements for donated services as an objective basis is not available to measure the fair value of such services.

### (o) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment, percentage of completion amounts related to conservation restoration services and obligations related to employee future benefits. Actual results could differ from those estimates.



# DUCKS UNLIMITED CANADA

## Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

### 3. Related party transactions:

DUC, Ducks Unlimited, Inc. and Ducks Unlimited de Mexico share a common continental conservation vision.

In addition, certain Board of Directors members from Ducks Unlimited, Inc. and Ducks Unlimited de Mexico are Board of Directors members for DUC. For financial reporting purposes, Ducks Unlimited, Inc., and DUC are considered related parties. Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party balances are non-interest bearing and change frequently based on daily operating activities. Details of the related party transactions and balances are disclosed throughout the financial statements.

Ducks Unlimited, Inc. has an economic interest in DUC based on the financial support by way of various grants provided to assist DUC's implementation of their common vision.

### 4. Inventories:

The amount of inventories recognized as an expense during the period was \$141,000 (2021 - \$160,000).

### 5. Investments:

DUC's investments consist of the following:

As at March 31 (in thousands)

	2022	2021
Cash	\$ 5,757	\$ 7,255
Fixed income – Canadian	55,194	65,265
Fixed income – U.S.	9,021	-
Equity investments - Canadian	30,769	46,944
Equity investments - U.S.	53,659	41,384
Equity investments – Other	34,346	24,101
Alternative investments	1,008	4
Total Investments	\$ 189,754	\$ 184,953
Less: Short term investments	(15,701)	(8,701)
Investments	\$ 174,053	\$ 176,252

Current portion of Fixed Income - Canadian represents guaranteed investment certificates with a maturity date within the next twelve months from the respective balance sheet date. A portion of DUC's fixed income investments are pledged as collateral for the CIBC credit facility (note 9).

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 6. Property, plant and equipment:

As at March 31, 2022 (in thousands)

	Cost	Accumulated amortization	Net book value
Buildings	\$ 15,241	\$ (9,797)	\$ 5,444
Exhibits	829	(824)	5
Vehicles	1,652	(1,564)	88
Equipment	7,322	(5,901)	1,421
	\$ 25,044	\$ (18,086)	\$ 6,958

As at March 31, 2021 (in thousands)

	Cost	Accumulated amortization	Net book value
Buildings	\$ 14,658	\$ (9,465)	\$ 5,193
Exhibits	844	(844)	-
Vehicles	1,759	(1,679)	80
Equipment	7,477	(6,150)	1,327
	\$ 24,738	\$ (18,138)	\$ 6,600

## 7. Land held for resale:

Land held for resale is inventory, and represents designated land held in order to obtain a conservation easement to preserve wetlands. Revenue from grants includes specific funding of \$2,574,450 (2021 - \$2,590,000) to cover losses incurred on disposals of land held for resale.

The continuity of land held for resale is as follows:

As at March 31 (in thousands)

	2022	2021
Balance, beginning of year	\$ 15,498	\$ 15,384
Purchases	4,288	8,018
Donated land (note 13)	-	83
Transfer to conservation lands (note 8)	-	(231)
Proceeds from land sold	(5,392)	(5,886)
Loss on disposal of land sold	(1,781)	(1,870)
Balance, end of year (note 13)	\$ 12,613	\$ 15,498

## 8. Conservation lands:

DUC retains fee simple title or joint title to conservation lands acquired, either purchased or donated, as part of DUC's investment in conservation habitat. In addition to conservation lands to which it holds title, DUC also holds conservation agreements such as conservation easements which are not recorded as an asset. Conservation agreement costs are expensed as incurred.

# DUCKS UNLIMITED CANADA

## Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

### 8. Conservation lands (cont'd):

The continuity of conservation lands is as follows:

As at March 31 (in thousands)

	2022	2021
Balance, beginning of year	\$ 189,644	\$ 181,841
Purchases	5,192	6,666
Donated land (note 13)	1,303	909
Transfer from land held for resale (note 7)	-	231
Proceeds from land sold	(100)	(3)
Loss on disposal of land sold	(97)	-
Balance, end of year (note 13)	\$ 195,942	\$ 189,644

DUC has agreements with several partners that have provided funding to purchase conservation land. Under the terms of certain agreements, DUC is responsible for monitoring the use of the land acquired in accordance with the agreements and, in certain cases, objectives of the North American Waterfowl Management Plan ("NAWMP"). Should the land be sold or cease to be used for the purposes specified, DUC may be required to reimburse certain partners for their proportionate share of the proceeds from the sale of such land at that time. As at March 31, 2022, management believes that all such lands were being used for the purposes specified.

### 9. Revolving loans:

Revolving loans are used to fund land acquired to obtain conservation easements to preserve wetlands. The land is sold once the conservation easement is in place. Interest on revolving loans is classified as a conservation program expense.

Outstanding balances on revolving loans were as follows:

As at March 31 (in thousands)

	2022	2021
ATB	\$ 3,400	\$ 4,620
CIBC	7,523	8,654
	\$ 10,923	\$ 13,274

Amounts drawn on the Alberta Treasury Branch Financial ("ATB") loan are secured by specific land and bear interest at 1.34% (2021 – 1.09%). The loan is drawn upon via individual loans up to a maximum of \$5,000,000, which are due on demand and require monthly interest-only payments with a bullet payment due no later than four years from the initial advance. Current due dates range from March 2025 to March 2026.

In conjunction with the ATB loan, DUC signed a donation agreement with ATB for up to a maximum \$100,000 gift each year, until December 2023, to offset interest costs on the loans. Based on the interest rates in effect at March 31, 2022, the annual interest costs would be \$67,000 had the full \$5,000,000 available under the facility been drawn on that date.

# DUCKS UNLIMITED CANADA

## Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

### 9. Revolving loans (cont'd):

Amounts drawn on the Canadian Imperial Bank of Commerce ("CIBC") credit facility are secured by a pledge of investments with a fair value of \$23,100,000 (note 5). The credit facility bears interest at CIBC's prime rate minus 0.50% (March 31, 2022 – 2.20%; March 31, 2021– 1.95%) and is due on demand. During the year, the maximum amount available under the credit facility was \$30,000,000.

### 10. Deferred contributions:

(a) Deferred contributions consist of the following:

As at March 31 (in thousands)	2022	2021
Deferred contributions related to operations	\$ 14,772	\$ 10,128
Deferred contributions related to land held for resale	1,136	1,136
Current portion of deferred contributions	\$ 15,908	\$ 11,264
Deferred contributions related to property, plant and equipment	2,135	2,119
	\$ 18,043	\$ 13,383

(b) The changes in the deferred contributions balances for the year are as follows:

(i) Deferred contributions related to operations:

For the year ended March 31 (in thousands)	2022	2021
Balance, beginning of year	\$ 10,128	\$ 10,548
Add: contributions received recorded as deferred contributions	32,837	24,582
Less: contributions recognized as revenue during the year	(28,193)	(25,002)
Balance, end of year	\$ 14,772	\$ 10,128

(ii) Deferred contributions related to property, plant and equipment:

Deferred contributions related to property, plant and equipment represent contributed assets and externally restricted contributions for the purchase or construction of property, plant and equipment, and are presented as long-term on the statement of financial position.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 10. Deferred contributions (cont'd):

For the year ended March 31 (in thousands)		
	2022	2021
Balance, beginning of year	\$ 2,119	\$ 2,147
Add: contributions received restricted for acquiring property, plant and equipment	188	116
Less: amounts amortized to revenue in the year	(172)	(144)
Balance, end of year	\$ 2,135	\$ 2,119

## 11. Pension and other post-employment benefits:

DUC sponsors defined benefit plans providing pension and other post-employment benefits to its employees.

Actuarial valuations are required to be performed at least every three years for the defined benefit pension plan due to the funded status of the plan. The last actuarial valuation was performed as at December 31, 2021. The next required actuarial valuation for the pension benefit plan will be as at December 31, 2024. The measurement date used for the benefit obligation and plan assets is March 31 of each year. DUC recorded a valuation allowance of \$7.2 million against the defined benefit pension asset as at March 31, 2022.

Information about DUC's defined benefit plan, in aggregate, is as follows:

As at March 31 (in thousands)

	Pension benefit plans		Other benefit plan	
	2022	2021	2022	2021
Benefit obligation, end of year	\$ (84,344)	\$ (81,332)	\$ (11,792)	\$ (11,388)
Plan assets fair value, end of year	91,520	86,804	-	-
Funded Status	\$ 7,176	\$ 5,472	\$ (11,792)	\$ (11,388)
Valuation Allowance	(7,176)	(5,472)	-	-
Funded status - plan (deficit)	\$ -	\$ -	\$ (11,792)	\$ (11,388)

The changes in accrued pension and post-employment benefits obligations are as follows:

For the year ended March 31 (in thousands)

	2022	2021
Balance, beginning of year	\$ 11,388	\$ 15,673
Current service cost	1,569	1,365
Interest cost on accrued benefit	240	751
Remeasurement and other items	1,274	(6,381)
Valuation allowance	1,704	5,472
Employer contributions	(4,383)	(5,492)
Balance, end of year	\$ 11,792	\$ 11,388

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 12. Internally restricted net assets:

(a) Internally restricted net assets consist of the following:

As at March 31 (in thousands)	2022	2021
Future habitat management	\$ 147,151	\$ 142,717
Future development	10,498	10,831
Provincial operating reserve	15,454	14,325
Land lease commitments	8,454	7,984
Unfunded pension and other post-employment benefits obligations (note 11)	(11,792)	(11,388)
	\$ 169,765	\$ 164,469

Net assets invested in future habitat management are used to fund habitat management costs on conservation lands owned by DUC; net assets invested in future development are used at the Board of Directors' discretion to fund future conservation activities; net assets invested in provincial operating reserve are used for future provincial conservation activities; and net assets invested in land lease commitments represent amounts internally restricted to fund lease payments on long-term land conservation agreements. The unfunded pension and other post-employment benefits obligation represents the accrued pension and post-employment benefits obligations.

The Board of Directors determines the amount, if any, to be transferred between unrestricted and internally restricted net assets for future conservation activities.

(b) Transfers of internally restricted net assets (from) to unrestricted net assets available for conservation activity are as follows:

For the year ended March 31 (in thousands)	2022	2021
Future habitat management	\$ (4,434)	\$ (20,081)
Future development	333	(1,626)
Provincial operating reserve	(1,129)	(3,202)
Land lease commitments	(470)	(1,391)
Unfunded pension and other post-employment benefits obligations	(2,574)	(3,376)
	\$ (8,274)	\$ (29,676)

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 13. Invested in land held for resale, property, plant and equipment and conservation lands:

Invested in land held for resale, property, plant and equipment and conservation lands represents the net book value of acquisitions that have been internally funded as follows:

As at March 31 (in thousands)

	2022	2021
Invested in conservation lands (note 8)	\$ 195,942	\$ 189,644
Invested in property, plant and equipment (notes 6 and 10(b)(ii))	4,823	4,481
Invested in land held for resale (note 7)	722	1,080
	<u>\$ 201,487</u>	<u>\$ 195,205</u>

The increase in net assets invested in land held for resale, property, plant and equipment and conservation lands was \$6,282,000 (2021 - \$7,499,000), of which \$4,829,000 (2021 - \$6,507,000) was funded by unrestricted net assets, \$1,303,000 (2021 - \$992,000) was contributed as donated land (note 8) and \$150,000 was contributed as equipment (2021 – nil).

## 14. Unrestricted net assets:

Unrestricted net assets are used to fund DUC's activities and make investments in land held for resale, conservation lands and property, plant and equipment. Unrestricted net assets may also be internally restricted by the Board of Directors.

Amounts transferred from unrestricted net assets were as follows:

For the year ended March 31 (in thousands)

	2022	2021
Internally imposed restrictions (note 12(b))	\$ 8,274	\$ 29,676
Invested in land held for resale, property, plant and equipment and conservation lands (note 13)	4,829	6,507
	<u>\$ 13,103</u>	<u>\$ 36,183</u>

## 15. Commitments:

Lease agreement commitments:

DUC has entered into operating lease agreements with varying terms to 2027 covering certain office premises, equipment and vehicles. DUC has also entered into land lease agreements with varying terms to 2052.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 15. Commitments (cont'd):

The future minimum lease payments in each of the next five years and in aggregate to expiry are approximately as follows:

For the year ending March 31 (in thousands)

	Office, equipment and vehicle leases	Land lease agreements	Total
2022	\$ 1,361	\$ 942	\$ 2,303
2023	910	926	1,836
2024	583	912	1,495
2025	405	878	1,283
2026	303	821	1,124
2027 to expiry	134	2,636	2,770
	\$ 3,696	\$ 7,115	\$ 10,811

## 16. Other information:

Other information not otherwise disclosed in these financial statements is as follows:

For the year ended March 31 (in thousands)

	2022	2021
Government remittances included within accounts payable and accrued liabilities	\$ 46	\$ 38
Government remittances included within accounts receivable	\$ 186	\$ 58
Interest expense on current liabilities included within conservation program expenses	\$ 192	\$ 269
Foreign exchange (loss) gain included within program and other revenue	\$ 861	\$ (412)

## 17. Philanthropic fundraising revenue:

For the year ended March 31 (in thousands)

	2022	2021
Unrestricted development	\$ 2,524	\$ 1,829
Restricted development	3,217	4,086
Annual direct response	807	635
	\$ 6,548	\$ 6,550



# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 18. Grant revenue:

For the year ended March 31 (in thousands)

	2022	2021
USFWS	\$ 25,713	\$ 25,559
Ducks Unlimited, Inc.	6,560	5,827
U.S. state	4,494	5,581
Canadian federal	15,788	6,405
Canadian provincial	9,207	5,522
Canadian municipal	264	247
Other non-government organizations	8,360	10,150
	\$ 70,386	\$ 59,291

The United States Fish and Wildlife Service ("USFWS"), the National Fish and Wildlife Foundation and various American federal agencies have provided funds to DUC to be expended on certain NAWMP projects.

USFWS reserves the right to review the books and records of DUC to ensure expenditures have been made for the purposes intended and within the specified time period from the date of funding. DUC is able, within one year, to either reallocate or return funds related to any expenditure that does not meet USFWS approval.

## 19. Net change in non-cash working capital:

The change in non-cash current assets and current liabilities related to operations consists of the following:

For the year ended March 31 (in thousands)

	2022	2021
Change in non-cash assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	\$ (7,767)	\$ 164
Receivable and deferred contributions from Ducks Unlimited, Inc.	3,577	2,372
Inventories	63	68
Project materials, prepaid expenses and deposits	(765)	858
(Decrease) increase in:		
Accounts payable and accrued liabilities	3,884	457
Unearned revenue	(1,328)	(6,080)
Current portion of deferred contributions	4,644	(420)
	\$ 2,308	\$ (2,581)

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

## 20. Risk management:

### (a) Currency risk:

DUC is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, DUC receives funding, holds investments, issues invoices and purchases inventories denominated in USD. There has been no change to the risk exposure from 2021. DUC uses foreign exchange contracts to help manage its exposure to unfavourable movements in USD. DUC's current policy is to hedge up to 80% of the USD currency exchange exposure of the subsequent year.

DUC had the following foreign exchange contracts for USD outstanding as at March 31, 2022 with expiries ranging from April 20, 2022 to February 15, 2023:

In thousands of Canadian dollars (CAD)			
	Notional amount	Contract amount	Unrealized gain
At Maturity Variable Rate contracts to sell USD at 1.2500 to 1.2600 CAD/USD	USD 26,000	\$ 33,080	\$ 408
Forward contracts to sell USD at 1.2400 to 1.2800 CAD/USD	USD 8,000	\$ 10,170	\$ 168

DUC had the following foreign exchange contracts for USD outstanding as at March 31, 2021 with expiries ranging from April 12, 2021 to September 27, 2021:

In thousands of Canadian dollars (CAD)			
	Notional amount	Contract amount	Unrealized (loss) gain
Memory Forward to sell USD at 1.3000 CAD/USD	USD 13,000	\$ 16,900	\$ (4)
Sell USD at contact rates from 1.3000 to 1.3800 CAD/USD	USD 5,328	\$ 6,773	\$ 89

### (b) Liquidity risk:

Liquidity risk is the risk that DUC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. DUC manages its liquidity risk by monitoring its operating requirements. DUC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 20. Risk management (cont'd):

In addition to credit facilities disclosed elsewhere in these financial statements, DUC has a \$3,000,000 revolving credit facility with variable interest at 2.70% (2021 – 2.45%), repayable on demand and secured by a general security agreement. In addition, DUC has a \$20,000,000 line of credit with a variable interest at 2.20% (2021 - 1.95%), repayable on demand and secured by fixed income investments with a fair value of \$20,000,000 (note 5). As at March 31, 2022 and 2021, no amounts were drawn under these facilities.

### (c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. DUC deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

Credit risk on bonds is minimized as DUC invests primarily in government bonds, government-guaranteed bonds, investment grade corporate bonds and bond funds. The credit risk related to DUC's accounts receivable is mitigated as the majority is owed by government agencies, corporations and individuals who have historically supported the activities of DUC. There is no significant concentration of accounts receivable.

### (d) Interest rate risk:

DUC is exposed to interest rate risk through its revolving loan facilities with ATB and CIBC as described in note 9. The interest rate exposure with the ATB facility is mitigated by a donation made by ATB to DUC to offset the interest costs incurred on the loan up to \$100,000 annually until 2023.

DUC's fixed income investments are exposed to the risk that the value of interest-bearing investments will fluctuate due to changes in the level of market interest rates. To properly manage DUC's interest rate risk, appropriate guidelines on the weighting and duration for bonds and other fixed income investments are set and monitored.

### (e) Price risk:

DUC's investments in equities are sensitive to market fluctuations. To properly manage DUC's other price risk, appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks are set and monitored.

# DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

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## 21. Allocated expenses:

Information technology expenses have been allocated as follows:

For the year ended March 31 (in thousands)

	2022	2021
Conservation program	\$ 3,241	\$ 3,642
Fundraising	291	498
Administration	422	456
	<u>\$ 3,954</u>	<u>\$ 4,596</u>

## DUCKS UNLIMITED CANADA

## FINANCIAL PLAN ANALYSIS

## British Columbia operations

	Year Ended 31-Mar-23 PLANNED	Year Ended 31-Mar-23 ACTUAL	Total Planned April 1 23 - March 31 2024 BUDGET
<b>REVENUE</b>			
Grants	8,389,672	5,129,422	6,755,461
Donations	143,000	987,847	51,519
Sales of goods and services	4,197,500	555,082	2,674,229
Miscellaneous income	600	-1,373	100
<b>REVENUE TOTAL</b>	<b>12,730,772</b>	<b>6,670,978</b>	<b>9,481,309</b>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
Staff compensation, benefits and training	-2,183,354	-2,096,160	-2,671,927
Meals and travel	-226,244	-201,283	-306,029
Administrative expenses	-251,778	-276,934	-230,009
Property taxes and utilities on habitat projects	-101,400	-84,549	-98,376
Supplies	-1,400,287	-325,440	-432,300
Professional and consulting services	-841,700	-679,981	-712,953
Conservation grants and scholarships	-482,125	-688,500	-167,500
Contracted services and fees	-4,895,582	-1,125,716	-4,198,266
Depreciation & amortization	-10,394	-10,513	-59,965
Merchandising costs		-5,490	
Losses on sales of land			
	<b>-10,392,864</b>	<b>-5,494,566</b>	<b>-8,877,325</b>
<b>ACCOUNTING SURPLUS/DEFICIT</b>	<b>2,337,908</b>	<b>1,176,412</b>	<b>603,984</b>
<b>CHANGES IN NET ASSETS</b>			
Investment in Conservation Land	-432,008		
Withdrawals from Internally Restricted funds	493,110	676,523	937,477
Investment in Internally Restricted funds	-826,302	-885,000	-290,000
<b>CHANGES IN NET ASSETS</b>	<b>-765,200</b>	<b>-208,477</b>	<b>647,477</b>
<b>CONTRIBUTION</b>	<b>34,472</b>	<b>-7,332</b>	<b>185,161</b>

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Freshwater Fisheries Society of BC	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Mailing Address: 1080 Wharncliffe Road, Duncan, BC, V9L 2K7	
Contact Person: Tristan Robbins (Hatchery Manager)	
Email Address: tristan.robbins@gofishbc.com	Phone Number: 250-746-5180
Name and Phone number of two other officials in the organization	
Name: Tim Yesaki	Name: Andrew Wilson
Title VP Operations Division	Title President
Phone Home:	Phone Home:
Phone Work: (250) 414-4208	Phone Work: (250) 414-4201

**SECTION 2 – ORGANIZATION INFORMATION**

<b>Please provide a brief description of the goals and objectives of the organization:</b>
We own and operate six major fish hatcheries, located in Duncan, Abbotsford, Summerland, Clearwater, Fort Steele, and Vanderhoof. Our hatcheries raise and release trout, char, and kokanee into 800 lakes around the province for the recreational stocking program. We also provide recovery and conservation programs for endangered species such as white sturgeon.
<b>What charitable, philanthropic, athletic or recreational service does your organization provide to the community?</b>
We stock lakes and rivers with trout to enhance recreational fisheries in BC.

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

<b>The lands are registered in the name of:</b>
Municipality of North Cowichan (leased by the Freshwater Fisheries Society of BC)
<b>What is the principal use of the property (including all buildings and/or land)</b>
This property holds both wild and captive brood fish for egg collections to stock Vancouver Island lakes and rivers.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

No other activities occur on this leased property. No fees are charged. The leased area of this property is solely used for fish culture.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

We only lease a portion of the property. Our leased portion is fully fenced with a locked gate. The remainder of the property is used by the Municipality of North Cowichan as a groundwater pumping station for domestic water supply.

To what extent are the buildings or property accessible to the public?

The property is not accessible to the public. It is fully fenced with a locked gate.

