

**GALIANO CONSERVANCY ASSOCIATION**

**Financial Statements**

**Year Ended December 31, 2023**

**GALIANO CONSERVANCY ASSOCIATION**

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**Year Ended December 31, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Galiano Conservancy Association

We have reviewed the accompanying financial statements of Galiano Conservancy Association (the organization) that comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures and 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 (ASNPO), 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 Galiano Conservancy Association as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

### *Other Matter*

The financial statements of Galiano Conservancy Association for the year ended December 31, 2022 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on May 27, 2023.

Sidney, British Columbia  
June 26, 2024

*Ascentia CPA*  
Chartered Professional Accountants

**GALIANO CONSERVANCY ASSOCIATION**

**Statement of Financial Position**

**December 31, 2023**

	General Fund	Endowment Fund	Land Fund	Building Fund	2023	2022
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 548,025	\$ 230,750	\$ -	\$ -	\$ 778,775	\$ 374,792
Cash - contingency reserve	119,050	-	-	-	119,050	73,446
Term deposits and marketable securities	126	456,924	-	-	457,050	505,233
Accounts receivable	47,034	-	-	-	47,034	23,793
Goods and services tax recoverable	4,408	-	-	-	4,408	4,418
Prepaid expenses	-	-	-	-	-	1,528
	718,643	687,674	-	-	1,406,317	983,210
<b>TANGIBLE CAPITAL ASSETS</b> <i>(Net of accumulated amortization) (Note 3)</i>	31,900	-	3,388,036	588,233	4,008,169	3,165,878
	\$ 750,543	\$ 687,674	\$ 3,388,036	\$ 588,233	\$ 5,414,486	\$ 4,149,088
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 7,318	\$ -	\$ -	\$ -	\$ 7,318	\$ 11,837
Deferred revenue <i>(Note 6)</i>	479,295	100,000	-	-	579,295	282,507
	486,613	100,000	-	-	586,613	294,344
CEBA LOAN <i>(Note 4)</i>	40,000	-	-	-	40,000	40,000
PROMISSORY NOTES <i>(Note 5)</i>	-	-	1,000	-	1,000	1,000
	526,613	100,000	1,000	-	627,613	335,344
<b>NET ASSETS</b>	223,930	587,674	3,387,036	588,233	4,786,873	3,813,744
	\$ 750,543	\$ 687,674	\$ 3,388,036	\$ 588,233	\$ 5,414,486	\$ 4,149,088

**GALIANO CONSERVANCY ASSOCIATION**

**ON BEHALF OF THE BOARD**

*Sheik Anderson*  
Director

*Stephane Cini*  
Director

**GALIANO CONSERVANCY ASSOCIATION**  
**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended December 31, 2023**

	General Fund	Endowment Fund	Land Fund	Building Fund	2023	2022
<b>REVENUES</b>						
Contracts	\$ 19,683	\$ -	\$ -	\$ -	\$ 19,683	\$ 18,208
Corporate grants	4,000	-	-	-	4,000	15,586
Donations	160,097	-	-	-	160,097	213,041
Federal and provincial grants	138,899	-	550,000	-	688,899	185,100
Foundation grants	373,400	-	321,250	-	694,650	169,171
Interest income	30,500	924	-	-	31,424	32,200
Memberships	2,370	-	-	-	2,370	2,310
Miscellaneous Revenue	3,187	-	-	-	3,187	1,579
Program fees	55,185	-	-	-	55,185	53,143
Regional grants	11,424	-	-	-	11,424	2,419
Rental income	20,352	-	-	-	20,352	30,658
Sales	34,437	-	-	-	34,437	32,657
Wage subsidies	54,031	-	-	-	54,031	149,481
	<u>907,565</u>	<u>924</u>	<u>871,250</u>	<u>-</u>	<u>1,779,739</u>	<u>905,553</u>
<b>EXPENSES</b>						
Accounting and legal fees	18,318	-	-	-	18,318	18,015
Advertising and promotion	7,125	-	-	-	7,125	11,903
Amortization	4,450	-	-	24,510	28,960	23,973
Conferences and education	4,231	-	-	-	4,231	2,064
Contracts and consultants	102,565	-	-	-	102,565	114,764
Donations	-	-	-	-	-	88,000
Honorariums	8,219	-	-	-	8,219	13,190
Insurance, licences and fees	14,651	-	-	-	14,651	17,289
Interest and bank charges	4,070	-	-	-	4,070	2,586
Materials and supplies	64,560	-	-	-	64,560	52,007
Office supplies and sundry	23,077	-	-	-	23,077	10,845
Property taxes	268	-	-	-	268	-
Repairs and maintenance	7,521	-	-	-	7,521	3,831
Salaries and wages	497,585	-	-	-	497,585	443,916
Telephone and utilities	2,618	-	-	-	2,618	3,530
Transportation costs	13,738	-	-	-	13,738	14,210
	<u>772,996</u>	<u>-</u>	<u>-</u>	<u>24,510</u>	<u>797,506</u>	<u>820,123</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>134,569</b>	<b>924</b>	<b>871,250</b>	<b>(24,510)</b>	<b>982,233</b>	<b>85,430</b>

