

GALIANO CONSERVANCY ASSOCIATION
Financial Statements
Year Ended December 31, 2020

GALIANO CONSERVANCY ASSOCIATION
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Year Ended December 31, 2020

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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, 2020, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Sidney, British Columbia
April 26, 2021

Paterson Henn CPA

Chartered Professional Accountants

GALIANO CONSERVANCY ASSOCIATION
Statement of Financial Position
December 31, 2020

	General Fund	Endowment Fund	Land Fund	Building Fund	2020	2019
ASSETS						
CURRENT						
Cash	\$ 168,106	\$ -	\$ 90,848	\$ -	\$ 258,954	\$ 245,883
Term deposits and marketable securities	126	376,722	-	-	376,848	373,914
Accounts receivable	185,300	-	-	-	185,300	19,749
	353,532	376,722	90,848	-	821,102	639,546
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 4)	22,019	-	2,516,786	645,341	3,184,146	3,215,341
	\$ 375,551	\$ 376,722	\$ 2,607,634	\$ 645,341	\$ 4,005,248	\$ 3,854,887
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 5,003	\$ -	\$ -	\$ -	\$ 5,003	\$ 2,409
Deferred revenue (Note 7)	349,883	-	-	1	349,884	213,880
	354,886	-	-	1	354,887	216,289
CEBA LOAN (Note 5)	30,000	-	-	-	30,000	-
PROMISSORY NOTES (Note 6)	-	-	1,000	-	1,000	1,000
	384,886	-	1,000	1	385,887	217,289
	(9,335)	376,722	2,606,634	645,340	3,619,361	3,637,598
NET ASSETS (DEBT)	\$ 375,551	\$ 376,722	\$ 2,607,634	\$ 645,341	\$ 4,005,248	\$ 3,854,887

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2020

	General Fund	Endowment Fund	Land Fund	Building Fund	2020	2019
REVENUES						
Contracts	\$ 5,075	\$ -	\$ -	\$ -	\$ 5,075	\$ 8,359
Corporate grants	2,467	-	-	-	2,467	2,500
Donations	102,466	-	-	-	102,466	128,791
Federal and provincial grants	193,211	-	-	-	193,211	315,462
Foundation grants	145,236	-	-	-	145,236	70,202
Interest income	2,692	2,934	-	-	5,626	29,806
Memberships	2,450	-	-	-	2,450	3,080
Program fees	11,023	-	-	-	11,023	46,089
Public service	-	-	-	-	-	2,377
Regional grants	7,388	-	-	-	7,388	25,986
Rental income	5,724	-	-	-	5,724	11,456
Sales	8,348	-	-	-	8,348	10,524
Wage subsidies	60,678	-	-	-	60,678	64,058
	546,758	2,934	-	-	549,692	718,690
EXPENSES						
Accounting and legal fees	17,329	-	-	-	17,329	16,819
Advertising and promotion	1,641	-	-	-	1,641	4,462
Amortization	3,820	-	-	27,376	31,196	17,036
Bad debts	-	-	-	-	-	180
Conferences and education (recovery)	(525)	-	-	-	(525)	417
Contracts and consultants	92,655	-	-	-	92,655	73,853
Honorariums	12,400	-	-	-	12,400	14,127
Insurance, licences and fees	12,760	-	-	-	12,760	12,335
Interest and bank charges	1,256	-	-	-	1,256	1,705
Interest on bank term loan	-	-	-	-	-	4,410
Materials and supplies	29,128	-	-	-	29,128	37,326
Office supplies and sundry	12,129	-	-	-	12,129	13,283
Rent and property tax	-	-	-	-	-	6,360
Repairs and maintenance	1,715	-	-	-	1,715	3,780
Salaries and wages	357,736	-	-	-	357,736	367,929
Telephone and utilities	2,668	-	-	-	2,668	5,153
Transportation costs	4,563	-	-	-	4,563	14,055
	549,275	-	-	27,376	576,651	593,230