**SECTION 4 – OTHER INFORMATION**

Other information which may be pertinent to your application

We are a non-profit society that has been leasing this property since the early 1980s.

**SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION**

Please attach the following:			
✓	most recent annual financial statement	✓	copy of property title
✓	constitution	✓	site sketch plan showing buildings & uses

**SECTION 6 – DECLARATION**

I hereby certify that I have read the Municipality of North Cowichan’s Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:  <b>FIPPA s. 22(1)</b>	Date: Jul 28, 2023
Name (please print): Tristan Robbins	Date: Jul 28, 2023

Print Form

**NOTE:** In accordance with Municipal Council’s July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*

**FRESHWATER FISHERIES SOCIETY OF BC  
FINANCIAL STATEMENTS  
MARCH 31, 2023**



# FRESHWATER FISHERIES SOCIETY OF BC

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# Independent Auditors' Report

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**Grant Thornton LLP**  
Suite 650  
1675 Douglas Street  
Victoria, BC  
V8W 2G5

T +1 250 383 4191  
F +1 250 381 4623

To the members of the Freshwater Fisheries Society of B.C.

## Opinion

We have audited the financial statements of Freshwater Fisheries Society of B.C., (“the Society”), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and 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 Freshwater Fisheries Society of B.C. as at March 31, 2023, and its 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 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 Society 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 these 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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.

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 Society'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 Society'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 Society 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

As required by the Society's Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Victoria, Canada  
June 14, 2023



Chartered Professional Accountants

**FRESHWATER FISHERIES SOCIETY OF BC**

Statement of Financial Position  
As at March 31, 2023

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 6,857,512	\$ 6,911,073
Investments (note 4)	11,483,208	11,628,181
Accounts receivable	947,257	877,140
Government remittances	-	34,496
Prepaid expenses	329,896	296,290
	19,617,873	19,747,180
Capital assets (note 5)	20,765,219	21,083,119
	<b>\$ 40,383,092</b>	<b>\$ 40,830,299</b>
 <b>Liabilities, Deferred Contributions and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 15)	\$ 1,732,695	\$ 1,646,669
Government remittances	36,045	-
Deferred revenue (note 6)	4,114,184	3,152,992
	5,882,924	4,799,661
Supplemental retirement benefit (note 7)	731,594	718,970
Deferred capital contributions (note 8)	11,555,590	12,277,455
	18,170,108	17,796,086
Fund balances:		
Internally restricted (note 9)	13,003,230	14,228,423
Invested in capital assets	9,209,754	8,805,790
	22,212,984	23,034,213
Commitments (note 11)		
	<b>\$ 40,383,092</b>	<b>\$ 40,830,299</b>

See accompanying notes to financial statements

Approved on behalf of the Board:

\_\_\_\_\_

Director

FIPPA s. 22(1)

\_\_\_\_\_

Director

FIPPA s. 22(1)

## FRESHWATER FISHERIES SOCIETY OF BC

### Statement of Operations and Changes in Fund Balances For the Year Ended March 31, 2023

	Unrestricted Fund	Internally Restricted Funds	Capital Fund	2023	2022
<b>Revenue:</b>					
Freshwater fishing licence fees	\$ 10,157,176	\$ -	\$ -	\$ 10,157,176	\$ 9,344,164
Fish culture services	802,012	-	-	802,012	756,847
Conservation services	825,000	-	-	825,000	825,000
Other revenue (note 10)	1,912,097	-	-	1,912,097	1,697,722
Amortization of deferred capital contributions	-	-	874,397	874,397	843,117
	13,696,285	-	874,397	14,570,682	13,466,850
<b>Expenses:</b>					
Salaries and benefits	7,411,741	191,222	-	7,602,963	7,013,830
Contract and professional services	433,982	1,169,338	-	1,603,320	1,027,952
Facilities	1,508,943	-	-	1,508,943	1,361,928
Operational supplies and services	1,051,560	18,396	-	1,069,956	949,045
Other grants	293,004	214,725	-	507,729	489,309
Vehicle	460,392	16,073	-	476,465	339,568
Office	443,112	-	-	443,112	325,803
Marketing	352,645	-	-	352,645	352,893
Travel and meals	209,883	18,297	-	228,180	109,873
Communications	79,809	1,096	-	80,905	75,203
Interest and bad debts	6,143	-	-	6,143	5,958
Amortization	-	-	1,362,304	1,362,304	1,338,087
	12,251,214	1,629,147	1,362,304	15,242,665	13,389,449
<b>Surplus (deficiency) of operating revenue over expenses before the undernoted</b>					
	1,445,071	(1,629,147)	(487,907)	(671,983)	77,401
<b>Gain (loss) on disposition of capital assets</b>					
	(7,379)	-	-	(7,379)	16,864
<b>Gain (loss) on foreign exchange translation</b>					
	125	-	-	125	(1,145)
<b>Income on investments, net</b>					
	(141,992)	-	-	(141,992)	39,941
<b>Excess (deficiency) of revenues over expenses</b>					
	1,295,825	(1,629,147)	(487,907)	(821,229)	133,061
<b>Fund balances, beginning of year</b>					
	-	14,228,423	8,805,790	23,034,213	22,901,152
<b>Transfer to Capital Fund for net additions to capital assets</b>					
	(283,927)	(607,944)	891,871	-	-
<b>Transfer to Restricted Fund (note 9) for special projects</b>					
	(900,000)	900,000	-	-	-
<b>of current Unrestricted Fund surplus</b>					
	(111,898)	111,898	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 13,003,230</b>	<b>\$ 9,209,754</b>	<b>\$ 22,212,984</b>	<b>\$ 23,034,213</b>

See accompanying notes to financial statements

**FRESHWATER FISHERIES SOCIETY OF BC**

Statement of Cash Flows  
For the Year Ended March 31, 2023

	<b>2023</b>	<b>2022</b>
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (821,229)	\$ 133,061
Adjustments for non-cash items:		
Amortization of deferred capital contributions	(874,397)	(843,117)
Amortization of capital assets	1,362,304	1,338,087
(Gain) loss on sale of capital assets	7,379	(16,864)
(Gain) loss on investments	141,992	(39,941)
	(183,951)	571,226
Increase in non-cash working capital:		
Accounts receivable	(35,621)	1,691,876
Prepaid expenses	(33,606)	301,399
Accounts payable and accrued liabilities	125,052	(210,317)
Deferred revenue	961,192	(892,517)
Supplemental retirement benefit	12,624	(68,798)
	845,690	1,392,869
Investing activities:		
Interest on term deposits	-	1,391
Investments	-	1,250,000
Purchases of capital assets	(1,051,883)	(2,195,862)
Cash received for purchase of capital assets	152,532	1,231,464
Proceeds on disposition of capital assets	100	15,000
	(899,251)	301,993
Increase (decrease) in cash and cash equivalents	(53,561)	1,694,862
Cash and cash equivalents, beginning of year	6,911,073	5,216,211
Cash and cash equivalents, end of year	<b>\$ 6,857,512</b>	<b>\$ 6,911,073</b>

See accompanying notes to financial statements

# FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

---

## 1. Purpose of the Society

The Freshwater Fisheries Society of B.C. (the "Society") was incorporated on March 26, 2003 under the Society Act of British Columbia to provide fish culture and other technical services, to support recreational fisheries and fish conservation and to market and develop sport fisheries in British Columbia. The Society is a not-for-profit organization and is not subject to income taxes.

## 2. Summary of significant accounting policies

### a. Presentation:

These financial statements are prepared in accordance with Canadian Accounting Standards for not-for-profit organizations (ASNFPPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

### b. Cash and cash equivalents:

Cash consists of cash on hand and balances with banks. Cash equivalents are investments in short-term GIC's. They are redeemable after 90-days or up to one year after the date of purchase. The accrued interest receivable from GIC's is recorded under accounts receivable.

### c. Fund accounting:

All operating assets, liabilities, revenues, and expenses, including investment income, are recorded in the Unrestricted Fund. The annual surplus/loss will be transferred to the Internally Restricted Fund at year-end.

Assets, liabilities, revenues, and expenses related to the Society's capital assets are recorded in the Capital Fund.

The Internally Restricted fund represents the accumulated surpluses from the Unrestricted Fund that have been internally restricted to guard against possible future losses, capital needs, or approved special projects. Expenditures and transfers to designated reserves require the approval of the Board of Directors.

### d. Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized in the period in which the related expenditures are incurred. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the capital assets. Unrestricted contributions are recognized as revenue on the accrual basis when the amount to be received can be reasonably estimated and collection is reasonably assured.

# FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

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## 2. Summary of significant accounting policies (continued)

Government fish culture services and Conservation services revenues are annual contract payments from the Province of British Columbia. Government fish culture services revenue is based on the actual angling license sales made by the Province for the year. Conservation services revenue is based on a fixed contractual amount. These payments are recognized as revenue in the year received as they are to fund core operations of the Society.

Other fish culture services revenue is recognized when earned under the terms of the contracts.

### e. Contributed services:

Contributed materials and services are recognized in the Society's financial statements when, their fair value can be reasonably determined, they are used in the normal course of operations, and would otherwise have been purchased. Services provided by volunteers are not recognized in the financial statements because the value of the services cannot be reliably measured.

### f. Investments:

Investments consist of a managed portfolio of investments that includes Canadian, U.S. and international equities and fixed income securities. The portfolio is classified as current due to the liquid nature of the investments. Also included are GIC's with maturity beyond 12 months that are redeemable at face value at any time.

Unrealized gains and losses are included in the statement of operations. Investment income includes interest and dividends earned and realized gains and losses net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred.

### g. Capital assets:

Capital asset purchases are recorded at cost at the time of receipt. Amortization is recorded at 50% in the year of acquisition and in the year of disposal. Amortization of work in progress commences when construction of the related asset is completed, and the asset is used in the operations of the Society. Amortization will be provided for using the following rates and methods:

Buildings and improvements	5% - 20%	declining balance
Computers and equipment	15%-100%	declining balance
Vehicles	15%-30%	declining balance

### h. Measurement uncertainty:

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. This includes and is not limited to the collection of accounts receivable, accrual of accounts payable and accrued liabilities, supplemental retirement benefit, and useful lives of capital assets.



# FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

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## 2. Summary of significant accounting policies (continued)

### i. Financial instruments:

Financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities. The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for its portfolio investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

It is management's opinion that the Society is not exposed to significant foreign exchange, credit, interest rate risk or liquidity risk. The Society does not believe there is significant credit risk as 80% of accounts receivables are due from government or government organizations and are in Canadian funds.

The Society is exposed to market risk, as investments in equity instruments in the Society's portfolio of marketable securities are subject to changes in fair value due to market conditions beyond the control of the Society.

### j. Employee future benefits:

#### *i. Pension plan*

The Society and its employees contribute to the BC Public Service Pension Plan, a jointly trusted pension plan. The plan is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the plan.

As the plan is administered by a third party, there is not sufficient information available to the Society to use defined benefit plan accounting; therefore, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made. The risk and rewards associated with the plan's unfunded liability or surplus are shared between employers and participants and may be reflected in their future contributions.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation done as at March 31, 2020, showed the plan's basic account 110 percent funded with a surplus of \$2.7 million. The Plan has a total membership of 144,547 members of which 68,387 are active members and includes 53,694 pensioners.

#### *ii. Supplemental retirement benefit*

The Society's supplemental retirement benefit plan payable at retirement is based on the employee's service and earnings projected to retirement. The value of the benefit is calculated based on the likelihood that the member will retire from the Society and discounted with interest to the current age. For employees eligible to receive the retirement benefit at the year-end date, the expected retiring benefit payment has been included in accounts payable and accrued liabilities.

# FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

## 2. Summary of significant accounting policies (continued)

### *iii. Long term disability*

The Society contributes to the Public Service Agency Long-term Disability Plan. The Society is a member of an employer group.

As the plan is administered by a third party, there is not sufficient information available to the Society to use defined benefit plan accounting; therefore, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made. The risk and reward associated with the plan's unfunded liability or surplus is shared between the Society and other participants and will be reflected in their future contributions.

## 3. Credit facility

The Society has a maximum line of credit of \$500,000 of which \$0 (2022: \$0) was drawn at year end. The line of credit is secured by a general security agreement representing a first charge on all the borrowers' present and after acquired property. The line of credit bears interest at bank prime.

## 4. Investments

	2023	2022
Bonds and equities:		
Fair value, beginning of year	\$ 11,628,181	\$ 12,592,864
Withdrawal	-	(1,000,000)
Interest and dividends, net of management fees	219,055	159,582
Realized gains, net	470,970	903,608
Unrealized (losses) gains, net	(834,998)	(1,027,873)
<b>Fair value, end of year</b>	<b>\$ 11,483,208</b>	<b>\$ 11,628,181</b>

All bonds and equities are publicly traded and accounted for at the fair market values based on quoted prices at year end.

## FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

### 5. Capital assets

	<b>2023</b>		<b>2022</b>	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land	\$ 5,117,194	\$ -	\$ 5,117,194	\$ 5,117,194
Buildings and improvements	24,360,547	(12,282,408)	12,078,139	12,237,068
Production equipment	7,235,489	(4,729,410)	2,506,079	2,770,905
Vehicles	3,339,562	(2,289,243)	1,050,319	944,714
Work in progress	13,488	-	13,488	13,238
	<b>\$ 40,066,280</b>	<b>\$ (19,301,061)</b>	<b>\$ 20,765,219</b>	<b>\$ 21,083,119</b>

### 6. Deferred revenue

Deferred revenue consists of externally restricted funds that have been received and not spent during the fiscal year.

	<b>2023</b>		<b>2022</b>	
Balance, beginning of year	\$ 3,152,992	\$ 4,045,509		
Grants received	2,569,626	1,472,713		
Amounts allocated to revenue	(1,455,902)	(1,141,460)		
Amounts allocated to Deferred Capital Contributions	(152,532)	(1,223,770)		
Balance, end of year	<b>\$ 4,114,184</b>	<b>\$ 3,152,992</b>		

### 7. Employee future benefits

#### a. Public Service Pension Plan:

The Society has a defined benefit plan providing pension and other retirement benefits to its employees. The plan is administered by the Pension Corporation of British Columbia. Eligible employees make contributions to the plan via payroll deductions.

The employer contribution rate to the Public Service Pension Plan at March 31, 2023 is a flat rate of 9.85% of pensionable earnings (2022: 9.85%). The Society expenses contributions to the plan in the year in which payments are made. Contributions to the plan by the Society during the year totaled \$520,344 (2022: \$502,006).

# FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

## 7. Employee future benefits (continued)

### b. Supplemental retirement benefit:

In addition to the Public Service Pension Plan, eligible employees are entitled to a supplemental retirement benefit as provided for under the collective agreement and terms of employment. The retirement benefit is based on years of service and salary projected to retirement. It is paid through an unfunded supplemental retirement benefit plan, which is administered by the Society. The Province of British Columbia reimburses the Society for any benefit related to service years prior to April 1, 2003 and the liability has been adjusted for these amounts.

An independent actuarial valuation of the supplemental retirement benefit plan has not been performed, therefore the amount accrued as a liability at March 31, 2023 is management's best estimate based on the following assumptions:

Discount rate	2.13%
General staff attrition rate	15.00%
Rate of compensation increase	2.0%

	2023	2022
Accrued benefit obligation	\$ 785,075	\$ 760,285
Less: current portion	(53,481)	(41,315)
	<b>\$ 731,594</b>	<b>\$ 718,970</b>

The current portion is included in accounts payable and accrued liabilities. Total increase in expense recognized during the year was \$24,790 (2022: \$32,467 decrease). Cash payments during the year were \$0 (2022: \$60,608). Recoveries from the Province of British Columbia were \$0 (2022: \$14,089).

### c. Long term disability plan

A funded long term disability multi-employer plan provides disability income benefits during employment, but before retirement.

The contribution rate effective April 1, 2022 was 1.24% (2022: 1.21%) of the employees' salary. The contributions recognized as an expense in the year totaled \$60,068 (2022: \$55,632).

## FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

### 8. Deferred capital contributions

Deferred capital contributions represent unamortized contributions which have been used to purchase capital assets. These contributions will be recognized as revenue in future periods as the related capital assets are amortized.

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	\$ 12,277,455	\$ 11,889,108
Current year additions	152,532	1,231,464
Current year amortization	(874,397)	(843,117)
<b>Balance, end of year</b>	<b>\$ 11,555,590</b>	<b>\$ 12,277,455</b>

### 9. Internally Restricted Fund

The Society has internally restricted reserves. The contingency reserve is designated to guard against possible unforeseen non-recurring future expenses. The fisheries projects and fishery legacy projects are to be used for specific investments in BC's Fisheries.

In accordance with the Internally Restricted Fund Policy adopted by the Board, the beginning Unrestricted fund balance was transferred to the contingency reserve. The restricted balance consists of the following amounts received and paid during the fiscal year:

	<b>2023</b>			<b>2022</b>	
	Contingency	Fisheries Projects	Fishery Legacy Projects		
Balance, beginning of year	\$ 11,255,347	\$ 821,329	\$ 2,151,747	\$ 14,228,423	\$ 14,566,654
Transfer for:					
Unrestricted surplus (deficit)	111,898	-	-	111,898	507,165
Fisheries projects	-	900,000	-	900,000	900,000
Use of restricted funds for:					
Fisheries projects	-	(1,145,592)	-	(1,145,592)	(668,910)
Infrastructure and Outreach	-	-	(1,091,499)	(1,091,499)	(1,076,486)
<b>Balance, end of year</b>	<b>\$ 11,367,245</b>	<b>\$ 575,737</b>	<b>\$ 1,060,248</b>	<b>\$ 13,003,230</b>	<b>\$ 14,228,423</b>

## FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

### 10. Other revenue

	2023	2022
Provincial grants	\$ 880,769	\$ 734,655
Donations and outreach revenue	442,327	333,174
Operating interest revenue	227,369	41,806
Federal grants	141,487	392,819
Other grants	97,110	91,122
Sundry	74,025	80,699
Professional services	36,636	14,935
Egg sales	12,374	8,512
	<b>\$ 1,912,097</b>	<b>\$ 1,697,722</b>

### 11. Commitments

The Society has entered into various lease commitments related to premises and equipment with third parties. The estimated annual minimum lease payments are as follows:

	Lease commitments	Capital commitments	Total
2024	\$ 88,766	\$ -	\$ 88,766
2025	7,878	-	7,878
2026	4,737	-	4,737
2027	1,561	-	1,561
2028	1,431	-	1,431
	<b>\$ 104,373</b>	<b>\$ -</b>	<b>\$ 104,373</b>

### 12. Economic dependence

The Society receives a significant portion of its funding from the provincial government or government agencies. The ongoing operation of the Society in its present form is dependent on continuing to receive adequate levels of funding from these sources.

## FRESHWATER FISHERIES SOCIETY OF BC

Notes to Financial Statements  
March 31, 2023

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### 13. Executive compensation

Included in the British Columbia Societies Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid \$24,200 (2022: \$26,200) to directors.

During the year, the Society paid \$1,264,946 (2022: \$1,174,009) in remuneration to the 10 most highly remunerated persons who are employees or contractors, whose remuneration, during the applicable period, was at least \$75,000.

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Island Corridor Foundation	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: Box 375 Stn A Nanaimo, BC V9R 5L3	
Contact Person: Debbie Mann	
Email Address: debbiemann@islandrail.ca	Phone Number: 250-754-7254
Name and Phone number of two other officials in the organization	
Name: Larry Stevenson	Name: Daniel Arbour
Title: Chief Executive Officer	Title: Co-Chair
Phone Home: [REDACTED] <b>FIPPA s. 22(1)</b>	Phone Home: [REDACTED] <b>FIPPA s. 22(1)</b>
Phone Work: (250) 754-7254	Phone Work: (250) 334-6000

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
<p>Through the sustained efforts of elected leaders of both First Nations and Local Governments who have accepted a mandate to work towards the preservation of the corridor, the charitable objectives of ICF are to:</p> <ul style="list-style-type: none"> <li>- Acquire, preserve and develop for purposes of the Foundation and its objects, but for no other purposes, the Island Corridor which lies north-south from Victoria to Courtenay, east-west from Duncan to Lake Cowichan, and east-west from Nanaimo to Port Alberni on Vancouver Island together with ancillary lands, structures and all other property rights attached thereto (the "Island Corridor") and the infrastructure and other assets that constitute the E&amp;N Railroad and are located on the Island Corridor ( the "Railroad")</li> <li>- Maintain the continuity of the Island Corridor as a continuous special use connection for all communities, while respecting and supporting First Nations interests and traditional lands and uses</li> <li>- Contribute to safe and environmentally sound passenger and freight rail services along the Railroad</li> <li>- Encourage a flexible infrastructure along the Island Corridor which will encourage a wide range of economic and trade activity for the benefit of all communities lying adjacent to the Island Corridor</li> <li>- Preserve archaeological resources, historic landmarks, structures, artifacts and historic routes along the Island Corridor for historical purposes and for ongoing and future use by the community</li> <li>- Create trails, parks , gardens, greenways and other public areas for use of members of the public along the length of the Island Corridor</li> <li>- Conserve the environmental and spiritual features and functions of the Island Corridor in respect of the land, water and natural resources for the general benefit of the public, and</li> <li>- Do all such charitable activities which are incidental to and beneficial to the attainment of the purposes stated above.</li> </ul>
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?
See goals and objectives.