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**GALIANO CONSERVANCY ASSOCIATION**  
**Statement of Revenues and Expenditures and Changes in Net Assets** *(continued)*  
**Year Ended December 31, 2023**

	General Fund	Endowment Fund	Land Fund	Building Fund	2023	2022
OTHER LOSS	-	(9,107)	-	-	<b>(9,107)</b>	-
<b>NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	134,569	(8,183)	871,250	(24,510)	<b>973,126</b>	85,430
NET ASSETS - BEGINNING OF YEAR	220,108	465,107	2,515,786	612,743	<b>3,813,744</b>	3,728,318
	354,677	456,924	3,387,036	588,233	<b>4,786,870</b>	3,813,748
INTERFUND TRANSFERS	(130,747)	130,750	-	-	<b>3</b>	(4)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 223,930</b>	<b>\$ 587,674</b>	<b>\$ 3,387,036</b>	<b>\$ 588,233</b>	<b>\$ 4,786,873</b>	<b>\$ 3,813,744</b>

**GALIANO CONSERVANCY ASSOCIATION**

**Statement of Cash Flows**

**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 973,126	\$ 85,430
Items not affecting cash:		
Amortization of tangible capital assets	28,959	23,973
Loss on disposal of investments	9,107	-
	<b>1,011,192</b>	109,403
Changes in non-cash working capital:		
Accounts receivable	(23,241)	154,575
Accounts payable and accrued liabilities	(4,519)	2,981
Deferred revenue	296,788	(195,595)
Prepaid expenses	1,528	(1,528)
Goods and services tax payable	10	45,960
Payable to other charity	-	(473,875)
	<b>270,566</b>	(467,482)
Cash flow from (used by) operating activities	<b>1,281,758</b>	(358,079)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(871,250)	(30,419)
Disposition of marketable securities	(9,089)	-
Cash flow used by investing activities	<b>(880,339)</b>	(30,419)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>401,419</b>	(388,498)
Cash - beginning of year	<b>953,471</b>	1,341,969
<b>CASH - END OF YEAR</b>	<b>\$ 1,354,890</b>	\$ 953,471
<b>CASH CONSISTS OF:</b>		
Cash	\$ 778,775	\$ 374,792
Term deposits and marketable securities	457,050	505,233
Cash - contingency reserve	119,050	73,446
	<b>\$ 1,354,875</b>	\$ 953,471



# GALIANO CONSERVANCY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

Galiano Conservancy Association (the "Association") is a not-for-profit organization organized to assist the community to conserve natural environments by preserving habitats and promoting stewardship. The Association is incorporated under the Society of British Columbia. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Fund accounting

Galiano Conservancy Association follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's programs, land management and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Fund reports resources contributed for endowment and interest earned on related deposits. The Millard Learning Centre Land Management Endowment for \$351,250 is externally restricted by the mortgage and land holding agreement held by the Nature Conservancy of Canada which is registered on the title of District Lot 57 (Millard Learning Centre). In addition, existing marketable securities of \$141,535 are maintained by the Vancouver Foundation and are externally restricted.