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See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION
Statement of Revenues and Expenditures and Changes in Net Assets (continued)
Year Ended December 31, 2020

	General Fund	Endowment Fund	Land Fund	Building Fund	2020	2019
OTHER INCOME	-	-	8,723	-	8,723	613,650
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(2,517)	2,934	8,723	(27,376)	(18,236)	739,110
NET ASSETS - BEGINNING OF YEAR	68,498	373,788	2,536,878	658,433	3,637,597	2,898,488
	65,981	376,722	2,545,601	631,057	3,619,361	3,637,598
INTERFUND TRANSFERS	(75,316)	-	61,033	14,283	-	-
NET ASSETS - END OF YEAR	\$ (9,335)	\$ 376,722	\$ 2,606,634	\$ 645,340	\$ 3,619,361	\$ 3,637,598

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (18,236)	\$ 739,110
Item not affecting cash:		
Amortization of tangible capital assets	<u>31,196</u>	17,036
	<u>12,960</u>	756,146
Changes in non-cash working capital:		
Accounts receivable	(165,551)	(710)
Accounts payable and accrued liabilities	2,594	(10)
Deferred revenue	<u>136,002</u>	(603,652)
	<u>(26,955)</u>	(604,372)
Cash flow from (used by) operating activities	<u>(13,995)</u>	151,774
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>-</u>	(341,986)
Cash flow from (used by) investing activity	<u>-</u>	(341,986)
FINANCING ACTIVITIES		
Proceeds from long term financing	40,000	-
Repayment of long term debt	<u>(10,000)</u>	(361,295)
Cash flow from (used by) financing activities	<u>30,000</u>	(361,295)
INCREASE (DECREASE) IN CASH FLOW	16,005	(551,507)
Cash - beginning of year	<u>619,797</u>	1,171,303
CASH - END OF YEAR	\$ 635,802	\$ 619,796
CASH CONSISTS OF:		
Cash	\$ 258,954	\$ 245,883
Term deposits and marketable securities	<u>376,848</u>	373,914
	<u>\$ 635,802</u>	<u>\$ 619,797</u>

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2020

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.

2. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

3. 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 Land Management Endowment is externally restricted by the mortgage and land holding agreement held by the Nature Conservancy of Canada which is registered on the title of Millard Learning Centre. In addition, existing marketable securities of \$22,538 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.

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GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

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.

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GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Millard Learning Centre	\$ 1,335,705	\$ -	\$ 1,335,705	\$ 1,335,705
Finlay Lake (District Lot 5)	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
Land held in trust (Note 7)	2,516,787	-	2,516,787	2,516,787
Buildings	691,069	45,728	645,341	672,717
Computer equipment	9,294	8,350	944	1,348
Equipment	42,354	22,596	19,758	22,964
Motor vehicles	14,093	12,776	1,317	1,525
	\$ 3,273,597	\$ 89,450	\$ 3,184,147	\$ 3,215,341

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.

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2020

5. CEBA LOAN

2020

2019

Payable to Vancity Bank, non interest bearing. Proceeds were \$40,000 and \$10,000 is forgivable as long as \$30,000 paid in full by December 31, 2022. The \$10,000 forgivable portion brought into income in the current year.

\$ 30,000 \$ -

6. 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.

7. 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, 2020

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. The 2021 BC Assessment value is \$4,321,400.

Finlay Lake (District Lot 5) - 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. The 2021 BC Assessment value is \$224,000.

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 all of the wetland. The 2021 BC Assessment value is \$503,000.

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. The 2021 BC Assessment value is \$243,000.

District Lot 58

In 2013 a conservation covenant attached to District Lot 58 was acquired for \$190,000 plus legal fees of \$10,836 for a total cost of \$200,836.

Pebble Beach - District Lot 63

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. The 2021 BC Assessment value is \$578,000.

Mt. 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. The 2021 BC Assessment value is \$479,000.

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. The 2021 BC Assessment value is \$267,000.