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
Island Corridor Foundation



**What is the principal use of the property (including all buildings and/or land)**

Through the sustained efforts of elected leaders of both First Nations and Local Governments who have accepted a mandate to work towards the preservation of the corridor, the charitable objectives of ICF are to:

- Acquire, preserve and develop for purposes of the Foundation and its objects, but for no other purposes, the Island Corridor which lies north-south from Victoria to Courtenay, east-west from Duncan to Lake Cowichan, and east-west from Nanaimo to Port Alberni on Vancouver Island together with ancillary lands, structures and all other property rights attached thereto (the "Island Corridor") and the infrastructure and other assets that constitute the E&N Railroad and are located on the Island Corridor ( the "Railroad")
- Maintain the continuity of the Island Corridor as a continuous special use connection for all communities, while respecting and supporting First Nations interests and traditional lands and uses
- Contribute to safe and environmentally sound passenger and freight rail services along the Railroad
- Encourage a flexible infrastructure along the Island Corridor which will encourage a wide range of economic and trade activity for the benefit of all communities lying adjacent to the Island Corridor
- Preserve archaeological resources, historic landmarks, structures, artifacts and historic routes along the Island Corridor for historical purposes and for ongoing and future use by the community
- Create trails, parks , gardens, greenways and other public areas for use of members of the public along the length of the Island Corridor
- Conserve the environmental and spiritual features and functions of the Island Corridor in respect of the land, water and natural resources for the general benefit of the public, and
- Do all such charitable activities which are incidental to and beneficial to the attainment of the purposes stated above.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

See principle use.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

No

To what extent are the buildings or property accessible to the public?

The rail trails constructed in partnership with the Cowichan Valley Regional District are located on the ICF property and are accessible to the public.

**SECTION 4 – OTHER INFORMATION**

Other information which may be pertinent to your application

See attached.


**SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION**

Please attach the following:

✓	most recent annual financial statement		copy of property title
✓	constitution		site sketch plan showing buildings & uses

**SECTION 6 – DECLARATION**

I hereby certify that I have read the Municipality of North Cowichan’s Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:  <b>FIPPA s. 22(1)</b>	Date: Jul 31, 2023
Name (please print): Debbie Mann	Date: Jul 31, 2023

Print Form

**NOTE: In accordance with Municipal Council’s July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.**

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*



**VIA MAIL**

May 30, 2023

**Corporation of the Municipality of North Cowichan**

7030 Trans-Canada Highway  
Duncan, BC  
V9L 6A1

**For the Attention of Maple Hung, Municipality of North Cowichan**

**RE: Permissive Tax Exemption, District of North Cowichan**

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Please find attached an application for Permissive Tax Exemption for land owned by the Island Corridor Foundation within the jurisdiction of the Municipality of North Cowichan.

As you may know the Island Corridor Foundation is a federally registered charity that owns the E&N Corridor on Vancouver Island. Since acquiring this asset in February 2006 the Foundation has worked to ensure the long-term viability of the corridor for the benefit of all Vancouver Island Residents. These actions include the successful interim operating agreement with Southern Rail of Vancouver Island, and promising discussions with several regional districts on recreational access to the corridor.

Property taxes for the corridor are anticipated to account for 44% of the Foundation's overall operating budget for the coming year. Reducing this tax burden is central to the sustainable future of this corridor. In this regard, your favourable review of this Permissive Tax Exemption application is a significant step in confirming the long-term sustainability of this vital island asset.

Included with this completed application for your review are:

- Unaudited financial statement prepared by Church Pickard as of December 31, 2022



- Copy of Parcel IDs, Folio Numbers and legal descriptions

Folio Number	PID	Legal Description
315 01180.050	003-387-232	That Part of Section 20, Range 2, Quamichan District, lying to the West of the Westerly Boundary of Plan 4534, except that Part lying to the North of the Right of Way of the Esquimalt and Nanaimo Railway Company, as said Right of Way is shown on Plan 874 O.S. and except those Parts in Plans 3236, 3680 and 21440
315 01232.003	013-685-538	That Part of Section 20, Range 4, Quamichan District shown outlined in Red on Plan attached to DD 21595
315 01232.004	013-685-562	That Part of Section 20, Range 4, Quamichan District shown outlined in Red on Plan attached to DD 21824 except Part in Plan VIP64267
315 01232.005	013-685-597	That Part of Section 20, Range 4, Quamichan District shown outlined in Red on Plan attached to DD 21940
315 01232.006	013-878-727	That Part of Section 20, Range 5, Quamichan District shown outlined in Red on Plan attached to DD 22193 except Part in Plan VIP64267
315 01232.007	023-119-624	Lot 1, Section 20, Range 6, Quamichan District Plan VIP61511
315 01232.008	023-119-632	Lot 2, Section 20, Range 6, Quamichan District Plan VIP61511
315 01232.009	023-119-641	Lot 3, Section 1, Range 6, Somenos District Plan VIP61511
315 01232.010	023-119-659	Lot 4, Section 1, Range 5, Somenos District Plan VIP61511
315 01232.011	023-119-667	Lot 5, Section 2, Range 5, Somenos District Plan VIP61511
315 02222.001	013-685-414	That Part of Section 19, Range 4, Quamichan District shown outlined in Red on Plan attached to DD 21506
315 03995.000	010-380-302	That part of Sections 3, 4 and 5, Range 7, Chemainus District being a Portion of the Halalt Indian Reserve # 2 shown outlined in Red on Plan 2035 OS
	None Given	Land District 08; Size 31.373; Chemainus Rd.
	009-919-821	That Part of Section 11, Range 7, Chemainus District being a Portion of the Fishing Station Indian Reserve No 11 in Plan 2058 OS
	005-029-899	That Part of Section 11, Range 6, Chemainus District lying to the East of the Island Highway except Parcel "B" (DD 81841-I) of said Section and except that Part in Plan 11248 and 44260
315 03995.002	023-501-189	Lot A, Section 18 and 19, Range 6, Quamichan District Plan VIP63772
315 03995.003	023-640-171	Lot A, Sections 14, 15 and 16, Range 5, Somenos District Plan VIP64447
315 03995.004	023-635-738	Lot A, Section 17, Range 5, Somenos District Plan VIP64449
315 03995.007	023-636-092	Lot A of Sections 18 and 19, Range 5 and of Sections 19 and 20, Range 6, Somenos District Plan VIP64451



Folio Number	PID	Legal Description
315 03995.008	023-892-226	Lot A, Section 2, 3 4 and 5, Range 5, Somenos District Plan VIP65571
315 03995.009	023-887-532	Lot A, Sections 6 and 7, Range 7, Chemainus District Plan VIP65938
315 03995.010	023-884-142	Lot A, Section 13 and 14, Range 4, Somenos District Plan VIP65942
315 03995.011	023-884-355	Lot A, Sections 11 and 12, Range 4, Somenos District Plan VIP65945
315 03995.012	023-894-555	Lot A, Sections 1 and 2, Range 6, Chemainus District Plan VIP65573
315 03995.013	023-899-531	Lot A, Sections 8, 9 and 10, Range 7, Chemainus District Plan VIP65967
315 03995.014	023-911-590	Lot A, Section 8, Range 4, Somenos District Plan VIP65787
315 03995.015	024-070-297	Lot A, Section 15, Range 5 and 6 and of Section 14, Range 6, Chemainus District Plan VIP66793
315 03995.016	024-120-880	Lot A, Section 18, Ranges 4 and 5 and Section 19, Range 4, Chemainus District Plan VIP66600
315 03995.017	024-025-895	Lot A, Section 20, Range 4, Chemainus District and District Lot 1, Chemainus District (lying within Oyster District) Plan VIP66632
315 03995.018	024-025-569	Lot A, Section 12, Ranges 6 and 7, Chemainus District Plan VIP66636
315 03995.019	024-040-240	Lot A, Sections 16 and 17, Range 5, Chemainus District Plan VIP66677
315 03995.020	024-157-180	Lot 1, Block 1497, Chemainus District Plan VIP 67174
315 03995.021	024-209-619	Lot A, Section 6, Range 4, Somenos District Plan VIP67451
315 03995.022	024-786-055	Lot A, Section 2, Range 7, Chemainus District Plan VIP70795
315 03996.000	None Given	Land District 08, Chemainus Land District, 20.599 km main line track and 0.24 km other track
Not Assessed	009-709-126	That Part of Section 14, Range 7, Quamichan District being a Portion of the Cowichan Indian Reserve # 1 shown outlined in Red on Plan 1978 OS and containing 0.34 Acre More or Less
Not Assessed	010-111-743	That part of Section 7, Range 4, Somenos District shown on Plan attached to DD 13682 except that Part in Plan VIP54316



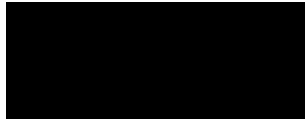
ISLAND  
CORRIDOR  
FOUNDATION

Box 375 Stn A Nanaimo, BC V9R 5L3  
office 250 754 7254  
[islandrail.ca](http://islandrail.ca)

---

As you review this application please note that representatives from the Island Corridor Foundation can be available to provide additional information and/or make a presentation to staff or council as appropriate. If you have any questions or comments, please contact Andrea Thomas, Manager, Corridor Development at (250) 754-7254 or [andreathomas@islandrail.ca](mailto:andreathomas@islandrail.ca).

Respectfully yours,



**FIPPA s. 22(1)**

Larry Stevenson  
Chief Executive Officer  
Island Corridor Foundation  
[larrystevenson@islandrail.ca](mailto:larrystevenson@islandrail.ca)  
250-754-7254



Financial Statements

Island Corridor Foundation

December 31, 2021

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# Independent Practitioner's Review Engagement Report

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**Grant Thornton LLP**  
Suite 650  
1675 Douglas Street  
Victoria, BC  
V8W 2G5

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To the members of Island Corridor Foundation

We have reviewed the accompanying financial statements of Island Corridor Foundation, which comprise the statement of financial position as at December 31, 2021, and the statement of operations, 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 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.

## **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## **Basis for Qualified Conclusion**

The Foundation's tangible capital assets include \$18,379,656 of track for which conditions indicate that the track assets may be impaired, requiring that the net carrying amount of the tangible capital asset be written down to the assets' fair value. In addition, included in amortization expense is \$2,016,355 of amortization for tracks that are not in use. We were unable to evaluate the impact of this possible impairment and related amortization adjustment as management did not prepare an analysis and estimate the assets' fair value as at December 31, 2021 and possible related impairment adjustment for the year ended December 31, 2021. Consequently, we were unable to perform the procedures we considered necessary.





**Qualified Conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, 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.

**Other Matter**

Without modifying our conclusion, we draw attention to Note 2 of the financial statements which indicates that as at December 31, 2021 uncertainty exists with respect to the Foundation's ability to obtain future funding to meet one of its' mandates of continuing to develop railway assets. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Foundation's ability to continue as a going concern.

Victoria, Canada  
May 26, 2022

A stylized, handwritten-style signature of "Grant Thornton LLP" in black ink.

Chartered Professional Accountants

## Island Corridor Foundation

### Statement of Financial Position

December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Assets</b>				
Current				
Cash	\$ 135,115	\$ -	\$ 135,115	\$ 223,370
Accounts receivable	60,120	-	60,120	60,009
Prepaid expenses (and deposits)	20,499	-	20,499	23,806
Inferfund receivable (payable) (Note 5)	<u>(21,101)</u>	<u>21,101</u>	<u>-</u>	<u>-</u>
	<u>194,633</u>	<u>21,101</u>	<u>215,734</u>	<u>307,185</u>
Tangible Capital Assets (Net of accumulated amortization) (Note 6)				
	-	315,469,098	315,469,098	318,850,422
Deferred Leasing Costs (Note 7)	<u>1,181</u>	<u>-</u>	<u>1,181</u>	<u>4,033</u>
	<u>\$ 195,814</u>	<u>\$ 315,490,199</u>	<u>\$ 315,686,013</u>	<u>\$ 319,161,640</u>

# Island Corridor Foundation

## Statement of Financial Position

December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Liabilities And Net Assets</b>				
Current				
Accounts payable	\$ 98,206	\$ -	\$ 98,206	\$ 40,022
Callable debt due in one year (Note 8)	-	81,758	81,758	65,308
Current portion of term debt (Note 9)	24,000	-	24,000	24,000
Accrued interest payable (Note 9)	62,710	2,010	64,720	64,913
Government remittances payable	1,598	-	1,598	1,960
Deferred revenue (Note 10)	1,087	-	1,087	1,087
	<u>187,600</u>	<u>83,768</u>	<u>271,369</u>	<u>197,290</u>
Callable debt due thereafter (Note 8)	<u>-</u>	<u>672,337</u>	<u>672,337</u>	<u>684,854</u>
Long Term Debt (Note 9)	73,000	-	73,000	97,000
Deferred Revenue (Note 10)	<u>11,954</u>	<u>-</u>	<u>11,954</u>	<u>13,042</u>
	272,555	756,105	1,028,660	992,186
Net Assets	<u>(76,741)</u>	<u>314,734,094</u>	<u>314,657,353</u>	<u>318,169,454</u>
	<u>\$ 195,814</u>	<u>\$ 315,490,199</u>	<u>\$ 315,686,013</u>	<u>\$ 319,161,640</u>

Contingent liability (Note 12)

Commitments (Note 14)

On behalf of the board

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

## Island Corridor Foundation Statement of Operations

Year ended December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Revenue</b>				
Crossings, leases and fees (Note 10)	\$ 406,292	\$ -	\$ 406,292	\$ 227,660
Donations and grants (Note 14)	352,266	194	352,460	352,255
Rental income (Note 11)	94,780	-	94,780	72,882
Interest	18	-	18	274
	<u>853,356</u>	<u>194</u>	<u>853,550</u>	<u>653,071</u>
<b>Expenses</b>				
Accounting and bookkeeping	24,855	-	24,855	24,997
Board expenses	19,256	-	19,256	17,207
Communications	12,160	-	12,160	35,164
Consulting fees and Engineering	15,356	-	15,356	26,989
Donations	14,850	-	14,850	28,396
Insurance	44,102	-	44,102	33,812
Interest and bank charges	4,986	-	4,986	3,062
Interest on short term debt	-	24,960	24,960	30,035
Legal fees	244,430	-	244,430	201,209
Management and Administration services	28,473	-	28,473	41,299
Office	3,911	-	3,911	5,980
Property taxes and utility rates	23,698	-	23,698	14,467
Repairs and maintenance	164,851	-	164,851	109,944
Salaries and wages	248,269	-	248,269	216,677
Travel	7,860	-	7,860	4,287
	<u>857,057</u>	<u>24,960</u>	<u>882,017</u>	<u>793,525</u>
Excess (Deficiency) of Revenue Over Expenses From Operations Before Amortization	<u>(3,701)</u>	<u>(24,766)</u>	<u>(28,467)</u>	<u>(140,454)</u>
<b>Other income (expenses)</b>				
Amortization	-	(3,486,111)	(3,486,111)	3,537,072
Wage Subsidy	-	-	-	(2,750)
Resources recovery	-	-	-	(65,605)
GST rebate	2,477	-	2,477	(1,687)
	<u>2,477</u>	<u>(3,486,111)</u>	<u>(3,483,634)</u>	<u>3,467,030</u>
Deficiency of Revenue Over Expenses	<u>\$ (1,224)</u>	<u>\$ (3,510,877)</u>	<u>\$ (3,512,101)</u>	<u>\$ (3,607,484)</u>

## Island Corridor Foundation

### Statement of Changes in Net Assets

Year ended December 31

	Operating Fund 2021	Capital Fund 2021	December 31 2021	December 31 2020
<b>Net Assets - Beginning Of Year</b>	\$ 50,296	\$ 318,119,158	\$ 318,169,454	\$ 321,776,938
Excess (deficiency) of revenue over expenses	(1,224)	(3,510,877)	(3,512,101)	(3,607,484)
Interfund loans and repayment of debt	<u>(125,813)</u>	<u>125,813</u>	<u>                    </u>	<u>                    </u>
<b>Net Assets - End Of Year</b>	<u>\$ (76,741)</u>	<u>\$ 314,734,094</u>	<u>\$ 314,657,353</u>	<u>\$ 318,169,454</u>

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## Island Corridor Foundation

### Statement of Cash Flows

Year ended December 31

	2021	2020
<b>Operating Activities</b>		
Cash receipts from donations, grants, leases	\$ 854,811	\$ 671,645
Cash paid for supplies and services	(788,284)	(779,401)
Interest received	18	274
Interest paid	(29,946)	(33,096)
	<u>36,599</u>	<u>(140,578)</u>
Cash flow from operating activities		
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(104,787)	(43,182)
<b>Financing Activities</b>		
Repayment of long term debt	(24,000)	(24,000)
Repayment of callable debt	(71,067)	(58,815)
Advance of callable debt	75,000	-
	<u>(20,067)</u>	<u>(82,815)</u>
Cash flow from (used by) financing activities		
<b>Decrease in Cash Flow</b>	(88,255)	(266,575)
Cash, beginning of year	<u>223,370</u>	<u>489,945</u>
<b>Cash - End of Year</b>	<u>\$ 135,115</u>	<u>\$ 223,370</u>

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# **Island Corridor Foundation**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **1. Purpose of the foundation**

Island Corridor Foundation (the "Foundation") was incorporated under the laws of the Government of Canada on January 1, 2004 and was continued under the Canada Not-for-Profit Corporations Act. As a registered charity, the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act and able to issue donation receipts for income tax purposes. In order to maintain the status of a charitable organization under the Act, the Foundation must meet certain requirements within the Act, which, in the opinion of management, have been met.

The Foundation's primary purposes are to preserve the use of the corridor in perpetuity for the connection and benefit of all Island communities and First Nations along the corridor; to preserve historical landmarks; to create trails, parks and other public areas; to preserve and develop the assets on the Island Corridor and to contribute to rail services along the rail corridor. The members of the Foundation are eleven First Nations and five Regional Districts. They assumed ownership of the 319-kilometre rail corridor in 2006 on behalf of the communities of Vancouver Island.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 2. Going concern

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which contemplate the continuation of the Foundation as a going concern including the realization of assets and the settlement of liabilities in the ordinary course of operations. However, certain conditions may cast significant doubt on the validity of this assumption.

The ability of the Foundation to meet one of its mandates of continuing to develop the railway assets located on the Island Corridor including certain tracks and bridges is dependent on the Foundation's ability to retain the commitment of a railway provider and to obtain grant funding to repair the bridges and tracks.

The Foundation has a Strategic Priorities & Operation Plan which outlines the Foundation's Key Focus Areas including multi-infrastructure plan for Rail. The Foundation remains optimistic regarding long-term upgrades and, in conjunction with Southern Railway of Vancouver Island (SVI), have identified and costed a series of Phase 1 rail infrastructure options that may be pursued.

The Foundation continues to maintain its infrastructure and pursue new property lease agreements and park developments as it awaits funding from the BC Government. The Province of BC released the Island Rail Corridor Condition Assessment Summary Report completed by WSP Canada Group Ltd. in April 2020. The summary identifies the railway corridor overall as being in Poor to Fair condition. The summary provides a conceptual cost estimate in support of three Improvement Phases evaluated: Initial, Intermediate and Ultimate. These phased cost estimates are separated between Victoria Subdivision and Port Alberni Subdivision and further divided into six geographical segments. In addition, the BC Government has completed the South Vancouver Island Transportation Strategy report of which rail featured prominently as a long-term investment.

Vital to the rail operations of the Foundation is the involvement with SVI. The Foundation entered into an agreement with Southern Railway of Vancouver Island (SVI) in which SVI will pay a license fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments, SVI has agreed to grant a waiver of interest on the remaining unpaid principal amount of the loan.

The Foundation has incurred a net loss of \$3,512,101 (2020 - \$3,607,484) which includes amortization of \$3,486,111 (2020 - \$3,537,072) for the year and as of December 31, 2021. The Foundation's current liabilities exceed its current assets by \$735,636 (2020 - \$574,959). Of this amount \$685,046 (2020 - \$750,162) is the mortgage on the Nanaimo Station building. The Nanaimo station is not included in current assets but the mortgage on the building is included in current liabilities which is the reason current liabilities exceed current assets.

These financial statements do not reflect the adjustments to the carrying amounts of reported assets and liabilities, revenues and expenses and balance sheet classifications which might be necessary should the going concern assumption not be appropriate. Such adjustments could be material.

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# **Island Corridor Foundation**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **3. Significant accounting policies**

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). As a result, these financial statements are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

#### **Fund accounting**

Island Corridor Foundation follows the restricted fund method of accounting for contributions and maintains two funds - Operating Fund and Capital Fund.

The Operating Fund accounts for assets, liabilities, revenues and expenses related to the Foundation's program delivery in the preservation of the railway corridor and its administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to Island Corridor Foundation's capital assets, including acquisitions and disposals and debt commitments.

#### **Revenue recognition**

The Foundation recognizes donations when received. Grant revenue is recognized over the period that the service is performed, as specified by the grantor. Interest revenue is recognized when earned. Revenue from crossing agreements and lease agreements is recognized over the term of the agreement. Rental income is recognized as earned over the term of the lease. Fundraising revenue is recognized when received. File opening fees for crossing agreements are recorded when an agreement is in place and their collectability is reasonably assured.

#### **Contributed materials and services**

Contributions of services and materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services and materials are used in the normal course of the Foundation's operations and would otherwise have been purchased.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 3. Significant accounting policies (continued)

#### Financial instruments

The Foundation considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable
- callable debt
- long-term debt

A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and financial liabilities from arm's length transactions at cost or amortized cost less any reduction for impairment.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, callable debt, and long-term debt.

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Company removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

#### Tangible capital assets

Tangible capital assets are recorded at cost. The company provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Railway stations	Straight-line	20 years
Equipment	Straight-line	5 years
Fences	Straight-line	10 years
Track	Straight-line	21.5-27 years
Railway signals	Straight-line	8.8 years
Culverts	Straight-line	20 years
Bridges and tunnels	Straight-line	40 years

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 3. Significant accounting policies (continued)

#### Callable debt

The Foundation's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

#### Measurement uncertainty

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 reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include accounts receivable, amortization and accrued liabilities.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets, as outlined above. Accrued liabilities are based on management estimates.

These estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 4. Financial instruments

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The credit risk regarding cash is considered to be negligible because it is held by a reputable financial institution with an investment grade external credit rating.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, callable debt, long-term debt and accounts payable.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its variable rate callable debt and variable rate long term debt.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

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### 5. Externally restricted cash and net assets

Included in cash is \$21,101 (2020 - \$21,101) of grants and donations from Courtenay Rotary Club and other donors. The use of the funds is restricted for the future construction of the Courtenay train station and trailways along the corridor in the Nanaimo region.

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 6. Tangible capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 274,470,628	\$ -	\$ 274,470,628	\$ 274,470,628
Track	4,782,419	3,043,089	1,739,330	1,916,280
Bridges and tunnels	29,630,124	11,759,434	17,870,690	18,611,443
Culverts	7,872,370	6,246,687	1,625,683	2,019,302
Fences	34,556	1,728	32,828	-
Equipment	44,467	16,300	28,167	32,059
Computer equipment	2,679	2,517	162	361
Railway stations	3,030,052	1,708,098	1,321,954	1,404,337
Railway signals	5,723,000	5,723,000	-	-
Track - not in use	50,901,904	32,522,248	18,379,656	20,396,012
	<u>\$ 376,492,199</u>	<u>\$ 61,023,101</u>	<u>\$ 315,469,098</u>	<u>\$ 318,850,422</u>

The Foundation's tangible capital assets include track assets for which conditions indicate that the assets may be impaired because they no longer have long term service potential. Management has estimated that approximately 91.41% of the track requires upgrades to the railway ties. The railway ties represent approximately 30% of the track net book value.

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#### 7. Deferred leasing costs

Deferred leasing costs include commissions paid to DTZ Barnicke for acquiring a tenant for the Nanaimo train station. The amount is amortized over the life of the related lease.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

### 8. Callable debt

	<u>2021</u>	<u>2020</u>
CIBC non-revolving instalment loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$7,500. The loan matures on December 31, 2031 and is secured by an agreement granting first security interest over chattel owned by the Foundation, registered assignment of rents and a \$1.1 million registered first charge over the Nanaimo Train Station property. The net book value of the Nanaimo Train Station Building is \$1,135,642.	\$ 685,046	\$ 750,162
CIBC non-revolving instalment loan, bearing interest at prime plus 2% per annum, repayable in monthly blended payments of \$1,425. The loan matures on July 22, 2026 and is secured by an agreement granting first security in all property owned by the Foundation.	<u>69,049</u>	<u>-</u>
	754,095	750,162
Less principal due in one year	<u>81,758</u>	<u>65,308</u>
	<u>\$ 672,337</u>	<u>\$ 684,854</u>
		<u>December 31</u> <u>2021</u>
Principal repayment terms are approximately:		
2022	\$	81,758
2023		84,771
2024		87,843
2025		91,134
2026		<u>85,201</u>
		430,707
Thereafter		<u>323,388</u>
		<u>\$ 754,095</u>

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 9. Term debt

	<u>2021</u>	<u>2020</u>
Southern Railway of Vancouver Island ("SVI") loan bearing interest at prime plus 1% per annum, repayable annually by \$24,000 plus interest. The loan is secured by a promissory note and a second charge over all of the Foundation's assets.	\$ 49,000	\$ 73,000
Less amounts payable within one year	(24,000)	(24,000)
Due beyond one year	<u>\$ 73,000</u>	<u>\$ 97,000</u>

Estimated principal re-payments are as follows:

	<u>December 31</u> <u>2021</u>
2022	\$ 24,000
2023	24,000
2024	24,000
2025	24,000
2026	<u>1,000</u>
	<u>\$ 97,000</u>

On October 1, 2018, the Foundation signed a Freight Operations Agreement which expires on September 30, 2023. Under the terms of the agreement, SVI will pay a licence fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments, SVI has agreed to grant a waiver of interest on the remaining unpaid principal amount of the loan. Included in accrued interest payable is \$62,710 (2020 - \$62,710) related to this loan.

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 10. Deferred revenue

Deferred revenue consists of long-term leases and right-of-way fees where payments were received in advance. Changes in the deferred revenue balance are as follows:

	2021	2020
	<u>          </u>	<u>          </u>
Balance, beginning of year	\$ 14,128	\$ 17,215
Less: Amount recognized as revenue during the year	<u>(1,087)</u>	<u>(3,087)</u>
Balance, end of year	<u>\$ 13,041</u>	<u>\$ 14,128</u>

The current portion of deferred revenue is \$1,087 (2020 - \$1,087) and the non-current portion is \$11,955 (2020 - \$13,041).

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#### 11. Rental income

Rental revenue and expenses related to the Nanaimo and Courtenay Train Stations are as follows:

	2021	2020
	<u>          </u>	<u>          </u>
Commercial rent	\$ 114,027	\$ 102,182
Recoveries from tenant	30,641	15,137
Rental expenses	<u>(49,888)</u>	<u>(44,437)</u>
	<u>\$ 94,780</u>	<u>\$ 72,882</u>

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#### 12. Contingent liabilities

On September 10, 2020 the Foundation filed a statement of claim against Performing Equities Ltd. regarding costs of remediation for a slide in Shawnigan Lake. This lawsuit remains at an early state and as litigation is subject to many uncertainties it is not possible to predict the ultimate outcome of this lawsuit or to estimate the costs of such. The Foundation has filed to recover all costs of the slide incurred as well as the cost of further remediation of the slide. As of the date of the Financial Statement, there is still no court ruling on this case.

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#### 13. Economic dependence

One of the Foundation's primary source of revenue is from an annual amount received from the Canadian Pacific Railway of \$352,255 (2020 - \$352,255) per year. The amount is based on an agreement regarding payments from Telus to the Canadian Pacific Railway and onto the Foundation regarding land use for Fibre Optic Cable. The Foundation's ability to continue viable operations is dependent upon the continued support of this entity.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 14. Related party transactions

Property taxes and utility rates of \$16,189 (2020 - \$25,388) were paid to members of the Foundation. Crossings, leases and fees include \$18,000 (2020 - \$13,408) received from members of the Foundation for land use and sundry fees. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Municipal members have provided the Foundation with an exemption from paying property taxes in which case no expense is recorded. Included in accounts receivable is \$2,000 (2020 - \$9,959) owing from members of the Foundation.

Included in salaries and wages are the current Executive Director's fees for services of \$138,397 (2020 - \$130,000). The contract is for the period August 1, 2021 to July 31, 2024. The annual committed amount under this contract is \$140,000.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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# **ISLAND CORRIDOR FOUNDATION**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

# INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of the Island Corridor Foundation

We have reviewed the financial statements of **Island Corridor Foundation** that comprise the statement of financial position as at **December 31, 2022**, and the statement of operations, changes in net assets, and 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 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.

## **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## **Basis for qualified conclusion**

The Foundation's tangible capital assets include \$16,363,301 of track for which conditions indicate that the track assets may be impaired, requiring that the net carrying amount of the tangible capital asset be written down to the assets' fair value. In addition, included in amortization expense is \$2,016,355 of amortization for tracks that are not in use. We were unable to evaluate the impact of this possible impairment and related amortization adjustment as management did not prepare an analysis and estimate the assets' fair value as at **December 31, 2022** and possible related impairment for the year ended **December 31, 2022**. Consequently, we were unable to perform the procedures we considered necessary.

# Independent Practitioner's Review Engagement Report

(Continued)

## Qualified conclusion

Based on our review, except for the effects of the matter described in the above paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Island Corridor Foundation as at **December 31, 2022** 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.

## Empahsis of matter - restated comparative information

We draw attention to Note 14 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2021 has been restated. Our opinion is not modified in respect of this matter.

As part of the review engagement of the 2022 financial statements, we also reviewed the adjustments described in Note 14 that were applied to amend the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 financial statements of the Foundation other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form assurance on the 2021 financial statements taken as a whole.

## Other matter

Without modifying our conclusion, we draw attention to Note 1 of the financial statements which indicates that as at December 31, 2022 uncertainty exists with respect to the Foundation's ability to obtain future funding to meet one of its' mandates of continuing to develop railway assets. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Foundation's ability to continue as a going concern.

The financial statements for the year ended December 31, 2021 were reviewed by another accountant who expressed a qualified opinion on those financial statements on May 26, 2022 prior to the amendment noted above.

Nanaimo, BC  
May 12, 2023

**CHURCH PICKARD**  
Chartered Accountants

# ISLAND CORRIDOR FOUNDATION

STATEMENT OF FINANCIAL POSITION as at **December 31, 2022**

(unaudited)

	Operating Fund	Capital Funds	Total 2022	Total 2021 (Restated)
<b>Assets</b>				
<b>Current</b>				
Cash and equivalents - Note 4	\$ 104,637	\$ -	\$ 104,637	\$ 135,115
Accounts receivable	118,258	-	118,258	10,215
Prepaid expenses	15,123	-	15,123	20,500
Interfund receivable (payable)- Note 4	<u>(21,101)</u>	<u>21,101</u>	<u>-</u>	<u>-</u>
	216,917	21,101	238,018	165,830
Tangible capital assets - Note 5	-	311,981,998	311,981,998	315,469,098
Deferred leasing costs - Note 6	<u>9,213</u>	<u>-</u>	<u>9,213</u>	<u>1,181</u>
	<u>\$ 226,130</u>	<u>\$ 312,003,099</u>	<u>\$ 312,229,229</u>	<u>\$ 315,636,109</u>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable	\$ 68,089	\$ -	\$ 68,089	\$ 98,206
Callable debt due in one year - Note 7	-	71,694	71,694	81,758
Current portion of long term debt - Note 8	24,000	-	24,000	24,000
Deferred revenue	1,087	-	1,087	1,087
GST payable	3,468	-	3,468	1,598
Accrued interest payable - Note 8	<u>62,710</u>	<u>3,906</u>	<u>66,616</u>	<u>64,720</u>
	159,354	75,600	234,954	271,369
<b>Callable debt, due thereafter</b> - Note 7	-	610,707	610,707	672,336
<b>Long term debt</b> - Note 7	49,000	-	49,000	73,000
<b>Deferred revenue</b>	<u>173,578</u>	<u>-</u>	<u>173,578</u>	<u>11,955</u>
	<u>381,932</u>	<u>686,307</u>	<u>1,068,239</u>	<u>1,028,660</u>
<b>Net assets</b>	<u>(155,802)</u>	<u>311,316,792</u>	<u>311,160,990</u>	<u>314,607,449</u>
	<u>\$ 226,130</u>	<u>\$ 312,003,099</u>	<u>\$ 312,229,229</u>	<u>\$ 315,636,109</u>

Approved on Behalf of the Board:

# ISLAND CORRIDOR FOUNDATION

## STATEMENT OF OPERATIONS

For the year ended **December 31, 2022**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Total 2022</b>	<b>Total 2021</b>
<b>Revenue</b>				
Donations and grants - Note 11	\$ 352,718	\$ -	\$ 352,718	\$ 352,460
Crossings, leases and fees	258,550	-	258,550	406,311
Rental income - Note 9	<u>88,775</u>	-	<u>88,775</u>	<u>97,257</u>
	<u>700,043</u>	<u>-</u>	<u>700,043</u>	<u>856,028</u>
<b>Expenditures</b>				
Wages and benefits	255,786	-	255,786	256,652
Repairs and maintenance	77,037	-	77,037	169,324
Legal fees	73,710	-	73,710	244,430
Board expenses	45,064	-	45,064	19,256
Insurance	33,414	-	33,414	35,719
Interest on short-term debt	-	33,261	33,261	24,960
Professional fees	28,193	-	28,193	24,855
Utilities	24,401	-	24,401	23,698
Management and administration services	24,000	-	24,000	24,000
Communications	18,801	-	18,801	12,160
Advertising and promotion	17,652	-	17,652	14,850
Consulting fees and engineering	12,600	-	12,600	15,356
Interest and bank charges	5,735	-	5,735	4,986
Travel	3,767	-	3,767	7,860
Office	3,436	-	3,436	3,210
Public relations	<u>695</u>	<u>-</u>	<u>695</u>	<u>701</u>
	<u>624,291</u>	<u>33,261</u>	<u>657,552</u>	<u>882,017</u>
<b>Excess of revenues over expenses (expenses over revenues) before undernoted items</b>	75,752	(33,261)	42,491	(25,989)
<b>Amortization</b>	<u>-</u>	<u>3,488,950</u>	<u>3,488,950</u>	<u>3,486,111</u>
<b>Excess of revenues over expenses (expenses over revenues)</b>	<u>\$ 75,752</u>	<u>\$ (3,522,211)</u>	<u>\$ (3,446,459)</u>	<u>\$ (3,512,100)</u>

# ISLAND CORRIDOR FOUNDATION

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended **December 31, 2022**

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	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Total 2022</b>	<b>Total 2021 (Restated)</b>
<b>Balance, beginning of the year</b>	\$ (126,645)	\$ 314,734,094	\$ 314,607,449	\$ 318,119,549
<b>Excess (deficiency) of revenue over expenses</b>	75,752	(3,522,211)	(3,446,459)	(3,512,100)
<b>Interfund loans and repayment of debt</b>	<u>(104,909)</u>	<u>104,909</u>	<u>-</u>	<u>-</u>
<b>Balance, end of the year</b>	<u>\$ (155,802)</u>	<u>\$ 311,316,792</u>	<u>\$ 311,160,990</u>	<u>\$ 314,607,449</u>

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# ISLAND CORRIDOR FOUNDATION

## STATEMENT OF CASH FLOWS

For the year ended **December 31, 2022**

(unaudited)

	2022	2021
<b>Cash provided (used):</b>		
<b>Operating activities</b>		
Items not involving cash	\$ (3,446,459)	\$ (3,512,100)
Amortization	<u>3,488,950</u>	<u>3,486,111</u>
	42,491	(25,989)
Changes in non-cash operating accounts		
(Increase) decrease in accounts receivable	(108,043)	7,910
(Increase) decrease in prepaid expenses	(2,655)	6,158
(Decrease) increase in accounts payable and accrued liabilities	(26,352)	57,629
Increase (decrease) in deferred revenue	161,623	(1,087)
Repayment of triple net deposit	<u>-</u>	<u>(8,022)</u>
	67,064	36,599
<b>Investing activities</b>		
Purchase of property and equipment	<u>(1,848)</u>	<u>(104,787)</u>
<b>Financing activities</b>		
Repayment of long term debt	(24,000)	(24,000)
Repayment of callable debt	(71,694)	(71,067)
Advance of callable debt	<u>-</u>	<u>75,000</u>
	<u>(95,694)</u>	<u>(20,067)</u>
<b>Decrease in cash</b>	(30,478)	(88,255)
<b>Cash, beginning of the year</b>	<u>135,115</u>	<u>223,370</u>
<b>Cash, end of the year</b>	<u>\$ 104,637</u>	<u>\$ 135,115</u>



# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### Nature of operations

Island Corridor Foundation ("the Foundation") was incorporated under the laws of the Government of Canada on January 01, 2004 and was continued under the Canada Not-for-Profit Corporations Act. As a registered charity, the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act and able to issue donation receipts for income tax purposes. In order to maintain the status of a charitable organization under the Act, the Foundation must meet certain requirements within the Act, which, in the opinion of the management, have been met.

The Foundation's primary purposes are to preserve the use of the corridor in perpetuity for the connection and the benefit for all Island communities and First Nations along the corridor; to preserve historical landmarks; to create trails, parks and other public areas; to preserve and develop the assets on the Island Corridor and to contribute to rail services along the rail corridor. The members of the Foundation are eleven First Nations and five Regional Districts. They assumed ownership of the 319-kilometre rail corridor in 2006 on behalf of communities of Vancouver Island.

### 1. Going concern

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which contemplate the continuation of the Foundation as a going concern including the realization of assets and the settlement of liabilities in the ordinary course of operations. However, certain conditions may cast significant doubt on the validity of this assumption.

The ability of the Foundation to meet one of its mandates of continuing to develop the railway assets located on the Island Corridor including certain tracks and bridges is dependent on the Foundation's ability to retain the commitment of a railway provider and to obtain grant funding to repair the bridges and tracks.

The Foundation has a Strategic Priorities & Operation Plan which outlines the Foundation's Key Focus Areas including multi-infrastructure plan for Rail. The Foundation remains optimistic regarding long-term upgrades and, in conjunction with Southern Railway of Vancouver Island (SVI), have identified and costed a series of Phase 1 rail infrastructure options that may be pursued.

The Foundation continues to maintain its infrastructure and pursue new property lease agreements and park developments as it awaits funding from the BC Government. The Province of BC released the Island Rail Corridor Condition Assessment Summary Report completed by WSP Canada Group Ltd. in April 2020. The summary identifies the railway corridor overall as being in Poor to Fair condition. The summary provides a conceptual cost estimate in support of three Improvement Phases evaluated: Initial, Intermediate and Ultimate. These phased cost estimates are separated between Victoria Subdivision and Port Alberni Subdivision and further divided into six geographical segments. In addition, the BC Government has completed the South Vancouver Island Transportation Strategy report of which rail featured prominently as a long-term investment.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### 1. **Going concern** - cont.

Vital to the rail operations of the Foundation is the involvement with SVI. The Foundation entered into an agreement with Southern Railway of Vancouver Island (SVI) in which SVI will pay a license fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments, SVI has agreed to grant a waiver of interest on the remaining unpaid principal amount of the loan.

The Foundation has incurred a net loss of \$3,446,459 (2021 - \$3,512,100) which includes amortization of \$3,488,950 (2021- \$3,486,111) for the year and as of December 31, 2021. The Foundation's current liabilities exceed its current assets by \$607,643 (2021 - \$777,875). Of this amount \$626,411 (2021 - \$685,046) is the mortgage on the Nanaimo Station building. The Nanaimo station is not included in current assets but the mortgage on the building is included in current liabilities which is the reason current liabilities exceed current assets.

On March 14, 2023 the federal and provincial governments announced that 10-plus acres of the land used by the Corridor be returned the Snaw-Naw-As First Nation. Without making any promises about that concept, the federal and provincial government announced support for future planning on the corridor.

These financial statements do not reflect the adjustments to the carrying amounts of reported assets and liabilities, revenues and expenses and balance sheet classifications which might be necessary should the going concern assumption not be appropriate. Such adjustments could be material.

### 2. **Significant accounting policies**

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

#### - Fund accounting

Island Corridor Foundation uses the restricted fund method of accounting for contributions and maintains two funds - Operating Fund and Capital Fund.

The Operating Fund accounts for assets, liabilities, revenues and expenses related to the Foundation's program delivery in the preservation of the railway corridor and its administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to Island Corridor Foundation's capital assets, including acquisitions and disposals and debt commitments.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### 2. Significant accounting policies - cont

- Revenue recognition

The Foundation recognized donations when received. Grant revenue is recognized over the period that the service is performed, as specified by the grantor. Interest revenue is recognized when earned. Revenue from crossing departments and lease agreements is recognized over the term of the agreement. Rental income is recognized as earned over the term of the lease. Fundraising revenue is recognized when received. File opening fees for crossing agreements are recorded when an agreement is in place and their collectibility is reasonably assured.

- Contributed materials and services

Contributions of services and materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services and materials are used in the normal course of the Foundation's operations and would otherwise have been purchased.

- Financial instruments

The Foundation considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- Cash
- Accounts receivable
- Accounts payable
- Callable debt
- Long term debt

A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and financial liabilities from arm's length transactions at cost or amortized cost less any reduction for impairment.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, callable debt, and long term debt.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

### 2. Significant accounting policies - cont.

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Foundation removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided provided the asset is not carried at an amount, at the date of the reversal, greater than the amount paid that would have been the carrying amount had no impairment loss been recognized properly. The amount of any write-downs or reversals are recognized in net income.

#### - Tangible capital assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows

Railway stations	Straight line	20years
Equipment	Straight line	5years
Fences	Straight line	10years
Track	Straight-line	21.5-27years
Railway signals	Straight line	8.8 years
Culverts	Straight-line	20years
Bridges and tunnels	Straight-line	40years

#### - Callable debt

The Foundation's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

#### - Measurement uncertainty

The preparation of the financial statements in conformity with the Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they they become known. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include accounts receivable, amortization and accrued liabilities.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### 2. **Significant accounting policies** - cont.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets, as outlined above. Accrued liabilities are based on management estimates.

These estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 3. **Financial instruments**

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundations' risk exposure and concentration as of December 31, 2022.

#### a) Credit risk

Credit risk from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The credit risk regarding cash is considered to be negligible because it is held by a reputable financial institution with an investment grade external credit rating.

#### b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, callable debt, long-term debt and accounts payable.

#### c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financial activities. The Foundation is exposed to interest rate risk primarily through its variable rate callable debt and variable rate long term debt.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

### 4. Externally restricted cash and net assets

Included in cash is \$21,101 (2021- \$21,101) of grants and donations from the Courtenay Rotary Club and other donors. The use of the funds is restricted for the future construction of the Courtenay train station and trailways along the corridor in the Nanaimo region.

### 5. Tangible capital assets

	Cost	Accumulated Amortization	Net 2022	Net 2021
Land	\$ 274,470,628	\$ -	\$ 274,470,628	\$ 274,470,628
Track	4,782,419	3,220,038	1,562,381	1,739,330
Bridges and tunnels	29,630,124	12,500,187	17,129,937	17,870,690
Culverts	7,872,370	6,640,305	1,232,065	\$ 1,625,683
Fences	34,556	5,184	29,372	32,828
Equipment	44,467	21,935	22,532	28,167
Computer equipment	4,529	3,199	1,330	162
Railway stations	3,030,052	1,859,601	1,170,451	1,321,954
Railway signals	5,723,000	5,723,000	\$ -	-
Track- not in use	<u>50,901,904</u>	<u>34,538,602</u>	<u>16,363,302</u>	<u>18,379,656</u>
	<u>\$ 376,494,049</u>	<u>\$ 64,512,051</u>	<u>\$ 311,981,998</u>	<u>\$ 315,469,098</u>

The Foundation's tangible capital assets include track assets for which conditions indicate that the assets may be impaired because they no longer have long term service potential. Management has estimated that approximately 91.41% of the track requires upgrades to the railway ties. The railway ties represent a approximately 30% of the track net book value.