The Land Fund accounts for the organization's acquisition and conservation of local land areas.

The Building Fund accounts for buildings located on the Learning Centre land, which are used by the organization for operations, public demonstration and to facilitate group activities including teaching and training.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Association currently holds term deposits which are considered to be cash equivalents and mutual funds which are reported at their fair market value based on the broker statements.

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# GALIANO CONSERVANCY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Tangible Capital assets

Tangible Capital assets are stated at cost or deemed cost less accumulated amortization. Tangible Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods, except in year of acquisition when one-half amortization is recorded:

Land		non-depreciable
Buildings	4%	
Computer equipment	30%	
Equipment	20%	
Motor vehicles	30%	

Equipment and library purchases are charged as an expense in the period acquired. Capital assets not yet complete and not placed into use are not amortized. See Note 7 for further information and descriptions on the properties held and for information on the Learning Centre Building.

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services are not reflected in these financial statements unless an independent fair value has been determined or the goods or services would otherwise have been purchased.

#### Revenue recognition

Galiano Conservancy Association follows the restricted fund method of accounting for contributions.

Restricted contributions are primarily recognized in the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Membership fees are recognized as revenue of the General Fund when collected.

In-kind contributions are recognized as revenue in the related fund if the fair market value has been determined by an independent source. For land donations a market appraisal is used for the fair value and for goods or services this market value is the retail cost of the supplies or services, if determinable otherwise the donation is not recorded.

#### 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.

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**GALIANO CONSERVANCY ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2023</b> Net book value	2022 Net book value
Millard Learning Centre	\$ 1,335,705	\$ -	\$ 1,335,705	\$ 1,335,705
Quadra Hill	871,250	-	<b>871,250</b>	-
Finlay Lake	274,810	-	<b>274,810</b>	274,810
Lot 1, District Lot 58 Covenant	200,836	-	<b>200,836</b>	200,836
Great Beaver Swamp	185,000	-	<b>185,000</b>	185,000
Laughlin Lake	148,900	-	<b>148,900</b>	148,900
District Lot 63	125,204	-	<b>125,204</b>	125,204
Mt. Sutil	21,332	-	<b>21,332</b>	21,332
Retreat Island	225,000	-	<b>225,000</b>	225,000
Land held in trust (Note 8)	3,388,037	-	<b>3,388,037</b>	2,516,787
Buildings	701,068	112,835	<b>588,233</b>	612,743
Computer equipment	9,294	8,970	<b>324</b>	463
Equipment	64,691	34,311	<b>30,380</b>	34,469
Motor vehicles	14,593	13,397	<b>1,196</b>	1,418
	<b>\$ 4,177,683</b>	<b>\$ 169,513</b>	<b>\$ 4,008,170</b>	<b>\$ 3,165,880</b>

For land assets, "Cost" includes any Galiano Conservancy Association contributions - it does not include contributions from other organizations or agencies that retain a legal interest in the land.

4. CEBA LOAN

	<b>2023</b>	2022
Payable to VanCity Bank, non interest bearing. Proceeds were \$60,000 and \$20,000 is forgivable as long as \$40,000 is paid in full by January 18, 2024. The \$20,000 forgivable portion was brought into income in prior years.	<b>\$ 40,000</b>	\$ 40,000

5. PROMISSORY NOTES

The promissory notes are loans that are secured by a general security agreement and bear no interest and have no set repayment terms.

6. DEFERRED REVENUE

Deferred revenue is comprised of revenue received for specific projects for which the expenditures have not yet been incurred. These projects have either not been started or are not yet complete.

