

GALIANO CONSERVANCY ASSOCIATION
Financial Statements
Year Ended December 31, 2024

GALIANO CONSERVANCY ASSOCIATION
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Year Ended December 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2024, and the statements of revenues and expenditures, 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, 2024, 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, 2023 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on June 26, 2024.

Report on Other Legal and Regulatory Requirements

As required by the BC Societies Act, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with the preceding year.

SC Henn CPA

Sidney, British Columbia
June 13, 2025

Chartered Professional Accountants

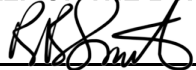
GALIANO CONSERVANCY ASSOCIATION

Statement of Financial Position

December 31, 2024

	General Fund	Endowment Fund	Land Fund	Building Fund	2024	2023
ASSETS						
CURRENT						
Cash	\$ 313,641	\$ 228,888	\$ -	\$ -	\$ 542,529	\$ 778,775
Cash - contingency reserve	134,319	-	-	-	134,319	119,050
Term deposits and marketable securities	-	630,483	-	-	630,483	457,050
Accounts receivable	140,638	-	-	-	140,638	47,034
Goods and services tax recoverable	3,450	-	-	-	3,450	4,408
	592,048	859,371	-	-	1,451,419	1,406,317
TANGIBLE CAPITAL ASSETS (Note 3)	37,200	-	5,138,036	564,704	5,739,940	4,008,169
	\$ 629,248	\$ 859,371	\$ 5,138,036	\$ 564,704	\$ 7,191,359	\$ 5,414,486
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 20,266	\$ -	\$ -	\$ -	\$ 20,266	\$ 7,320
Deferred revenue (Note 6)	361,541	-	-	-	361,541	579,295
	381,807	-	-	-	381,807	586,615
CEBA LOAN (Note 4)	-	-	-	-	-	40,000
PROMISSORY NOTES (Note 5)	-	-	1,000	-	1,000	1,000
	381,807	-	1,000	-	382,807	627,615
NET ASSETS	247,441	859,371	5,137,036	564,704	6,808,552	4,786,871
	\$ 629,248	\$ 859,371	\$ 5,138,036	\$ 564,704	\$ 7,191,359	\$ 5,414,486

ON BEHALF OF THE BOARD



Director



Director

GALIANO CONSERVANCY ASSOCIATION
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	General Fund	Endowment Fund	Land Fund	Building Fund	2024	2023
REVENUES						
Contracts	\$ 16,653	\$ -	\$ -	\$ -	\$ 16,653	\$ 19,683
Donations	147,600	120,000	-	-	267,600	160,097
Grants (Note 7)	508,210	100,000	1,750,000	-	2,358,210	1,398,973
Interest income	28,671	32,450	-	-	61,121	31,424
Memberships	2,160	-	-	-	2,160	2,370
Miscellaneous Revenue	921	-	-	-	921	3,187
Program fees	61,195	-	-	-	61,195	55,185
Rental income	15,099	-	-	-	15,099	20,352
Sales	33,456	-	-	-	33,456	34,437
Wage subsidies	61,508	-	-	-	61,508	54,031
	875,473	252,450	1,750,000	-	2,877,923	1,779,739
EXPENSES						
Accounting and legal fees	46,108	-	-	-	46,108	18,318
Advertising and promotion	6,428	-	-	-	6,428	7,125
Amortization	6,416	-	-	23,529	29,945	28,960
Contracts and consultants	92,260	-	-	-	92,260	102,565
Insurance, licences and fees	8,523	-	-	-	8,523	14,651
Interest and bank charges	2,922	-	-	-	2,922	4,069
Conferences and education	2,697	-	-	-	2,697	4,231
Office supplies and sundry	13,209	-	-	-	13,209	23,077
Honorariums	18,080	-	-	-	18,080	8,219
Materials and supplies	50,163	-	-	-	50,163	64,560
Property taxes	4,519	-	-	-	4,519	268
Repairs and maintenance	7,308	-	-	-	7,308	7,521
Salaries and wages	554,463	-	-	-	554,463	497,585
Telephone and utilities	2,235	-	-	-	2,235	2,618
Transportation costs	17,382	-	-	-	17,382	13,738
	832,713	-	-	23,529	856,242	797,505
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS						
	42,760	252,450	1,750,000	(23,529)	2,021,681	982,234