### 6. Deferred leasing costs

Deferred leasing costs include commissions paid to Pemberton Homes Ltd for acquiring a tenant for the Nanaimo train station. The amount is amortized over the life of the related lease.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

### 7. Callable debt

	2022	2021
CIBC non-revolving installment loan bearing interest at prime rate plus 1% per annum, repayable in monthly blended payments of \$7,500. The loan matures on December 31, 2031 and is secured by an agreement granting first security interest over chattel owned by the Foundation, registered assignment of rents and a \$1.1 million registered first charge over the Nanaimo Train Station property. The net book value of Nanaimo Train Station Building is \$ 1,027,291	\$ 626,411	\$ 685,045
CIBC non-revolving installment loan, bearing interest at prime plus 2% per annum, repayable in monthly blended payments of \$1,425. The loan matures on July 22, 2026 and is secured by an agreement granting first security in all property owned by the Foundation	55,990	69,049
Less principal due in one year	<u>(71,694)</u>	<u>(81,758)</u>
	<u>\$ 610,707</u>	<u>\$ 672,336</u>

Principal repayments terms are approximate, assuming the loan continues under the same terms, are as follows :

2023	\$ 57,015
2024	60,086
2025	64,698
2026	67,872
2027	<u>57,761</u>
	<u>\$ 307,432</u>

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

### 8. Long-term debt

	2022	2021
Southern Railway of Vancouver Island ("SVI") loan bearing interest at prime plus 1% per annum, repayable annually by \$24,000 plus interest. The loan is secured by promissory note and a second charge over all of the Foundation's assets	\$ 73,000	\$ 97,000
Less: Principal due in one year	<u>(24,000)</u>	<u>(24,000)</u>
	<u>\$ 49,000</u>	<u>\$ 73,000</u>

Principal re-payments terms are approximate, assuming the loan continues under the same terms, are as follows :

2023	\$ 24,000
2024	24,000
2025	24,000
2026	<u>1,000</u>
	<u>\$ 73,000</u>

On October 1, 2018 the Foundation signed a Freight Operations Agreement which expires on September 30, 2023. Under the terms of the agreement, SVI will pay a license fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments. SVI has agreed to grant a waiver of interest on the remaining principal amount of the loan. Included in the interest payable is \$62,710 (2021-\$62,710) related to this loan.

### 9. Rental income

Rental revenue and expenses related to the Nanaimo and Courtenay Train Stations are as follows:

	2022	2021
Commercial rent	\$ 111,510	\$ 114,027
Recoveries from tenant	\$ 33,175	\$ 30,641
Rental expense	<u>(58,412)</u>	<u>(49,888)</u>
	<u>\$ 86,273</u>	<u>\$ 94,780</u>



# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### 10. Contingencies

On September 10, 2020, the Foundation filed a statement of claim against the Performing Equities Ltd. regarding costs of remediation for a slide in Shawnigan Lake. This lawsuit remains at an early state and as litigation is subject to many uncertainties it is not possible to predict the ultimate outcome of this lawsuit or to estimate the costs of such. The Foundation has filed to recover all costs of the incurred as well as the cost of further remediation of the slide. As of the date of the Financial Statement, there is still no court ruling on this case.

### 11. Economic dependence

One of the Foundation's primary source of revenue is from an annual donation received from the Canadian Pacific Railway of \$352,255 (2021-\$352,255) per year. The amount is based on an agreement regarding payments from Telus to the Canadian Pacific Railway and then donated to the Foundation regarding land use for Fibre Optic Cable. The Foundations ability to continue viable operations is dependent upon the continued support of this entity.

### 12. Related party transactions

Property taxes and utility rates of \$16,140 (2021- \$16,189) were paid to members of the Foundation. Crossings, leases and fees include \$9,100 (2021-\$18,000) received from members of Foundation for land use and sundry fees. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Municipal members have provided the Foundation with an exemption from paying property taxes in which case no expense is recorded. Included in accounts receivable is \$11,100 (2021-\$2,000) owing from the members of the Foundation. Included in accounts payable is \$14,797 owed to the members of the Foundation.

Included in salaries and wages are the current Executive Director's salary and benefits for services of \$145,012 (2021-\$138,397). The contract is for the period August 1,2021 to July 31, 2024. The annual committed amount under this contract is \$140,000 plus benefits.

These Transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount which is the amount of consideration established and agreed to by the related parties.

# ISLAND CORRIDOR FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2022**

(unaudited)

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### **13. Comparative figures**

Certain items of the comparative figures have been reclassified to conform with the current year's presentation.

### **14. Prior period adjustment**

During the current period it was discovered that there was a receivable recorded from the Bell group to recoup expenses paid by the Island Corridor Foundation related to the Shawnigan slide in 2020. The Bell group has not paid the amount as they are awaiting the outcome of the court case. As a result, accounts receivable and the revenues were overstated by \$49,905 for that year.

A prior period adjustment has been recorded to reduce the accounts receivable by \$49,905. The net effect of this prior period adjustment has been the reduction of 2021 net assets by \$49,905.

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: The Nature Conservancy of Canada (NCC)	
Are you registered under the BC Societies Act?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: 200-825 Broughton Street, Victoria, BC V8W 1E5	
Contact Person: Kate MacKenzie	
Email Address: kate.mackenzie@natureconservancy.	Phone Number: [REDACTED] FIPPA s. 22(1)
Name and Phone number of two other officials in the organization	
Name: Sarah da Silva	Name: Jon Kelly
Title: Controller	Title: Director of Lands
Phone Home:	Phone Home:
Phone Work: (250) 479-3191	Phone Work: (877) 231-3552

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:

NCC is Canada's largest non-profit land trust, working to protect the country's most precious natural places and empower people to safeguard the lands and waters that sustain life.

What charitable, philanthropic, athletic or recreational service does your organization provide to the community?

Conservation of the natural heritage of the community, restoration of wildlife habitat, and opportunities for the public to engage with conservation land stewardship initiatives.

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:

The Nature Conservancy of Canada

What is the principal use of the property (including all buildings and/or land)

The primary use of the property is the protection of sensitive Garry Oak ecosystems, as well as restoration and research activities aimed at improving the health of Gary Oak meadow habitats. There are several buildings on the property, including a wood heritage home (currently being restored), a barn, a nursery/greenhouse for small-scale cultivation of native plants, two small sheds for storing gardening equipment, and two outhouses. Researchers from across North America study habitats on the property and contribute towards restoration activities. The property is accessible to researchers, contractors, volunteers, and annually to the public during the "In Bloom" wildflower festival or during other engagement events facilitated by NCC.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

- Annual "In Bloom" festival open to the public (no fee, 1%)
- Researchers from BC Conservation Foundation, University of Guelph, University of BC and Birmingham University (no fee, 15%)
- Volunteer naturalist groups (i.e., Weedy Wednesday) that complete invasive plant removal, native planting and other stewardship activities (no fee, 50%)
- NCC staff and contractors for completing restoration and monitoring (no fee, 34%)

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

The property is used by researchers from the University of Guelph, University of BC and Birmingham University. Researchers study a variety of topics such as restoration methods, sheep grazing, invasive plants, nutrient cycling, drought impacts, as well as topics related to specific wildlife. The BC Conservation Foundation routinely accesses the property as part of their bluebird reintroduction program. Weedy Wednesday volunteers work on a variety of habitat restoration projects throughout the year. All of these groups are invited by NCC to use the property at no cost.

To what extent are the buildings or property accessible to the public?

The property is accessible to the public only during scheduled events such as the "In Bloom" wildflower festival in order to protect the sensitive ecosystems, or during other engagement events that are coordinated by NCC staff (e.g., walking tours, volunteer events). The property is also accessible to the Cowichan Tribes for food gathering purposes.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

NCC staff have also engaged with the Oak Park Preservation Society for the restoration and management of the historic Elkington House. The organizations are working together through an MOU, and remediation work on the house is ongoing.

#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

<input checked="" type="checkbox"/>	most recent annual financial statement	<input checked="" type="checkbox"/>	copy of property title
<input checked="" type="checkbox"/>	constitution	<input checked="" type="checkbox"/>	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and that the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:  Date: May 26, 2023

Name (please print): Kate MacKenzie **FIPPA s. 22(1)** Date: May 26, 2023

Print Form

**NOTE:** In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.*

**Schedule "A" – Property Descriptions**

<b>PID</b>	<b>Legal Description</b>
000-977-543	LOT A, SECTION 5, RANGES 3 AND 4, COMIAKEN DISTRICT, PLAN 38552, EXCEPT PART IN PLAN VIP 51562, ROAD ONLY.
006-321-879	LOT 1, SECTION 5, RANGES 3 AND 4, COMIAKEN DISTRICT, PLAN 2684, EXCEPT PART IN PLAN 38552.
006-321-917	LOT 3, SECTION 5, RANGE 3, COMIAKEN DISTRICT, PLAN 2684.

# The Nature Conservancy of Canada

Financial statements  
May 31, 2022



# Independent auditor's report

To the Members of  
**The Nature Conservancy of Canada**

## Opinion

We have audited the financial statements of **The Nature Conservancy of Canada** [the "Conservancy"], which comprise the statement of financial position as at May 31, 2022, and the statement of operations and changes in operating surplus, statement of 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Conservancy as at May 31, 2022, and its results of operations 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 Conservancy 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 Conservancy'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 Conservancy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Conservancy'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.



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 Conservancy'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 Conservancy'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 Conservancy 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.

*Ernst & Young LLP*

Toronto, Canada  
September 22, 2022

Chartered Professional Accountants  
Licensed Public Accountants







Statement of financial position

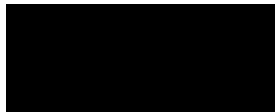
As at May 31

	2022 \$	2021 \$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	51,262,537	77,982,036
Short-term investments, at amortized cost <i>[notes 3[a] and 6[a][v]]</i>	48,000,000	—
Accounts receivable, deposits on land and other <i>[note 12]</i>	12,872,177	7,858,887
<b>Total current assets</b>	<b>112,134,714</b>	<b>85,840,923</b>
Investments, at fair value <i>[note 3[b]]</i>	191,475,635	182,180,945
Capital assets, net <i>[note 4]</i>	886,475	760,152
Conservation lands and agreements <i>[note 5]</i>	888,513,278	817,046,069
	<b>1,193,010,102</b>	<b>1,085,828,089</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	2,979,854	2,455,930
Deferred contributions <i>[note 7]</i>	79,603,400	61,338,717
<b>Total current liabilities</b>	<b>82,583,254</b>	<b>63,794,647</b>
Commitments, guarantees and contingencies <i>[notes 3[c], 6[a] and 13]</i>		
<b>Net assets</b>		
Internally restricted		
Invested in conservation lands and agreements <i>[note 5[c]]</i>	888,513,278	817,046,069
Other <i>[note 8]</i>	31,859,461	26,004,672
	<b>920,372,739</b>	<b>843,050,741</b>
Operating surplus	5,288,874	3,487,898
Science and Stewardship Endowments <i>[note 9]</i>	184,765,235	175,494,803
<b>Total net assets</b>	<b>1,110,426,848</b>	<b>1,022,033,442</b>
	<b>1,193,010,102</b>	<b>1,085,828,089</b>

See accompanying notes

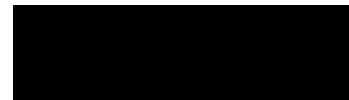
On behalf of the Board:

**FIPPA s. 22(1)**



Board Chair

**FIPPA s. 22(1)**



Audit Committee Chair

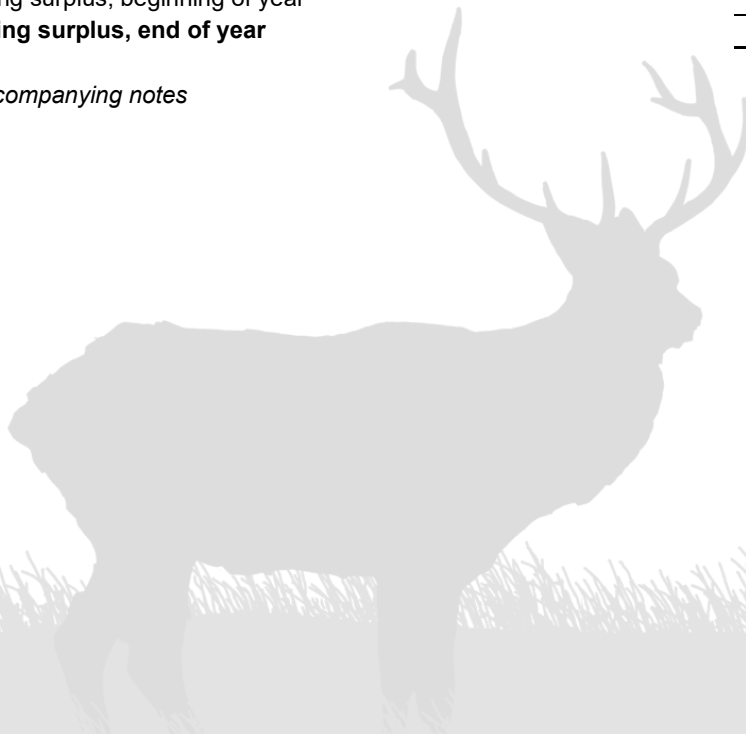
## The Nature Conservancy of Canada

### Statement of operations and changes in operating surplus

Year ended May 31

	2022 \$	2021 \$
<b>Revenue</b>		
Donations of conservation lands and agreements <i>[notes 5[b] and 11]</i>	<b>24,272,795</b>	16,588,238
Other donations and grants <i>[notes 6[c], 7, 11 and 12]</i>	<b>127,973,986</b>	94,718,858
Proceeds from property sales <i>[note 5[d]]</i>	—	50,850
Other <i>[notes 9[b] and 10]</i>	<b>17,880,488</b>	20,872,529
	<b>170,127,269</b>	132,230,475
<b>Expenses</b>		
Conservation lands and agreements acquired <i>[note 5]</i>		
Purchased	<b>48,631,099</b>	27,445,335
Donated	<b>24,272,795</b>	16,588,238
Loan repayments for prior year acquisitions <i>[note 6[c]]</i>	—	1,634,500
Contributions to properties acquired and property-related expenses incurred by others	<b>19,301,470</b>	15,228,679
	<b>92,205,364</b>	60,896,752
Property-related <i>[note 6[b]]</i>	<b>36,770,239</b>	25,968,720
Support <i>[note 6[b]]</i>	<b>30,019,442</b>	23,885,673
	<b>158,995,045</b>	110,751,145
<b>Excess of revenue over expenses for the year</b>	<b>11,132,224</b>	21,479,330
Net transfer to internally restricted net assets <i>[note 8]</i>	<b>(5,711,878)</b>	(11,848,668)
Net transfer to internally endowed net assets <i>[notes 9[b] and 9[c]]</i>	<b>(3,619,370)</b>	(7,992,515)
<b>Net increase in operating surplus</b>	<b>1,800,976</b>	1,638,147
Operating surplus, beginning of year	<b>3,487,898</b>	1,849,751
<b>Operating surplus, end of year</b>	<b>5,288,874</b>	3,487,898

See accompanying notes



## The Nature Conservancy of Canada

### Statement of changes in net assets

Year ended May 31

	2022					Total \$
	Operating surplus \$	Internally restricted			Science and Stewardship Endowments \$	
		Invested in conservation lands and agreements \$	Other \$	Total \$		
<b>Balance, beginning of year</b>	3,487,898	817,046,069	26,004,672	843,050,741	175,494,803	1,022,033,442
Excess of revenue over expenses for the year	11,132,224	—	—	—	—	11,132,224
Purchases of conservation lands and agreements internally financed <i>[note 5[b]]</i>	—	48,631,099	—	48,631,099	—	48,631,099
Transfer of conservation lands and agreements to others, net <i>[note 5[b]]</i>	—	(1,436,685)	—	(1,436,685)	—	(1,436,685)
Donations of conservation lands and agreements <i>[note 5[b]]</i>	—	24,272,795	—	24,272,795	—	24,272,795
Endowment contributions <i>[note 9]</i>	—	—	—	—	2,372,479	2,372,479
Amounts available for spending in excess of income earned on externally endowed net assets <i>[note 9[b]]</i>	—	—	—	—	(3,851,860)	(3,851,860)
Net transfer to internally endowed net assets <i>[notes 9[b] and 9[c]]</i>	(3,619,370)	—	—	—	3,619,370	—
Other interfund transfers <i>[note 8]</i>	(5,711,878)	—	5,854,789	5,854,789	(142,911)	—
Transfer from deferred contributions <i>[note 7]</i>	—	—	—	—	7,273,354	7,273,354
<b>Balance, end of year</b>	<b>5,288,874</b>	<b>888,513,278</b>	<b>31,859,461</b>	<b>920,372,739</b>	<b>184,765,235</b>	<b>1,110,426,848</b>

See accompanying notes





Statement of changes in net assets [cont'd]

Year ended May 31

	2021					Total
	Operating surplus	Internally restricted		Total	Science and Stewardship Endowments	
		Invested in conservation lands and agreements	Other			
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	1,849,751	770,788,468	13,826,565	784,615,033	141,602,218	928,067,002
Excess of revenue over expenses for the year	21,479,330	—	—	—	—	21,479,330
Purchases of conservation lands and agreements internally financed <i>[note 5[b]]</i>	—	27,445,335	—	27,445,335	—	27,445,335
Repayment of loans used for property acquisitions <i>[note 6[b]]</i>	—	1,634,500	—	1,634,500	—	1,634,500
Transfer of conservation lands and agreements from others, net <i>[note 5[b]]</i>	—	640,378	—	640,378	—	640,378
Cost of conservation lands and agreements sold <i>[note 5[d]]</i>	—	(50,850)	—	(50,850)	—	(50,850)
Donations of conservation lands and agreements <i>[note 5[b]]</i>	—	16,588,238	—	16,588,238	—	16,588,238
Endowment contributions <i>[note 9]</i>	—	—	—	—	1,371,304	1,371,304
Investment income related to preservation of capital on externally endowed net assets in excess of amounts available for spending <i>[note 9[b]]</i>	—	—	—	—	15,854,445	15,854,445
Net transfer to internally endowed net assets <i>[notes 9[b] and 9[c]]</i>	(7,992,515)	—	—	—	7,992,515	—
Other interfund transfers <i>[note 8]</i>	(11,848,668)	—	12,178,107	12,178,107	(329,439)	—
Transfer from deferred contributions <i>[note 7]</i>	—	—	—	—	9,003,760	9,003,760
<b>Balance, end of year</b>	<b>3,487,898</b>	<b>817,046,069</b>	<b>26,004,672</b>	<b>843,050,741</b>	<b>175,494,803</b>	<b>1,022,033,442</b>

See accompanying notes

# The Nature Conservancy of Canada

## Statement of cash flows

Year ended May 31

	2022	2021
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	11,132,224	21,479,330
Add item not affecting cash		
Amortization	347,311	455,818
	<u>11,479,535</u>	<u>21,935,148</u>
Changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable and other	(4,073,775)	240,088
Increase in accounts payable and accrued liabilities	523,924	1,092,760
Increase in deferred contributions	21,119,554	9,068,364
<b>Cash provided by operating activities</b>	<u>29,049,238</u>	<u>32,336,360</u>
<b>Investing activities</b>		
Purchase of long-term investments, net	(8,728,067)	(10,942,780)
Decrease (increase) in short-term investments, net	(48,000,000)	51,129,155
Increase in deposits on land	(939,515)	(153,308)
Additions to capital assets	(473,634)	(163,176)
<b>Cash provided by (used in) investing activities</b>	<u>(58,141,216)</u>	<u>39,869,891</u>
<b>Financing activities</b>		
Endowment contributions	2,372,479	1,371,304
<b>Cash provided by financing activities</b>	<u>2,372,479</u>	<u>1,371,304</u>
<b>Net increase (decrease) in cash during the year</b>	<u>(26,719,499)</u>	<u>73,577,555</u>
Cash and cash equivalents, beginning of year	77,982,036	4,404,481
<b>Cash and cash equivalents, end of year</b>	<u>51,262,537</u>	<u>77,982,036</u>

See accompanying notes





## **Notes to financial statements**

May 31, 2022

### **1. Organization**

The Nature Conservancy of Canada [the “Conservancy”] was incorporated under the laws of Canada as a corporation without share capital under letters patent dated November 28, 1962, and has continued under the new *Canada Not-for-profit Corporations Act* as at September 4, 2014. The Conservancy is registered as a charitable organization and, accordingly, is exempt from income taxes.

The Conservancy is a national organization dedicated to protecting areas of biological diversity for their intrinsic value and for the benefit of future generations. Its mission is to conserve important natural areas and biological diversity across all regions of Canada.

### **2. Summary of significant accounting policies**

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, “Accounting Standards for Not-for Profit Organizations”, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

#### **Revenue recognition**

The Conservancy follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts.

Contributions of conservation lands and agreements are recorded as revenue and as expenses in the statement of operations and changes in operating surplus in the year in which title to the property is acquired.

Contributions of non-conservation lands [trade lands] are recorded at the fair market value at the time of the contribution. These lands are held to be disposed of and as such are classified as short-term on the statement of financial position. If the contribution is for a restricted purpose, the amount is initially recorded as deferred contributions and recognized as revenue in the year when the stipulations are met. If the contribution is unrestricted, the amount is recorded in revenue in the year received.

Proceeds from property sales are recognized when title is transferred.

Revenue related to the sale of carbon offset credits is recognized when the Conservancy has transferred to the buyer the significant risks and rewards of the ownership of the carbon credits, the amount is fixed and determinable and collectability is reasonably assured.