# GALIANO CONSERVANCY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

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### 7. LAND HELD IN TRUST

#### Millard Learning Centre Land - 10825 Porlier Pass Road

The Learning Centre land is 188 acres. It has a varied landscape, including 2 km of waterfront, agriculture land and intact old growth forest. It is the location of the Galiano Conservancy's office, educational infrastructure and sustainability demonstration sites. The purchase price in 2012 was \$3,025,000. The recorded book value of the land was reduced by the net grant received from the Nature Conservancy of Canada in the amount of \$1,689,295 for a net book value of \$1,335,705. A stewardship endowment in the amount of \$351,250 has been established.

#### Quadra Hill - Melissa Road

District Lot 58, Rem. is a diverse 116 acre forested lot with bluff and wetland habitats. A 'missing piece' connecting the Great Beaver Swamp, Vanilla Leaf Land, and Millard Learning Centre, the property was purchased by Aqueduct Foundation in early 2022, and sold at cost (\$871,250) to Galiano Conservancy Association in late 2023. A stewardship endowment in the amount of \$130,750 has been established.

#### Finlay Lake - Ellis Road

District Lot 5, located off Ellis Road, is a vacant rural treed acreage with most of Finlay Lake in the middle of the property. The 16.6 acre parcel has been protected by conservation covenant since 2001, and was donated to Galiano Conservancy Association in 2014.

#### Great Beaver Swamp - Melissa Road

The Great Beaver Swamp is a large wetland adjoining the Pebble Beach Reserve. The 45 acre parcel was purchased in 2003 for \$185,000. There has been a boundary adjustment so that the present parcel includes more of the wetland.

#### Laughlin Lake - Vineyard Way

Laughlin Lake is the largest lake on Galiano and provides a connecting link between Bodega Ridge Provincial Park and the Pebble Beach Reserve. The 27 acre property was purchased in 2000 through a court ordered sale for \$140,000 plus tax and legal fees of \$8,900 for a total cost of \$148,900.

#### Vanilla Leaf Land - Lot 1, District Lot 58 (Covenant)

In 2013 a conservation covenant attached to this 100 acre parcel was acquired for \$190,000 plus legal fees of \$10,836 for a total cost of \$200,836.

#### Pebble Beach Reserve (District Lot 63) - McCoskrie Road

District Lot 63 provides a connecting link between two Crown Land parcels to make up the Pebble Beach Reserve, an area used for recreation by islanders and visitors alike. The 154 acre parcel of land was purchased in 1998 in a partnership between Galiano Conservancy, the Nature Conservancy of Canada and the Pacific Marine Heritage Legacy (federal/provincial partnership) for \$430,000. The title is held by Galiano Conservancy. In 2022, a stewardship endowment in the amount of \$87,000 was established.

#### Mount Sutil - Steward Drive

Mt. Sutil is the site of an important Garry Oak ecosystem. The 42 acre summit was purchased in 1990 by Galiano Conservancy and the Nature Conservancy of Canada for \$42,000. This parcel has limited legal access. In 2002 the title was placed in Galiano Conservancy's name only.

#### Retreat Island

Retreat Island is a 7 acre island located off Galiano in the Trincomali Channel. As part of an estate planning process, the owners placed conservation covenants on approximately one half of the Island and then in 1999 donated that land to Galiano Conservancy Association.

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**GALIANO CONSERVANCY ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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7. LAND HELD IN TRUST *(continued)*

**2024 BC Assessment Values on Above Properties:**

Millard Learning Centre Land - 10825 Porlier Pass Road	\$7,061,000
Quadra Hill - Melissa Road	797,200
Finlay Lake - Ellis Road	433,000
Great Beaver Swamp - Melissa Road	968,000
Laughlin Lake - Vineyard Way	331,000
Pebble Beach Reserve (District Lot 63) - McCoskrie Road	1,053,000
Mount Sutil - Steward Drive	653,000
Retreat Island	<u>406,000</u>
<b>Total 2024 BC Assessment Values</b>	<b><u><u>\$11,702,200</u></u></b>

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