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GALIANO CONSERVANCY ASSOCIATION
Statement of Revenues and Expenditures *(continued)*
Year Ended December 31, 2024

	General Fund	Endowment Fund	Land Fund	Building Fund	2024	2023
OTHER INCOME	-	-	-	-	-	(9,107)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 42,760	\$ 252,450	\$ 1,750,000	\$ (23,529)	\$ 2,021,681	\$ 973,127

GALIANO CONSERVANCY ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2024

	General Fund	Endowment Fund	Land Fund	Building Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 223,931	\$ 587,671	\$ 3,387,036	\$ 588,233	\$ 4,786,871	\$ 3,813,745
Excess of revenues over expenses	42,760	252,450	1,750,000	(23,529)	2,021,681	973,126
Interfund transfers	(19,250)	19,250	-	-	-	-
NET ASSETS - END OF YEAR	\$ 247,441	\$ 859,371	\$ 5,137,036	\$ 564,704	\$ 6,808,552	\$ 4,786,871

GALIANO CONSERVANCY ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,021,681	\$ 973,127
Items not affecting cash:		
Amortization of tangible capital assets	29,946	28,959
Loss on disposal of investments	-	9,107
	<u>2,051,627</u>	<u>1,011,193</u>
Changes in non-cash working capital:		
Accounts receivable	(93,604)	(23,241)
Accounts payable and accrued liabilities	12,945	(4,520)
Deferred revenue	(217,754)	296,788
Prepaid expenses	-	1,528
Goods and services tax payable	958	10
	<u>(297,455)</u>	<u>270,565</u>
Cash flow from operating activities	<u>1,754,172</u>	<u>1,281,758</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(11,716)	-
Purchased of tangible capital assets - lands held in trust	(1,750,000)	(871,250)
Disposition of marketable securities	-	(9,104)
Cash flow used by investing activities	<u>(1,761,716)</u>	<u>(880,354)</u>
FINANCING ACTIVITY		
Repayment of long term debt - CEBA loan	(40,000)	-
Cash flow from (used by) financing activity	<u>(40,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(47,544)</u>	<u>401,404</u>
Cash - beginning of year	<u>1,354,875</u>	<u>953,471</u>
CASH - END OF YEAR	<u>\$ 1,307,331</u>	<u>\$ 1,354,875</u>
CASH CONSISTS OF:		
Cash	\$ 542,529	\$ 778,775
Cash - contingency reserve	134,319	119,050
Term deposits and marketable securities	630,483	457,050
	<u>\$ 1,307,331</u>	<u>\$ 1,354,875</u>

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

Galiano Conservancy Association (the "organization") is a not-for-profit organization organized to assist the community to conserve natural environments by preserving habitats and promoting stewardship. The Association is a not-for-profit organization incorporated under the Societies Act 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.

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). The prior year figures were reviewed by another CPA firm and are included for comparison purposes only. Some of these figures may be reclassified for the current year's presentation.

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. Internally and externally restricted funds are combined. Stewardship land endowments are internally established by the Association. 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). Funds held as endowment funds by the Vancouver Foundation are not included in these financial statements. The value as of December 31, 2024 was \$160,463.

The Land Fund accounts for the organization's acquisition and conservation of local land areas. Costs associated with the acquisition and operations of the lands are reported in the General Fund.

The Building Fund accounts for buildings located on the Galiano Conservancy lands, 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 are reported at their amortized cost. Securities held, if any, are recorded 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, 2024

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 8 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.