## Notes to financial statements

May 31, 2022

Investment income, which consists of interest, dividends, distributions from pooled and other funds, exchange-traded funds, hedge funds, alternative investments, fixed income investments and realized and unrealized gains and losses, is recorded as other revenue in the statement of operations and changes in operating surplus, except to the extent that it is externally restricted, in which case it is added to or deducted from endowment net assets [note 9] or other restricted balances [note 7].

### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with maturities of less than 90 days at the date of purchase held for operating purposes. Cash and investments meeting the definition of cash and cash equivalents that are held for investing rather than operating purposes are classified as long-term investments.

### Financial instruments

Investments reported at fair value consist of exchange-traded funds, funds and fixed income investments that are quoted in an active market using closing prices on the securities exchange.

Other funds and alternative investments are valued at the net asset value per unit reported by each investment fund manager, which represents fair value.

All transactions are recorded on the trade date. Transaction costs are recognized consistent with the recognition of investment income (loss).

Investments in short-term investments are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

Other financial instruments, including cash and cash equivalents, accounts receivable, deposits on land and other and accounts payable and accrued liabilities, are initially recorded at fair value and subsequently measured at cost, net of any provisions for impairment.

### Capital assets

Purchased tangible and intangible capital assets are recorded at cost. Contributed tangible and intangible capital assets are recorded at fair market value. Amortization is provided using the following annual rates and methods:

#### *Tangible*

Computer hardware	20% straight-line
Furniture and fixtures	10% straight-line
Leasehold improvements	Straight-line over the term of the lease
Stewardship equipment	20% straight-line

#### *Intangible*

Computer software	20% straight-line
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# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the Conservancy's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations and changes in operating surplus. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

### Conservation lands and agreements

Purchased conservation lands and agreements are recorded at cost when title is transferred. The purchases are recorded as an expense to the extent that the purchase is internally financed. Repayments of debt related to property acquisitions are expensed when made. An amount equal to the expense related to purchases and debt repayments is added to net assets invested in conservation lands and agreements. When a loan is obtained in a subsequent year related to an internally financed purchase, an amount equal to the debt is transferred from net assets invested in conservation lands and agreements to operating surplus.

Contributed conservation lands and agreements are recorded at fair market value when title is transferred. When purchased conservation lands and agreements are acquired substantially below fair market value, the difference between consideration paid and fair value is reported as contributed conservation lands and agreements. The contributions are recorded as revenue and expenses and also as an asset offset by net assets invested in conservation lands and agreements.

Properties transferred to others are recorded as a reduction of conservation lands and agreements and net assets invested in conservation lands and agreements.

### Foreign currency translation

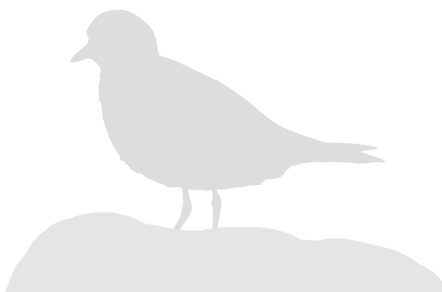
Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect on the date of the related transaction. Monetary assets and liabilities are translated into Canadian dollars at the year-end spot rates. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains and losses are included in the statement of operations and changes in operating surplus, except to the extent that they relate to investments, in which case they are accounted for consistent with investment income (loss).

### Allocation of expenses

Salaries and benefits expenses are allocated between property-related and support expenses based on the primary job responsibilities of the employee's position. No support expenses are allocated to property-related expenses.

### Donated materials and services

Donated materials and services are not recognized in the financial statements.







## Notes to financial statements

May 31, 2022

### 3. Investments

- [a] Short-term investments consist primarily of short-term notes and guaranteed investment certificates valued at amortized cost. As at May 31, 2022, securities represented the investment of deferred contributions classified as short-term and since all the securities were highly liquid, they were classified as short-term.
- [b] Long-term investments, which are primarily held for endowments and certain internally restricted net assets, are recorded at fair value and consist of the following:

	2022		2021	
	\$	%	\$	%
Cash	11,867,875	6	10,210,560	6
Exchange-traded funds				
Canadian bonds	22,441,246	12	21,243,224	12
American bonds	3,683,888	2	2,617,216	1
Canadian equities	499,530	0	454,740	0
American equities	17,591,858	9	16,781,546	10
Canadian gold bullion	1,557,644	1	1,644,180	1
Other international equities	4,238,589	2	5,947,480	3
	50,012,755	26	48,688,386	27
Funds				
Canadian	6,446,319	3	5,930,933	3
American	—	0	6,079,803	3
International	18,201,444	10	21,806,770	12
Global	53,307,612	28	50,653,776	28
	77,955,375	41	84,471,282	46
Alternative investment funds				
Equity hedge	2,648,484	1	2,529,768	1
Diversifying hedge	16,316,022	9	15,154,501	8
Multi-asset	4,289,824	2	4,401,241	2
Commodities	4,975,911	3	3,428,396	2
Private investment	19,437,268	10	10,247,271	6
Infrastructure	3,972,121	2	3,049,540	2
	51,639,630	27	38,810,717	21
	191,475,635	100	182,180,945	100

As at May 31, 2022, Canadian bond exchange-traded funds have a weighted average maturity of 11.5 years [2021 – 12.4 years] and have a weighted average interest rate of 2.60% [2021 – 2.80%].

- [c] As at May 31, 2022, the Conservancy has uncalled commitments related to investments in private funds of \$15,185,513 [2021 – \$16,413,756] that are expected to be called on over the next five to seven years. The Conservancy has agreed to dispose of investments in American equity of nil [2021 – \$3,020,250] and hedge funds of \$95,422 [2021 – \$176,902] over the next two years. The proceeds will be used to finance uncalled commitments and other investments.



Notes to financial statements

May 31, 2022

**4. Capital assets**

Capital assets consist of the following:

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
<b>Tangible</b>			
Computer hardware	851,856	483,487	368,369
Furniture and fixtures	224,559	103,726	120,833
Leasehold improvements	359,154	281,540	77,614
Stewardship equipment	133,998	26,800	107,198
<b>Intangible</b>			
Computer software	356,356	143,895	212,461
	<b>1,925,923</b>	<b>1,039,448</b>	<b>886,475</b>
	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
<b>Tangible</b>			
Computer hardware	681,856	396,379	285,477
Furniture and fixtures	200,703	103,387	97,316
Leasehold improvements	318,754	225,127	93,627
Stewardship equipment	13,897	13,897	—
<b>Intangible</b>			
Computer software	1,229,398	945,666	283,732
	<b>2,444,608</b>	<b>1,684,456</b>	<b>760,152</b>

Fully amortized capital assets, that are no longer in use, with a cost of \$992,319 [2021 – \$138,301] were written off.

# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

### 5. Conservation lands and agreements

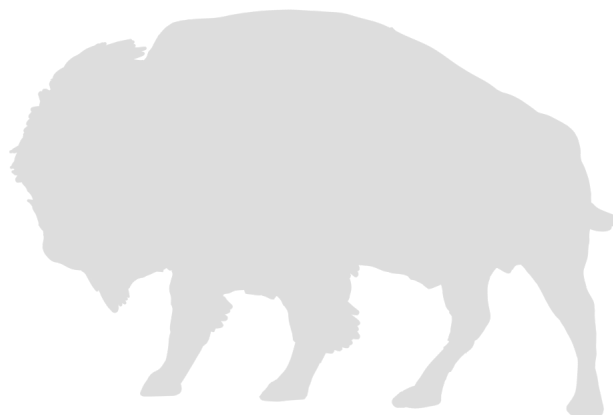
[a] Conservation lands and agreements consist of the following:

	2022	2021
	\$	\$
Purchased conservation lands <i>[note 6[c]]</i>	445,088,609	398,442,500
Donated conservation lands	217,516,269	194,254,379
	<b>662,604,878</b>	<b>592,696,879</b>
Purchased conservation agreements <i>[note 6[c]]</i>	71,463,496	70,915,191
Donated conservation agreements	154,444,904	153,433,999
	<b>225,908,400</b>	<b>224,349,190</b>
	<b>888,513,278</b>	<b>817,046,069</b>

Conservation lands and agreements, either purchased or donated, are assets held as part of the Conservancy's collection. Conservation agreements are legal agreements entered into by the Conservancy under which a landowner voluntarily restricts or limits the type and amount of development that may take place on his or her land to conserve its natural features. Once registered on title, that agreement runs with the title and binds all future owners.

[b] The continuity of conservation lands and agreements is as follows:

	2022	2021
	\$	\$
<b>Balance, beginning of year</b>	<b>817,046,069</b>	772,422,968
Purchases internally financed	48,631,099	27,445,335
Donated <i>[note 11]</i>	24,272,795	16,588,238
Transferred to others	(1,436,685)	(1,191,000)
Transferred from others <i>[note 5[e]]</i>	—	1,831,378
Cost of purchased conservation lands and agreements sold <i>[note 5[d]]</i>	—	(50,850)
<b>Balance, end of year</b>	<b>888,513,278</b>	<b>817,046,069</b>





Notes to financial statements

May 31, 2022

[c] Net assets internally restricted for conservation lands and agreements are represented by:

	2022	2021
	\$	\$
Conservation lands and agreements <i>[note 5[a]]</i>	<b>888,513,278</b>	817,046,069

[d] In 2022, the Conservancy had no sale of conservation properties and no unspent proceeds from prior years. In 2021, the Conservancy sold conservation properties for proceeds of \$50,850 and a carrying value of \$50,850 *[note 5[b]]*; the sale proceeds were externally endowed to be used for stewarding lands and disposition costs.

[e] In 2021, the Conservancy received several properties transferred from an unrelated party, The Nature Conservancy of Canada (PEI) Inc., with a total value of \$2,964,278, of which \$1,831,378 *[note 5[b]]* was previously financed by the Conservancy and included in the transfer and \$1,132,900 is included as donations received.

**6. Credit facilities**

[a] The Conservancy has five facilities with one financial institution as follows:

[i] A \$3,500,000 revolving facility available by way of a series of term loans to finance up to 50% of the cost of acquisition of real properties, including conservation agreements. The borrowings advanced pursuant to each term loan are repayable in full not later than two years from the date of advance, with interest payable at prime *[May 31, 2022 – 3.20%]*. As at May 31, 2022 and 2021, the Conservancy has no drawings on this line of credit.

[ii] A \$1,500,000 revolving operating line of credit with interest payable at prime plus 0.5% *[May 31, 2022 – 3.70%]*. As at May 31, 2022 and 2021, the Conservancy has not utilized the facility.

[iii] A \$10,000,000 revolving facility available by way of a series of term loans for bridge financing of land conservation and development projects of federal government funding through the natural areas conservation program funding agreement from 2014 to 2019. The agreement was renewed in May 2019 for bridge financing of federal government funding in place, and any amount owed by the Conservancy under the previous agreement is deemed to be a borrowing in the new agreement. The borrowings advanced pursuant to each term loan are repayable within one year of the advance, with interest payable at prime plus 0.25% *[May 31, 2022 – 3.45%]*. As at May 31, 2022 and 2021, the Conservancy has no drawings on this facility.

# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

[iv] In fiscal 2020, the Conservancy obtained a \$10,000,000 revolving facility available by way of a series of term loans for bridge financing of land conservation and development projects. The borrowings advanced pursuant to each term loan are repayable within two years of the advance with interest payable at prime plus 0.25% [May 31, 2022 – 3.45%]. As at May 31, 2022, the Conservancy has no drawings on this facility. Borrowings outstanding under this facility plus all amounts under the facility [ii] and [iii] must not exceed at any time the sum of \$13,500,000. The amount of borrowing must not exceed 60% of the total value of the related project and not exceed \$10,000,000.

[v] In fiscal 2022, the Conservancy obtained a \$13,000,000 revolving demand facility available by way of Letters of Guarantee, secured by cash collateral in the form of Guaranteed Investment Certificates in the amount of \$13,000,000, for bridge financing of land conservation and development projects charged at a fixed fee of 1% per annum on drawn Letters of Guarantee. As of May 31, 2022, the Conservancy had drawn one Letter of Guarantee in the amount of \$11,735,000.

The Conservancy has provided a general security agreement over all of its assets, excluding conservation lands and agreements and financial assets, for the facilities in [i] to [iv] above.

[b] Interest of nil [2021 – \$19,945] related to debt has been recorded in the accounts, of which nil [2021 – \$19,945] relates to temporary debt from borrowings and the revolving facility that was incurred for property acquisitions. Interest is classified as property-related or support expenses, depending on the purpose for which the debt was used.

[c] During the year ended May 31, 2021, the Conservancy was forgiven loans for prior-year acquisitions of conservation lands and agreements of \$1,634,500, which are recorded in revenue in other donations and grants in the statement of operations and changes in operating surplus.



## Notes to financial statements

May 31, 2022

### 7. Deferred contributions

Deferred contributions represent unspent externally restricted donations for the purchase of properties or donor specified programs as follows:

	2022	2021
	\$	\$
<b>Balance, beginning of year</b>	<b>61,338,717</b>	53,017,801
Add		
Amounts received for restricted purposes <i>[note 11]</i>	<b>133,681,545</b>	85,162,958
Investment income <i>[notes 9[b] and 10]</i>	<b>149,088</b>	5,044,402
Amount available for spending related to externally endowed funds <i>[notes 9[b] and 10]</i>	<b>4,269,394</b>	3,211,910
Less		
Amounts recognized as revenue during the year	<b>(112,561,990)</b>	(76,094,594)
Amounts transferred to endowment net assets <i>[note 9[b]]</i>	<b>(7,273,354)</b>	(9,003,760)
<b>Balance, end of year</b>	<b>79,603,400</b>	61,338,717

### 8. Other internally restricted net assets

[a] Other internally restricted net assets consist of the following:

	2022	2021
	\$	\$
Ted Boswell Land Conservation Fund <i>[note 8[b]]</i>	<b>6,361,370</b>	2,588,698
Future projects <i>[note 8[c]]</i>	<b>25,498,091</b>	23,415,974
	<b>31,859,461</b>	26,004,672

[b] The Ted Boswell Land Conservation Fund ["TBLCF"] is an internally restricted fund available for land purchases, other related work and endowments to support stewardship activities. Amounts may be transferred from the TBLCF to operating surplus to bridge the financing of the acquisition of conservation lands and agreements and to finance the completion of projects. Amounts may also be transferred to endowment net assets to establish endowments as required by internal policy. The intention is that the amounts transferred from the TBLCF will be replaced by future transfers from operating surplus or by amounts previously transferred to internally endowed net assets when donor restricted contributions are received.

The fiscal 2022 net increase [2021 – net decrease] in the TBLCF represents the loan advances in excess of repayments, transfers from other internally restricted funds for future projects and additions to the fund.



Notes to financial statements

May 31, 2022

[c] The net increase in other internally restricted net assets for future projects consists of the following:

	2022 \$	2021 \$
Transfers from operating surplus for future project expenses	15,409,255	16,261,987
Transfer to TBLCF [note 8[b]]	(6,000,000)	—
Transfers to operating surplus related to cost of projects carried out during the year	(7,379,482)	(3,192,372)
Transfer from operating surplus in connection with investment income related to internally restricted net assets recorded in the statement of operations and changes in operating surplus	52,344	41,710
	<b>2,082,117</b>	<b>13,111,325</b>

9. Science and Stewardship Endowments

[a] The net assets for Science and Stewardship Endowments consist of amounts subject to donor and Board of Directors imposed restrictions stipulating that the principal be maintained intact and the income used in accordance with the various purposes established by the donor or the Board of Directors.

The Science and Stewardship Endowments consist of the following:

	2022 \$	2021 \$
Science Endowments		
Externally endowed	7,355,226	7,601,268
Stewardship Endowments		
Externally endowed	108,568,847	106,249,248
Internally endowed – donor restricted	29,405,912	25,685,496
Internally endowed – unrestricted	39,435,250	35,958,791
	<b>177,410,009</b>	<b>167,893,535</b>
	<b>184,765,235</b>	<b>175,494,803</b>



## Notes to financial statements



May 31, 2022

- [b] Effective July 1, 2005, the Board of Directors established a policy with the objective of protecting the real value of the endowment net assets by limiting the amount of income made available for spending and requiring the reinvestment of any income earned in excess of this limit. The amount available for spending is calculated based on 3.75% [2021 – 3.5%] of the market value of individual funds. The preservation of capital is recorded as a direct increase in endowment net assets for externally endowed funds. For internally endowed unrestricted funds, the preservation of capital is recorded as revenue in the statement of operations and changes in operating surplus and transferred to endowment net assets in the statement of changes in net assets. For internally endowed restricted funds, the preservation of capital is recorded as deferred contributions and transferred to endowment net assets. In any year, should net investment income not be sufficient to fund the amount made available for spending, an amount is transferred from endowment net assets to operating surplus or deferred contributions for this purpose.

For the year end May 31, 2022, there was investment income of \$542,799 related to endowment net assets. The amount available for spending of \$4,269,394 less the investment income related to externally endowed net assets of \$417,534 totalling \$3,851,860, was recorded as a direct reduction of endowment net assets. The amount made available for spending related to externally endowed restricted funds was recorded in deferred contributions [note 7]. The loss related to internally endowed restricted funds, where the investment loss has been used for restricted purposes, of \$18,253, was recorded as a deferred drawdown [note 7] with an equal amount transferred from internally endowed restricted net assets to deferred contributions [note 7]. The amount made available for spending related to internally endowed restricted funds of \$963,206 was recorded as a transfer from endowment net assets to deferred contributions [note 10]. This gain related to internally endowed unrestricted funds of \$143,516 was recorded as other revenue in the statement of operations and changes in operating surplus, and there was an equal amount transferred to internally endowed unrestricted net assets from operating surplus. The amount made available for spending related to internally endowed unrestricted funds of \$1,348,455 was recorded as a reduction in other revenue in the statement of operations and changes in operating surplus, and an amount was recorded as a transfer from endowment net assets to operating surplus.

For the year ended May 31, 2021, there was investment income of \$29,500,247 related to endowment net assets. Of this amount, \$15,854,445 represents income in excess of the amount made available for spending on externally endowed net assets and is recorded as a direct increase to endowment net assets for the preservation of capital. The amount made available for spending on externally endowed funds of \$3,211,910 is recorded as deferred contributions [note 7]. With respect to internally endowed funds, the investment income that had to be used for restricted purposes of \$4,431,625 is recorded as deferred contributions [note 7] and the amount with no restrictions of \$6,002,267 is recorded as other revenue in the statement of operations and changes in operating surplus. An amount of \$3,677,807, which represented the excess over the calculated amount available for spending on internally endowed restricted funds, is included in transfers to endowment net assets from deferred contributions [note 7]. An amount of \$5,011,917, which represents the excess over the calculated amount available for spending on internally endowed unrestricted funds, is included in transfers from operating surplus to internally endowed net assets.

- [c] For the year ended May 31, 2022, the Board of Directors approved a net transfer of \$4,824,309 [2021 – \$2,980,598] to the internally endowed unrestricted portion of Stewardship Endowments from operating surplus.



# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

### 10. Investment income

Investment income earned consists of the following:

	2022	2021
	\$	\$
Total investment income, net of management fees	1,102,136	31,256,742
Amount allocated to deferred contributions <i>[note 7]</i>		
Amount available for spending related to externally endowed funds <i>[note 9[b]]</i>	(4,269,394)	(3,211,910)
Investment income on internally endowed restricted funds <i>[note 9[b]]</i>	18,253	(4,431,625)
Other investment income	(167,342)	(612,777)
Investment income for preservation of capital on externally endowed net assets <i>[note 9[b]]</i>	3,851,860	(15,854,445)
	<b>535,513</b>	<b>7,145,985</b>

### 11. American Friends of Canadian Nature, Inc.

The American Friends of Canadian Nature, Inc. is a separate corporation without share capital and with its own Board of Directors. It is registered as a charitable organization in the United States. Substantially all of the donations it receives are transferred to the Conservancy based on donor intentions.

During the year ended May 31, 2022, the American Friends of Canadian Nature, Inc. made land donations with a fair value of nil [2021 – \$60,000] and restricted contributions of \$2,061,173 [2021 – \$1,042,273] to the Conservancy. The restricted donations are recorded as deferred contributions *[note 7]*.

### 12. Financial instruments and risk management

The Conservancy is exposed to various financial risks through transactions in financial instruments. During fiscal 2022, there were no significant changes in risk exposures from 2022.

#### Foreign currency risk

The Conservancy is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of funds denominated in foreign currencies because of fluctuations in the relative value of foreign currencies against the Canadian dollar. The Conservancy has a policy to manage risk by limiting foreign currency exposure in the long-term investments within a range of 20% to 60%.



# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

### **Credit risk**

The Conservancy is exposed to credit risk in connection with its accounts receivable, deposits on land and other and its short-term and fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Conservancy manages this risk by primarily holding fixed income investments that have an average of an “A” rating or better.

### **Interest rate risk**

The Conservancy is exposed to interest rate risk with respect to its investments in fixed income investments, and exchange-traded funds and other funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates. In addition, the Conservancy is exposed to interest rate risk with respect to its floating rate debt, when utilized, because cash flows will fluctuate as the interest rate is linked to the bank’s prime rate, which changes from time to time. The Conservancy mitigates the risk in its investment portfolio through its investment policy and the allocation to funds impacted by this risk.

### **Other price risk**

The Conservancy is exposed to other price risk through changes in market prices [other than changes arising from interest rate risk or foreign currency risk] in connection with its investments [note 3]. The Conservancy manages this risk through its investment policy and the balancing of the allocations of funds in the various portfolio categories.

### **Liquidity risk**

The Conservancy is exposed to liquidity risk to the extent that it will encounter difficulty in meeting obligations associated with its financial liabilities. To manage liquidity risk, the Conservancy keeps sufficient cash resources readily available to meet its obligations. The Conservancy has investments in publicly traded liquid assets that are easily sold and converted to cash.

# The Nature Conservancy of Canada

## Notes to financial statements

May 31, 2022

### 13. Commitments and contingencies

- [a] The Conservancy, under lease commitments for office space, office equipment and vehicles, is obligated to future minimum annual rental payments as follows:

	\$
2023	1,545,104
2024	1,088,258
2025	713,593
2026	445,603
2027	436,006
Thereafter	968,127
	<u>5,196,691</u>

In addition to minimum rental payments, leases for office space generally require the payment of various operating costs.

- [b] In connection with the agreements related to the sale of carbon offset credits, the Conservancy is required to provide a commitment that the greenhouse gas emission removals associated with the sale of the credits would be maintained for 100 years, from date of issuance, and, if they were not maintained, would be replaced by the Conservancy, or the Conservancy would pay damages equal to the fair market value of the number of credits that were sold.

The Conservancy has adequate insurance to mitigate any replacement claims and has put in place monitoring and appropriate protocols to sustain the carbon sequestered, which also includes ensuring that the habitat on the property is maintained for the benefit of future generations.

- [c] The nature of the Conservancy's activities is such that there is often litigation pending or in progress. Where the potential liability is likely and able to be estimated, management records its best estimate of the potential liability. With respect to claims as at May 31, 2022, it is management's position that the Conservancy has valid defences and appropriate insurance coverage to offset the cost of unfavourable settlements, if any, which may result from such claims. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required.



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 Duncan BC V9L 6A1, Canada  
[www.northcowichan.ca](http://www.northcowichan.ca)  
 T 250.746.3100  
 F.250.746.3133

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: The Nature Trust of British Columbia	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: 500 - 888 Dunsmuir St, Vancouver BC V6C 3K4	
Contact Person: Carl MacNaughton	
Email Address: info@naturetrust.bc.ca	Phone Number: 604-969-3241
Name and Phone number of two other officials in the organization	
Name: Kate Tung	Name: Trish Lange
Title Administrative Coordinator	Title Finance Coordinator
Phone Home:	Phone Home:
Phone Work: (604) 924-9771	Phone Work: (604) 969-3247

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
The Nature Trust of British Columbia is dedicated to conserving BC's biological diversity through securement and management of ecologically significant lands.
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?
The Nature Trust of British Columbia secures and manages ecologically significant lands for wildlife habitat and public nature appreciation. Our properties throughout the province provide valuable opportunities for the public to interact with nature.

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
(see attached summary spread sheet)
What is the principal use of the property (including all buildings and/or land)
Somenos Flats area: conservation of wintering waterfowl habitat and to encourage wildlife viewing. Gibbins Rd: conservation of Coastal Douglas-fir forest and sensitive riparian ecosystems along the Cowichan River.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

The properties are used 100% of the time as wildlife habitat conservation area.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

Our property is in no part used or rented by commercial interests or private individuals.

To what extent are the buildings or property accessible to the public?

Somenos Flats: any boardwalks or trails on these conservation properties are open to public access. Gibbins Rd: the conservation area is open to the public by permission for research, outdoor education and is utilized by Cowichan Tribes.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

Conservation work performed on this property also supports the mandate of the Cowichan Watershed Board.

#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION

Please attach the following:

✓	most recent annual financial statement	✓	copy of property title
✓	constitution	✓	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and that the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature:



**FIPPA s. 22(1)**

Date:

Jul 6, 2022

Name (please print):

Carl MacNaughton

Date:

Jul 6, 2023

Print Form

**NOTE: In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.**

*Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director*

**THE NATURE TRUST OF BRITISH COLUMBIA**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2020

Independent Auditor's Report to the Directors of The Nature Trust of British Columbia (*continued*)

- Identify and assess the risks of material misstatement of the consolidated 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 Nature Trust of British Columbia'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 Nature Trust of British Columbia'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 Nature Trust of British Columbia 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.

Vancouver, Canada  
June 17, 2021

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# THE NATURE TRUST OF BRITISH COLUMBIA

Consolidated Statements of Financial Position

December 31, 2020

	General Fund	Endowment Fund	Property Fund	Management Fund	Land Fund	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	1,538,693	-	-	-	-	1,538,693	916,403
Accounts receivable	428,824	-	-	-	-	428,824	1,029,975
Prepaid expenses and deposits	195,491	-	-	-	-	195,491	177,588
	2,163,008	-	-	-	-	2,163,008	2,123,966
<b>INVESTMENTS (Note 2 (b), 2 (i) and 3)</b>	26,896,136	4,694,500	-	7,040,452	-	38,631,088	32,378,492
<b>CAPITAL ASSETS (Note 4)</b>	111,875	-	-	-	-	111,875	122,977
<b>CONSERVATION LANDS (Note 6)</b>	-	-	92,677,327	-	-	92,677,327	88,071,104
<b>CONSERVATION LANDS UNDER LONG TERM LEASE (Note 5 and 6)</b>	-	-	895,948	-	-	895,948	895,948
<b>PACIFIC ESTUARY CONSERVATION PROGRAM PROPERTIES (Note 2(e) and 6)</b>	-	-	17,168,789	-	-	17,168,789	17,168,789
	29,171,019	4,694,500	110,742,064	7,040,452	-	151,648,035	140,761,276
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued liabilities	102,048	-	-	-	-	102,048	114,724
Deferred contributions (Note 8)	8,305,926	-	-	-	-	8,305,926	5,379,834
	8,407,974	-	-	-	-	8,407,974	5,494,558
<b>NET ASSETS</b>	20,763,045	4,694,500	110,742,064	7,040,452	-	143,240,061	135,266,718
	29,171,019	4,694,500	110,742,064	7,040,452	-	151,648,035	140,761,276

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

Commitments (see Note 12)  
Subsequent events (see Note 16)



# THE NATURE TRUST OF BRITISH COLUMBIA

Consolidated Statements of Operations and Net Assets

Year ended December 31, 2020

	General Fund		Endowment Fund		Property Fund		Land Management Fund		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
Donations and grants (Note 6, 7)	1,418,076	2,337,202	13,155	11,615	5,001,143	3,985,963	929,545	861,865	7,361,919	7,196,645
Investment income (Note 9)	1,912,857	1,395,280	-	-	-	-	-	-	1,912,857	1,395,280
Rental and other income (Note 11)	637,713	451,016	-	-	-	-	-	-	637,713	451,016
	<u>3,968,646</u>	<u>4,183,498</u>	<u>13,155</u>	<u>11,615</u>	<u>5,001,143</u>	<u>3,985,963</u>	<u>929,545</u>	<u>861,865</u>	<u>9,912,489</u>	<u>9,042,941</u>
<b>OPERATING EXPENSES</b>										
Salaries and benefits	846,615	739,146	-	-	-	-	-	-	846,615	739,146
Administration expenses	741,427	833,071	-	-	-	-	-	-	741,427	833,071
	<u>1,588,042</u>	<u>1,572,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,042</u>	<u>1,572,217</u>
<b>PROGRAM EXPENSES</b>										
Land management										
Salaries and benefits	741,639	624,905	-	-	-	-	-	-	741,639	624,905
General program costs	25,704	58,486	-	-	-	-	-	-	25,704	58,486
Province-wide	104,162	100,288	-	-	-	-	-	-	104,162	100,288
Okanagan	305,593	254,300	-	-	-	-	-	-	305,593	254,300
Vancouver Island	142,186	103,301	-	-	-	-	-	-	142,186	103,301
North and Central	27,323	87,895	-	-	-	-	-	-	27,323	87,895
Kootenay	274,236	232,360	-	-	-	-	-	-	274,236	232,360
Lower Mainland	95,958	103,998	-	-	-	-	-	-	95,958	103,998
	<u>1,716,801</u>	<u>1,565,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,716,801</u>	<u>1,565,533</u>
<b>EXCESS FROM OPERATIONS</b>	663,803	1,045,748	13,155	11,615	5,001,143	3,985,963	929,545	861,865	6,607,646	5,905,191
<b>Changes in fair value of Investments</b>	1,365,697	2,884,050	-	-	-	-	-	-	1,365,697	2,884,050
<b>EXCESS OF REVENUE OVER EXPENSES</b>	2,029,500	3,929,798	13,155	11,615	5,001,143	3,985,963	929,545	861,865	7,973,343	8,789,241
<b>NET ASSETS, beginning of year</b>	18,431,760	15,058,009	4,644,087	4,537,502	106,135,841	101,795,266	6,055,030	5,086,700	135,266,718	126,477,477
<b>INTERFUND TRANSFER</b>										
Other transfers	394,920	(354,612)	-	-	(394,920)	354,612	-	-	-	-
Inflation protection (Note 2 (f))	(93,135)	(201,435)	37,258	94,970	-	-	55,877	106,465	-	-
	<u>20,763,045</u>	<u>18,431,760</u>	<u>4,694,500</u>	<u>4,644,087</u>	<u>110,742,064</u>	<u>106,135,841</u>	<u>7,040,452</u>	<u>6,055,030</u>	<u>143,240,061</u>	<u>135,266,718</u>

# THE NATURE TRUST OF BRITISH COLUMBIA

## Consolidated Statements of Cash Flow

December 31, 2020

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Excess of revenue over expenses	7,973,343	8,789,241
Items not involving cash:		
Amortization	30,901	30,586
Changes in fair value of investments	(1,365,697)	(2,884,050)
Contributed conservation lands (Note 6)	(1,952,000)	(1,850,000)
	4,686,547	4,085,777
Changes in non-cash working capital items	572,337	(778,887)
Increase in deferred contributions	2,926,092	1,680,654
	8,184,976	4,987,544
<b>INVESTING ACTIVITIES</b>		
Investment withdrawals	800,000	2,717,786
Investment purchases	(3,684,990)	(3,642,190)
Reinvestment of investment income	(2,003,674)	(1,525,675)
Purchase of conservation lands (Note 6)	(2,654,223)	(2,490,575)
Purchase of capital assets	(19,799)	(47,763)
	(7,562,686)	(4,988,417)
<b>INCREASE (DECREASE) IN CASH</b>	622,290	(873)
<b>CASH, beginning of year</b>	916,403	917,276
<b>CASH, end of year</b>	1,538,693	916,403

# THE NATURE TRUST OF BRITISH COLUMBIA

## Notes to Consolidated Financial Statements

December 31, 2020

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### 1. OPERATIONS

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The Government of Canada created The Nature Trust of British Columbia (the "Trust") effective July 1, 1971. The Trust is incorporated under Part II of the Canada Business Corporations Act.

The Trust's objective is the conservation of British Columbia's natural habitat and biodiversity through land securement and management activities. The Trust holds its properties, capital, and accumulated income in a trustee capacity. The majority of the properties owned by the Trust have been leased or are in the process of being leased to federal, provincial or municipal authorities, and to non-government organizations under long-term leases for conservation purposes.

Under the provisions of Section 149.1(1) (b) of the Income Tax Act the Trust is classified as a "Charitable Organization" and is accordingly exempt from income and capital taxes.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

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These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

The accounting policies of the Trust are as follows:

(a) Basis of accounting

These consolidated financial statements include the accounts of the Trust and the assets, liabilities, net assets, revenues, expenses and other transactions of White Lake Basin Holdings Ltd. and 0772995 B.C. Ltd., which are wholly owned subsidiaries of the Trust.

(b) Investments

The Trust's investment activities are governed by an endowment fund investment policy as approved by the Board of Directors. This policy has guidelines as to asset categories and mix in accordance with the investment and risk philosophy of the fund. Investment managers of the fund are selected by the Trust's Audit, Finance and Investment committee and continually monitored for performance.

(c) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a declining-balance basis using the following annual rates:

<u>Asset</u>	<u>Rate</u>
Furniture and equipment	20-30%
Vehicles	30%

(d) Trust property acquisitions

Trust property purchased is recorded at cost. Property donated is recorded at the fair market value on the acquisition date.

# THE NATURE TRUST OF BRITISH COLUMBIA

## Notes to Consolidated Financial Statements

December 31, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

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(e) Pacific Estuary Conservation Program property acquisitions

The Trust holds title on behalf of all participants to properties acquired through the Pacific Estuary Conservation Program. Properties are recorded at cost.

(f) Fund accounting

For financial reporting purposes, the accounts of the Trust have been classified into funds. Under this method of accounting resources for designated purposes are reported under their appropriate fund. The accounts have been classified into the following funds:

(i) General Fund

The general fund accounts for the Trust's unrestricted resources and administrative functions. The balance at year end represents the original capital contributed by the Government of Canada on July 1, 1971 in the amount of \$4.5 million, the Trust's investment in capital assets, changes in fair value on financial instruments, and accumulated operating surpluses and deficits.

(ii) Endowment Fund

The endowment fund was established in 2008 to ensure that the Trust maintains a sufficient capital base for its long term operating and property acquisition needs. The capital in this fund is to be held in perpetuity. Commencing with the 2019 fiscal year the Endowment Fund will receive an annual transfer from the General Fund equal to the Canadian Annual Inflation rate applied to the Fund's opening capital balance, provided the Trust's overall rate of return on its investment portfolio is in excess of this inflation rate.

(iii) Property Fund

The property fund accounts for the accumulated cost of land acquisitions. It includes deferred contributions for land acquisitions, land acquired for cash, land donated, land acquired pursuant to long term leases, and certain properties acquired through the Pacific Estuary Conservation Program.

(iv) Land Management Fund

The land management fund was established to support the management and maintenance of properties the Trust has acquired to ensure that the long-term ecological and habitat values for which they were acquired are achieved. Contributions to the fund are designated by donors. Also included are funds contributed from the Forest Renewal BC program, which originated under an agreement signed in 1998 with the Trust to ensure the on-going management of properties secured under the agreement. The capital in this fund is to be held in perpetuity. Commencing with the 2019 fiscal year the Land Management Fund will receive an annual transfer from the General Fund equal to the Canadian Annual Inflation rate applied to the Fund's opening capital balance, provided the Trust's overall rate of return on its investment portfolio is in excess of this inflation rate.

(g) Revenue recognition

The Trust follows the deferral method of accounting for contributions. Contributions for designated purposes are deferred and then recognized as revenue in the year in which the related expense or property acquisition cost is 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.

Investment income is recorded on the accrual basis which includes dividend and interest income, reinvested distributions from pooled mutual fund investments and realized gains and losses on sale of investments.

Unrealized appreciation and depreciation in the fair value of investments is recognized as changes in fair value of investments.

# THE NATURE TRUST OF BRITISH COLUMBIA

## Notes to Consolidated Financial Statements

December 31, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

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(h) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(i) Financial instruments

The Trust initially measures its financial assets and liabilities at fair value with transaction costs expensed when incurred. The Trust subsequently measures its financial assets and liabilities at amortized cost, except for investments in quoted active markets, which are measured at fair value. Changes in fair value are recognized in the consolidated statement of operations and net assets.

Financial assets of the Trust include cash, investments and accounts receivable.

Financial liabilities of the Trust include accounts payable and accrued liabilities.

The Trust performs an annual test for impairment on its financial assets not subsequently measured at fair value. Impairment is recognized by a direct reduction to the carrying value of the asset with the loss recognized in the consolidated statement of operations and net assets. When the event that caused the impairment reverses or improves in the future, the loss will be reversed to the extent of the improvement. The amount of the reversal is recognized in the consolidated statement of operations and net assets.

(j) Contributed assets

The Trust receives shares and land donated from contributors. These contributions are recorded at fair market value when received.

(k) Government assistance

Government assistance is recorded when there is a reasonable assurance that the Trust has complied with and will continue to comply with all the necessary conditions to obtain the assistance. Government assistance is included in excess of revenue over expenses in the period in which the expense to which it relates is recorded.

# THE NATURE TRUST OF BRITISH COLUMBIA

## Notes to Consolidated Financial Statements

December 31, 2020

### 3. INVESTMENTS

All investments are measured at fair value which is readily available from published price quotations in the active market.

	2020		2019	
	\$		\$	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	1,363,613	1,363,613	660,811	660,811
Bond Fund	7,995,603	8,235,160	8,570,401	8,562,034
Canadian Equities	9,535,555	12,117,265	7,292,294	9,306,670
US Equities	3,186,729	3,941,683	2,468,490	3,877,721
Global Equities	9,955,442	10,992,459	7,950,232	8,593,800
Alternative investments	1,594,393	1,870,619	1,163,719	1,267,228
Term Deposits	110,289	110,289	110,228	110,228
	<u>33,741,624</u>	<u>38,631,088</u>	<u>28,216,175</u>	<u>32,378,492</u>

### 4. CAPITAL ASSETS

	2020		2019	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	341,389	286,341	55,048	48,593
Vehicles	162,733	105,906	56,827	74,384
	<u>504,122</u>	<u>392,247</u>	<u>111,875</u>	<u>122,977</u>

### 5. CONSERVATION LANDS UNDER LONG-TERM LEASE

The Trust has acquired lease interests in two Crown properties. Under certain conditions, the Crown leases extend into perpetuity. The acquisition cost of these properties has been recorded as Conservation Lands under long-term lease.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2020

## 6. PROPERTY FUND

	<u>Acquisition Cost</u> \$	<u>External Funding</u> \$	<u>Net Cost (Surplus)</u> \$
<b><u>2020</u></b>			
Property Fund assets at December 31, 2019	<u>106,135,841</u>		
<b>Additions</b>			
Salmon River Estuary – Tidal Slough	648,348	648,348	-
Princeton Grasslands – MapleCross Meadow PH II	1,952,397	1,952,397	-
Breton Island – Whittidge Reserve	378,651	378,651	-
Cowichan River – Gibbins Road	1,406,970	1,406,970	-
Marsden Face – Rixen Creek	192,649	192,649	-
Other	<u>27,208</u>	<u>422,128</u>	<u>(394,920)</u>
	<u>4,606,223</u>	<u>5,001,143</u>	<u>(394,920)</u>
Net cost (surplus)			(394,920)
Property Fund net assets at December 31, 2020	110,742,064		
<hr/>			
	<u>Acquisition Cost</u> \$	<u>External Funding</u> \$	<u>Net Cost (Surplus)</u> \$
<b><u>2019</u></b>			
Property Fund assets at December 31, 2018	<u>101,795,266</u>		
<b>Additions</b>			
Cowichan River Estuary – Parcel D	14,881	14,881	-
Columbia River Wetlands - Edgewater	1,041,481	1,041,481	-
Princeton Grasslands – MapleCross Meadow	2,419,683	2,065,418	354,265
Nicomen Slough	863,204	863,204	-
Other	<u>1,326</u>	<u>979</u>	<u>347</u>
	<u>4,340,575</u>	<u>3,985,963</u>	<u>354,612</u>
Net cost (surplus)			354,612
Property Fund net assets at December 31, 2019	106,135,841		

# THE NATURE TRUST OF BRITISH COLUMBIA

## Notes to Consolidated Financial Statements

December 31, 2020

### 7. DONATIONS AND GRANTS – GENERAL FUND

<b>Donations and Grants</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Donations received from</b>		
Individuals	1,871,491	2,723,787
Bequests	1,841,390	971,127
Corporations and other organizations	1,902,729	1,493,888
Transferred to deferred contributions	(4,974,032)	(3,570,120)
	<u>641,578</u>	<u>1,618,682</u>
<b>Program grants</b>		
Grants received	461,757	522,355
Transferred to deferred contributions	(360,967)	(404,155)
Transferred from deferred contributions	675,708	600,320
	<u>776,498</u>	<u>718,520</u>
<b>Total donations and program grants – General Fund</b>	<b>1,418,076</b>	<b>2,337,202</b>

### 8. DEFERRED CONTRIBUTIONS

Deferred contributions includes donations, grants and other funding received that must be used as designated by the contributor. These amounts will be recognized as revenue in the year the related expenditure is incurred.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Conservation land acquisitions	7,000,181	4,321,521
Program expenditures	1,057,509	812,685
Pacific Estuary Conservation Program (PECP)	201,159	198,077
Other	47,077	47,551
	<u>8,305,926</u>	<u>5,379,834</u>



# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2020

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## 9. INVESTMENT AND OTHER INCOME

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### a) Vancouver Foundation

The Trust is the beneficiary of the income from The Nature Trust of British Columbia Fund held by the Vancouver Foundation. The capital and income funds held by the Vancouver Foundation on behalf of the Trust, which are not reflected in these financial statements, amount to \$279,241 and \$4,450 respectively at December 31, 2020 (2019 - \$279,241 and \$4,339). Included in investment income is \$17,689 (2019 - \$17,186) received from this fund. The fair market value of the fund on December 31, 2020 was \$477,254 (2019 - \$457,330).

### b) British Columbia Government Endowment Fund

In April of 2008 the British Columbia government announced the creation of a \$6 million Conservation Land Operating Account on behalf of The Trust. The account is administered by the Habitat Conservation Trust Foundation and investment income generated from the account is used to fund conservation land management projects. The income received in 2020 was \$175,069 (2019 - \$176,396) and is included in donations and grants in the Statement of Operations and Net Assets.

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## 10. FUNDS HELD IN TRUST

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The Trust was appointed as administrator for the West Coast Conservation Land Management Program, the Kootenay Conservation Program and the Conservation Lands Partner Program. The Trust holds funds in trust for these programs in the amount of \$624,007, \$70,186 and \$157,355 respectively, (2019 - \$251,419; \$50,714; \$59,146), which are excluded from the Trust's statement of financial position.

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## 11. GOVERNMENT ASSISTANCE

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In response to the economic impact of the coronavirus, also known as "COVID-19", the Government of Canada implemented several emergency response measures.

The Canada Emergency Wage Subsidy program ("CEWS") provides a wage subsidy to employers based on eligible remuneration and a corresponding drop in revenue based on specific criteria. The Trust has assessed its eligibility related to CEWS and has determined they qualify for total subsidies of \$189,716. The CEWS has been reported as part of Rental and other income on the Consolidated Statement of Operations and Net Assets. The Trust intends to apply for the CEWS in subsequent periods, subject to a continuing assessment to determine eligibility under the criteria set out by the Government of Canada.