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Millard Learning Centre	\$ 1,335,705	\$ -	\$ 1,335,705	\$ 1,335,705
Quadra Hill	871,250	-	871,250	871,250
Finlay Lake	274,810	-	274,810	274,810
Lot 1, District Lot 58 Covenant	200,836	-	200,836	200,836
Great Beaver Swamp	185,000	-	185,000	185,000
Laughlin Lake	148,900	-	148,900	148,900
District Lot 63	125,204	-	125,204	125,204
Mt. Sutil	21,332	-	21,332	21,332
Retreat Island	225,000	-	225,000	225,000
Talking Trees - District Lot 50	1,750,000	-	1,750,000	-
Land held in trust (Notes 8, 9)	5,138,037	-	5,138,037	3,388,037
Buildings	701,068	136,364	564,704	588,233
Computer equipment	10,060	9,297	763	323
Equipment	75,640	40,200	35,440	30,380
Motor vehicles	14,593	13,597	996	1,196
	<u>\$ 5,939,398</u>	<u>\$ 199,458</u>	<u>\$ 5,739,940</u>	<u>\$ 4,008,169</u>

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

	2024	2023
Payable to VanCity Bank, non interest bearing. Proceeds were \$60,000 with \$20,000 forgivable as long as \$40,000 is paid in full by January 18, 2024. The loan was paid in full in 2024 and the \$20,000 forgivable portion was brought into income in prior years.	\$ -	\$ 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, 2024****7. GRANT REVENUE**

Grant revenue received by the Association consisted of the following:

	<u>2024</u>	<u>2023</u>
<u>General fund</u>		
Federal Grants	\$ 105,657	\$ 64,985
Provincial Grants	70,402	73,915
Regional Grants	5,532	11,424
Corporate Grants	4,985	4,000
Foundation Grants	<u>321,634</u>	<u>373,400</u>
	508,210	527,724
<u>Endowment fund</u>		
Foundation Grants	<u>100,000</u>	-
	100,000	-
<u>Land fund</u>		
Federal Grants	-	550,000
Provincial Grants	1,750,000	-
Foundation Grants	-	321,250
	<u>1,750,000</u>	<u>871,250</u>
	<u>\$ 2,358,210</u>	<u>\$ 1,398,974</u>

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

8. 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 was purchased by the Galiano Conservancy Association in 2023 for \$871,250, at their cost. A stewardship endowment in the amount of \$150,000 has been established, increased from \$130,750 established in 2023.

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 \$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 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, 2024

8. LAND HELD IN TRUST (continued)

Talking Trees

District Lot 50 (known as "Talking Trees"), is a waterfront property hosting 600 m of Garry Oak Bluff habitat, wetlands, riparian corridors, and mature coastal Douglas-fir forest. The 103.5 acre property was purchased in 2024 for \$1,750,000 with a grant from the Old Growth Nature Fund (federal/provincial partnership). A stewardship endowment in the amount of \$120,000 has been established in 2024.

The title is held by Galiano Conservancy Association. A Right of Use Agreement was entered into with the previous owners of the property. This permits access to part of the property within specific terms of the agreement, for a period of thirty years.

9. LAND HELD IN TRUST - BC ASSESSMENT VALUES

The following are the BC Assessment Values as per the 2025 Property Assessment Notice:

	<u>July 1, 2024</u>
Millard Learning Centre Land - 10825 Porlier Pass Road	\$ 6,854,900
Quadra Hill - Melissa Road	768,000
Finlay Lake - Ellis Road	409,000
Great Beaver Swamp - Melissa Road	915,000
Laughlin Lake - Vineyard Way	331,000
Pebble Beach Reserve (District Lot 63) - McCoskrie Road	994,000
Mount Sutil - Steward Drive	653,000
Retreat Island	406,000
Talking Trees - Porlier Pass Road	1,889,400
	<u>\$ 13,220,300</u>

These values may not represent the fair market value of the the properties and are included for informational purposes only.

10. LAND HELD IN TRUST - LEASE COMMITMENTS

In 2024, the Association entered into a lease agreement with BC Parks Foundation. The Association is to manage the land (Lot 35, District Lot 23, Galiano Island, Cowichan District, Plan 24161) as a Nature Reserve in accordance with the terms of the lease. The term is from Sep 19, 2024 to August 1, 2044 and is for an amount of \$1 for the term. Within the terms of the lease agreement, the lease can be renewed every twenty years.

11. REMUNERATION

Under the Societies Act (British Columbia) there is a requirement to disclose the remuneration paid to all directors, to the ten highest paid employees who are paid at least \$75,000 annually, and to all contractors who are paid at least \$75,000 annually. The Society paid \$84,736 to one employee during the fiscal year. No amount was paid to directors during the year.