The Temporary Wage Subsidy program ("TWS") provides a three-month measure that allows eligible employers to reduce the amount of payroll deductions they need to remit to the Canada Revenue Agency. This reduction in remittances applied to the federal and provincial income tax portion of the remittance, up to a maximum amount per employee and employer. The Trust has assessed its eligibility related to TWS and determined they qualify for total subsidies of \$19,318. The TWS has been reported as part of Rental and other income on the Consolidated Statement of Operations and Net Assets. The program ended in June 2020.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2020

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## 12. COMMITMENTS

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The Trust has outstanding long-term operating leases with respect to three vehicles it operates. The lease payments due over the next three years are as follows:

2021	20,014
2022	19,806
2023	6,497
	<u>\$ 46,317</u>

The Trust leases office space in Vancouver, BC for its operating premises. The term of the lease is from November 1, 2018 to October 31, 2028. The annual lease payment for the first five years of the lease is \$106,250, plus operating costs estimated at \$84,150. The annual lease payment for the next five years is \$121,125. The landlord has granted two months free rent in each of the five year terms. The minimum annual lease payments are as follows:

2021	\$ 106,250
2022	106,250
2023	88,542
2024	121,125
2025	121,125
Thereafter	343,190
	<u>\$ 886,482</u>

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## 13. BANK LINE OF CREDIT

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The Trust has established a line of credit with a total borrowing facility of \$500,000, bearing interest at the bank's prime lending rate payable monthly and secured by certain investments held by the Trust. The line of credit was established to meet short term funding obligations for conservation land acquisitions. The line of credit was not drawn upon in the years 2020 and 2019.

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## 14. LIFE INSURANCE POLICIES

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The Trust is the owner and beneficiary of several life insurance policies with an insured value of approximately \$2,252,071 (2019 - \$2,252,005). The Trust owns one policy in respect of which it makes the annual premium payment of \$22,857 (2019 - \$22,857), which is included in administration expenses. For the remaining policies the policy donors pay the annual premiums. The total cash surrender values associated with these policies is nominal and have not been included in the Trust's statement of financial position.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2020

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## 15. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

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The Trust is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. There were no significant changes in risk exposures in the current year as compared to 2019.

(a) Foreign currency risk

The Trust is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of funds denominated in foreign currencies, because of fluctuations in the relative value of foreign currencies against the Canadian dollar.

(b) Interest rate risk

The Trust is exposed to interest rate risk with respect to its investments in fixed income investments, and other funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

(c) Credit risk

The Trust is exposed to credit risk in connection with its accounts receivable and its short-term and fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

(d) Liquidity risk

The Trust is exposed to liquidity risk to the extent that it will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Trust keeps sufficient cash resources readily available to meet its obligations. The Trust has investments in publicly traded liquid assets that are easily sold and converted to cash.

(e) Other price risk

The Trust is exposed to other price risk through changes in market prices (other than changes arising from interest rate risk or currency risk) in connection with its investment portfolio.

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## 16. SUBSEQUENT EVENTS

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In April 2020 and March 2021 the Trust entered into two purchase and sale agreements for the acquisition of conservation lands located in the South Coast and Okanagan regions of British Columbia for a total of \$3,418,000. The Okanagan land acquisition completed in March 2021 and the South Coast land acquisition is anticipated to complete in August 2021. As at December 31, 2020 the Trust had received contributions of \$13,250 designated for these acquisitions, which has been included in deferred contributions.

**PERMISSIVE TAX EXEMPTION APPLICATION**

**SECTION 1 – APPLICANT INFORMATION**

Organization Name: Vancouver Island Providence Community Association	
Are you registered under the BC Societies Act?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are you a registered charity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address: 1843 Tzouhalem Rd, Duncan BC, V9L 5L6	
Contact Person: Leah Boisvert	
Email Address: finance@providence.bc.ca	Phone Number: 250-746-4204
Name and Phone number of two other officials in the organization	
Name: Stephaine Kok	Name: Conrad Murphy
Title Director of Therapeutic Programing	Title Director of Infastructure
Phone Home: [REDACTED] FIPPA s. 22(1)	Phone Home: [REDACTED] FIPPA s. 22(1)
Phone Work: (250) 746-4204	Phone Work: (250) 746-4204

**SECTION 2 – ORGANIZATION INFORMATION**

Please provide a brief description of the goals and objectives of the organization:
Providence Farm is a therapeutic working farm invested in promoting healing opportunities for those who may not be easily accepted elsewhere.
What charitable, philanthropic, athletic or recreational service does your organization provide to the community?
Horticulture therapy for adults with developmental diversity, brain injuries, mental health and substance use and adults with age related illness.

**SECTION 3 – PROPERTY INFORMATION (REGISTRATION, PRINCIPAL USE)**

The lands are registered in the name of:
Vancouver Island Providence Community Association
What is the principal use of the property (including all buildings and/or land)
The main use of the property is to provide adult day programing based in horticultural therapy to vulnerable members of our community. The majority of our buildings are used as program space. In addition programing takes place in surrounding outdoor fields, gardens and trails. A portion of the second floor of the main building (Providence House) is utilized as administration offices for the charity. The upper floor of McKinnion Building is rented to SD 79 for alternative school programs. A portion of the lower floor of the McKinnion Building is currently rented to Cow-op/ Cowichan Green Communiy. The barns and riding arena are rented to Cowichan Therapeutic Riding Association.

Please provide details of all other activities on your property including: 1) who uses your facilities or services; 2) whether fees are charged to users; and 3) the percent of time your property is used for each type of use.

Farm Fashions is a free store/clothing outreach program open to all community members. Open one day per week. Community members can rent outdoor space for personal celebrations, in addition the space is also rented by other non profits to host their fundraisers. Approx use 10%. There are residents on site used to house farm caretakers who tend to the animals and property in evenings and on weekends.

Is any part of the building or of the property used or rented by commercial or private individuals or by any group other than your organization? If so, please specify the occupant and use.

Yes, we rent space to 4 tenants. We don't advertise publicly and rent only to other organizations that are non profit or are providing community service. Our current tenants are:

- Cowichan Therapeutic Riding Association (CTRA)
- Cowichan Folk Guild (CFG)
- School District 79 for their alternate highschool program and the CVOL nature based learning
- Cow-op (Cowichan Green Community)

To what extent are the buildings or property accessible to the public?

Programs are accessible to community members through referral or private pay. We also offer 104 community allotment gardens that are available to community members at a nominal yearly fee (\$45). Our Farm Fashion program, a free store and clothing outreach program is open for all community members to access. In addition the site is available to other non profits and community members at large as rental space for community events.

#### SECTION 4 – OTHER INFORMATION

Other information which may be pertinent to your application

We wish to apply for tax exemption to both properties owned by the charity and being used for therapeutic programming. PID 023-166-886 and PID 029-400-503

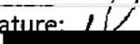
#### SECTION 5 SUPPORTING DOCUMENTATION CHECK LIST (ATTACHE COPIES TO APPLICATION)

Please attach the following:

<input checked="" type="checkbox"/>	most recent annual financial statement	<input checked="" type="checkbox"/>	copy of property title
<input checked="" type="checkbox"/>	constitution	<input checked="" type="checkbox"/>	site sketch plan showing buildings & uses

#### SECTION 6 – DECLARATION

I hereby certify that I have read the Municipality of North Cowichan's Permissive Tax Exemption Policy (available at on our website <http://www.northcowichan.ca/EN/main/departments/finance.html>), that the application complies with its requirements, and hat the information contained in the application is complete and correct. **If there is a change in the status of your organization the Municipality of North Cowichan must be notified.**

Signature: 	Date: June 29, 2023
Name (please print): Leah Boisvert	Date: Jun 28, 2023

Director of Operations



**NOTE:** In accordance with Municipal Council's July 3, 2013, policy, application forms must be received by North Cowichan before August 1<sup>st</sup>.

Note: Personal information is collected by the Municipality of North Cowichan under the authority of section 26 (a) & (c) of the Freedom of Information and Protection of Privacy Act for the purpose of processing and administering property tax exemption requests. Should you have any questions about the collection of this personal information, please contact the Deputy Director of Corporate Services, (250) 746-3100; 7030 Trans Canada Highway, Duncan, BC V9L 6A1.

**Vancouver Island Providence Community Association**  
**Financial Statements**  
*March 31, 2022*

# Vancouver Island Providence Community Association

## Contents

*For the year ended March 31, 2022*

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To the of Vancouver Island Providence Community Association:

We have reviewed the accompanying financial statements of Vancouver Island Providence Community Association which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and 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 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.

## Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

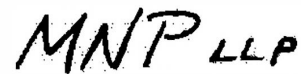
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Vancouver Island Providence Community Association as at March 31, 2022, 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.

Duncan, British Columbia

September 21, 2022



Chartered Professional Accountants



# Vancouver Island Providence Community Association

## Statement of Financial Position

*As at March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	550,087	751,217
Term deposits (Note 3)	-	157,225
Accounts receivable (Note 4)	29,866	230,681
Prepaid expenses and deposits	2,000	-
	<b>581,953</b>	<b>1,139,123</b>
<b>Capital assets (Note 5)</b>	<b>5,186,073</b>	<b>4,789,332</b>
<b>Cash and investments restricted for endowment (Note 6)</b>	<b>66,010</b>	<b>65,315</b>
	<b>5,834,036</b>	<b>5,993,770</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 7)	79,834	88,066
Deferred contributions (Note 8)	193,605	256,087
Deposits	3,495	2,094
	<b>276,934</b>	<b>346,247</b>
<b>Deferred contributions related to capital assets (Note 9)</b>	<b>282,616</b>	<b>267,106</b>
	<b>559,550</b>	<b>613,353</b>
<b>Net assets (Note 10)</b>	<b>5,274,486</b>	<b>5,380,417</b>
	<b>5,834,036</b>	<b>5,993,770</b>

Approved on behalf of the Board

*The accompanying notes are an integral part of these financial statements*

# Vancouver Island Providence Community Association

## Statement of Operations and Changes in Net Assets

*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Community Living British Columbia	525,900	501,384
Island Health	399,908	382,598
Grants	199,771	203,012
Donations	144,481	138,219
Tenant rentals	89,413	102,219
Social enterprise	68,251	67,782
Amortization of deferred capital contributions	16,490	12,137
Event rentals	12,608	(1,231)
Interest and other	6,419	6,082
Fundraising	3,353	4,169
Membership	1,480	2,475
	1,468,074	1,418,846
<b>Expenses</b>		
Salaries and benefits	1,025,703	956,317
Repairs and maintenance	133,745	79,978
Insurance	64,263	62,955
Utilities	58,714	44,153
Program material	45,565	8,467
Office	43,396	32,250
Professional fees	25,550	26,238
Training and travel	17,759	8,804
Social enterprise	19,857	24,249
Security	10,289	10,139
Vehicle	10,236	14,806
Tools and equipment	9,852	3,792
Advertising	2,094	2,168
Fundraising	828	686
<b>Total expenses</b>	1,467,851	1,275,002
<b>Excess of revenue over expenses before other items</b>	223	143,844
<b>Other items</b>		
Bequests	-	165,000
Government Assistance	-	118,111
Amortization	(106,154)	(98,636)
<b>Excess (deficiency) of revenue over expenses</b>	(105,931)	328,319
<b>Net assets, beginning of the year</b>	5,380,417	5,052,098
<b>Net assets, end of year</b>	5,274,486	5,380,417

*The accompanying notes are an integral part of these financial statements*

# Vancouver Island Providence Community Association

## Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from contributions	1,491,777	1,455,785
Cash paid for program service expenses	(420,919)	(256,831)
Cash paid for salaries and benefits	(1,035,509)	(953,347)
Cash receipts from interest	6,118	5,782
	<b>41,467</b>	<b>251,389</b>
<b>Financing</b>		
Contributions received for capital assets	104,036	42,336
<b>Investing</b>		
Purchase of term deposits	(3,600)	-
Proceeds on disposal of term deposits	160,825	40,091
Purchase of capital assets	(503,858)	(46,178)
	<b>(346,633)</b>	<b>(6,087)</b>
<b>Increase (decrease) in cash resources</b>	<b>(201,130)</b>	<b>287,638</b>
<b>Cash resources, beginning of year</b>	<b>751,217</b>	<b>463,579</b>
<b>Cash resources, end of year</b>	<b>550,087</b>	<b>751,217</b>

The accompanying notes are an integral part of these financial statements

# Vancouver Island Providence Community Association

## Notes to the Financial Statements

For the year ended March 31, 2022

### 1. Incorporation and nature of the organization

Vancouver Island Providence Community Association (the "Association") was incorporated under the Societies Act of British Columbia and is a registered charity under the Income Tax Act. The Association's principal activity is to provide nature based therapy opportunities for social integration, pre-vocational training, and skill explorations for persons with barriers to education and employment.

The Association's mandate is to serve those disadvantaged and disabled whose needs are not met elsewhere in the community, and to provide good husbandry to the animals, natural resources, and buildings of the site.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies.

#### **Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets are deferred and included into income on the same basis as the related asset's amortization. Unamortized deferred capital contributions relating to capital asset dispositions are recognized as revenue in the period of disposition, provided that all restrictions have been complied with.

Sales of goods and services are recognized as revenue when title passes to the customer, which generally coincides with the delivery or acceptance of goods or services.

Revenue earned from the rental of residential and commercial properties and the facilities is recognized monthly or at the time of the event.

Revenue earned from government assistance is recognized in the period in which the related expenses are incurred.

Bequests are recognized as revenue when a definite valuation is received from the executor of the estate and ultimate collection is reasonably assured.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Buildings	declining balance	4 %
Automotive	declining balance	30 %
Computer equipment	declining balance	30 %
Equipment	declining balance	20 %
Furniture and fixtures	declining balance	20 %
Office equipment	declining balance	20 %
Parking lots and labyrinth	declining balance	8 %
Greenhouse	declining balance	20 %
Farm equipment	declining balance	30 %

**Vancouver Island Providence Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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2. **Significant accounting policies** *(Continued from previous page)*

***Donations in kind***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased. The value of volunteer hours contributed by the Board of Directors is not recognized in the financial statements.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash and cash equivalents exclude amounts subject to restrictions that prevent its use for current purposes.

***Long-lived assets***

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Association determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

***Measurement uncertainty (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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for accrued liabilities. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

***Financial instruments***

All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. Investments in equity instruments not quoted in an active market are measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Vancouver Island Providence Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**3. Cash and term deposits**

A portion of cash and term deposits are restricted as follows:

	2022	2021
<b>Cash</b>		
Cash - unrestricted	384,218	544,057
Cash - restricted	165,869	207,161
	550,087	751,218
<b>Term deposits</b>		
Term deposits - unrestricted	-	157,225
	-	157,225
	550,087	908,443

The restricted cash is externally and internally restricted and to be used for its intended purposes within the subsequent years.

**4. Accounts receivable**

	2022	2021
Accounts receivable	25,867	34,081
Goods and Services Tax	3,999	1,709
Canada Emergency Wage Subsidy	-	29,891
Bequest	-	165,000
	29,866	230,681

**5. Capital assets**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	3,179,132	-	3,179,132	2,875,030
Automotive	278,816	263,311	15,505	3,445
Buildings	3,212,086	1,386,878	1,825,208	1,765,882
Computer equipment	64,292	48,418	15,874	22,007
Equipment	213,059	195,060	17,999	22,405
Farm equipment	61,593	55,438	6,155	1,259
Furniture and fixtures	99,086	69,682	29,404	11,220
Greenhouse	174,504	157,016	17,488	21,861
Office equipment	35,791	16,332	19,459	10,675
Parking lots and labyrinth	115,906	56,057	59,849	55,548
	7,434,265	2,248,192	5,186,073	4,789,332

**Vancouver Island Providence Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**6. Cash and investments restricted for endowment funds**

Contributions received by the Association for the Endowment Fund are recognized as a direct increase in net assets. The purpose of the endowment funds is to provide future financial stability and growth of the Association; the fund builds a balance of which the interest earnings are to help sustain the organization and the principle remains intact.

	2022	2021
Endowment - Cash	8,919	8,614
Endowment - ISCU term deposits	25,385	25,509
Endowment - CCCU term deposit	31,706	31,192
	<b>66,010</b>	<b>65,315</b>

The Coastal Community Credit Union term deposit balance bears interest at 0.70% and matures on December 17, 2022. The Island Savings Credit Union term deposit balances bears interest at 0.05% and matures on February 2, 2023.

**7. Accounts payable and accruals**

	2022	2021
Accounts payable	70,783	68,827
Receiver general - payroll remittance	8,898	9,279
Wages payable	153	9,960
	<b>79,834</b>	<b>88,066</b>

**8. Deferred contributions**

During the year, the Association received \$171,289 (2021 - \$285,485) deferred contributions and recognized \$204,771 (2021 - \$191,760) as revenue and transferred \$19,000 to deferred capital contributions. See Schedule 1 for details of the deferred contributions.

**9. Deferred contributions related to capital assets**

Deferred contributions related to capital assets consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	Building & Additions 4%	Parking lots and Labyrinth 8%	Greenhouse 20%	Equipment, Furniture & Fixtures 20%	Contributions not in use 0%	2022	2021
Opening balance	155,087	26,502	7,777	5,705	72,035	267,106	236,908
Additions	19,000	-	-	10,000	3,000	32,000	42,335
Amounts reallocated to in use	67,035	-	-	5,000	(72,035)	-	-
Less amounts recognized as revenue during the year	(8,209)	(2,120)	(1,555)	(4,606)	-	(16,490)	(12,137)
	<b>232,913</b>	<b>24,382</b>	<b>6,222</b>	<b>16,099</b>	<b>3,000</b>	<b>282,616</b>	<b>267,106</b>

**Vancouver Island Providence Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**10. Net assets**

Net assets consist of the following:

	2022	2021
Invested in capital assets	4,914,483	4,522,227
Operating	133,661	636,242
Internally restricted	160,333	156,633
Endowment Fund	66,009	65,315
	5,274,486	5,380,417

During the year, the Association's board of directors internally restricted \$3,000 (2021 - \$2,700) of unrestricted net assets to be held for the maintenance and replacement of the Association's building, equipment, and vehicles. As at March 31, 2022, the internally restricted reserves consist of \$104,604 (2021 - \$102,604) for the building replacement reserve and \$55,029 (2021 - \$54,029) for the equipment and vehicle replacement reserve.

**11. Credit facility**

The Association has an operating line of credit to a maximum of \$50,000 with Coastal Community Credit Union ("the Bank") bearing interest at the Bank's prime lending rate plus 1% per annum. As at March 31, 2022, the Association has no draws against this line of credit (2021 - \$ nil). The operating loan is secured by a general security agreement consisting of a first ranking security interest in all personal property of the Association.

**12. Victoria Foundation Endowment Fund**

The Association has established an Endowment Fund with the Victoria Foundation. The capital of the fund remains the property of the Victoria Foundation and the Association is the income beneficiary only.

	2022	2021
Contributed by the Association and others	150,000	150,000
Contributed by the Victoria Foundation	7,500	7,500
	157,500	157,500

During the year, the Association received grants of \$6,082 from the fund. The market value of the fund at March 31, 2022 is \$194,907 (2021 - \$191,489)

**13. Financial instruments**

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from government and non-government funders and other related sources, and accounts payable.



**Vancouver Island Providence Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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**14. Contributions by major source**

During the fiscal year ended March 31, 2010 the Sisters of Saint Ann ("Sisters") contributed land and buildings with a fair value of \$4.4 million to the Association. The Sisters included certain covenants as part of the contributions of the land and buildings as follows:

- 1) The contributed land and buildings cannot be otherwise assigned or disposed of without written consent from the Sisters;
- 2) The Association is required to protect the contributed land and buildings to ensure that non-renewable resources are sustained and preserved;
- 3) First Nations peoples of the Cowichan Valley, the Sisters and the Roman Catholic Diocese of Victoria shall be permitted to use the land providing it is consistent with the stewardship of the contributed land and buildings;
- 4) Vancouver Island Providence Community Association must continue to operate as a non-profit association.

Management feels that these covenants have been met.

**15. Economic dependence**

The Association derives revenue from multiple government contracts. These government contracts are mainly with Island Health and Community Living British Columbia to provide services for people with physical and mental health challenges. Revenues from government contracts represents 63% (2021 - 52%) of total revenues.

**Vancouver Island Providence Community Association**  
**Schedule 1 - Deferred Contributions**

*For the year ended March 31, 2022*

(Unaudited)

	<b>Gaming</b>	<b>Lakes Foundation</b>	<b>Esther's Dream Foundation</b>	<b>Sister's of St. Ann</b>	<b>Benedickso n Memorial Fund</b>	<b>Duncan Legion Poppy</b>	<b>Victoria Foundation</b>	<b>Victoria Foundation Rapis Relief</b>	<b>Victoria Foundation COVID Relief</b>	<b>First West Credit Union</b>	<b>Aqeduct Eburne Mill Fund</b>	<b>2022</b>	<b>2021</b>
<b>Opening balance</b>	98,600	5,000	27,004	23,983	2,000	2,000	-	62,000	30,500	5,000	-	<b>256,087</b>	204,698
<b>Additions</b>	98,600	-	31,095	-	2,500	2,500	7,344	-	-	-	19,250.00	<b>161,289</b>	285,485
<b>Transferred to capital</b>	-	-	-	(19,000)	-	-	-	-	-	-	-	<b>(19,000)</b>	(42,336)
<b>Recognized as revenue</b>	(98,600)	(5,000)	(27,004)	(4,983)	(4,500)	(4,500)	7,344.00	(29,290)	(13,300)	(5,000)	5,250.00	<b>(204,771)</b>	(191,760)
<b>Ending balance</b>	<b>98,600</b>	-	<b>31,095</b>	-	-	-	-	<b>32,710</b>	<b>17,200</b>	-	<b>14,000</b>	<b>193,605</b>	<b>256,087</b>