

GALIANO CONSERVANCY ASSOCIATION
Financial Statements
Year Ended December 31, 2022

GALIANO CONSERVANCY ASSOCIATION
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Year Ended December 31, 2022

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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, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Sidney, British Columbia
May 27, 2023

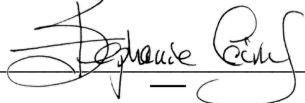
Paterson Henn CPA

Chartered Professional Accountants

GALIANO CONSERVANCY ASSOCIATION
Statement of Financial Position
December 31, 2022

	General Fund	Endowment Fund	Land Fund	Building Fund	2022	2021
ASSETS						
CURRENT						
Cash	\$ 374,792	\$ -	\$ -	\$ -	\$ 374,792	\$ 750,192
Cash - contingency reserve	73,446	-	-	-	73,446	111,030
Term deposits and marketable securities	40,126	465,107	-	-	505,233	480,745
Accounts receivable (Note 4)	23,793	-	-	-	23,793	178,368
Goods and services tax recoverable	4,418	-	-	-	4,418	50,378
Prepaid expenses	1,528	-	-	-	1,528	-
	<u>518,103</u>	<u>465,107</u>	<u>-</u>	<u>-</u>	<u>983,210</u>	<u>1,570,713</u>
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 3)	<u>36,349</u>	<u>-</u>	<u>2,516,786</u>	<u>612,743</u>	<u>3,165,878</u>	<u>3,159,435</u>
	<u>\$ 554,452</u>	<u>\$ 465,107</u>	<u>\$ 2,516,786</u>	<u>\$ 612,743</u>	<u>\$ 4,149,088</u>	<u>\$ 4,730,148</u>
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 11,837	\$ -	\$ -	\$ -	\$ 11,837	\$ 8,853
Payable to other charity (Note 4)	-	-	-	-	-	473,875
Deferred revenue (Note 7)	282,507	-	-	-	282,507	478,102
	<u>294,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,344</u>	<u>960,830</u>
CEBA LOAN (Note 5)	40,000	-	-	-	40,000	40,000
PROMISSORY NOTES (Note 6)	-	-	1,000	-	1,000	1,000
	<u>334,344</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>335,344</u>	<u>1,001,830</u>
NET ASSETS	<u>220,108</u>	<u>465,107</u>	<u>2,515,786</u>	<u>612,743</u>	<u>3,813,744</u>	<u>3,728,318</u>
	<u>\$ 554,452</u>	<u>\$ 465,107</u>	<u>\$ 2,516,786</u>	<u>\$ 612,743</u>	<u>\$ 4,149,088</u>	<u>\$ 4,730,148</u>

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, 2022

	General Fund	Endowment Fund	Land Fund	Building Fund	2022	2021
REVENUES						
Contracts	\$ 18,208	\$ -	\$ -	\$ -	\$ 18,208	\$ 11,759
Corporate grants	15,586	-	-	-	15,586	13,447
Donations	213,041	-	-	-	213,041	243,529
Federal and provincial grants	185,100	-	-	-	185,100	203,781
Foundation grants	169,171	-	-	-	169,171	132,436
Miscellaneous Revenue	1,579	-	-	-	1,579	405
Interest income	14,984	17,216	-	-	32,200	7,723
Memberships	2,310	-	-	-	2,310	3,550
Program fees	53,143	-	-	-	53,143	24,087
Regional grants	2,419	-	-	-	2,419	5,295
Rental income	30,658	-	-	-	30,658	2,711
Sales	32,657	-	-	-	32,657	36,189
Wage subsidies	149,481	-	-	-	149,481	122,657
	888,337	17,216	-	-	905,553	807,569
EXPENSES						
Accounting and legal fees	18,015	-	-	-	18,015	16,848
Advertising and promotion	11,903	-	-	-	11,903	3,944
Amortization	5,028	-	-	18,945	23,973	27,129
Conferences and education	2,064	-	-	-	2,064	-
Contracts and consultants	114,764	-	-	-	114,764	100,843
Donations	88,000	-	-	-	88,000	-
Honorariums	13,190	-	-	-	13,190	15,905
Insurance, licences and fees	17,289	-	-	-	17,289	13,074
Interest and bank charges	2,586	-	-	-	2,586	2,102
Materials and supplies	52,007	-	-	-	52,007	48,932
Office supplies and sundry	10,845	-	-	-	10,845	9,408
Rent and property tax (recovery)	-	-	-	-	-	(1,076)
Repairs and maintenance	3,831	-	-	-	3,831	3,013
Salaries and wages	443,916	-	-	-	443,916	424,173
Telephone and utilities	3,530	-	-	-	3,530	3,072
Transportation costs	14,210	-	-	-	14,210	8,710
	801,178	-	-	18,945	820,123	676,077
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	87,159	17,216	-	(18,945)	85,430	131,492

(continues)

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION
Statement of Revenues and Expenditures and Changes in Net Assets *(continued)*
Year Ended December 31, 2022

	General Fund	Endowment Fund	Land Fund	Building Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	46,372	360,475	2,699,778	621,693	3,728,318	3,619,362
	133,531	377,691	2,699,778	602,748	3,813,748	3,750,854
REMOVAL OF VANCOUVER FOUNDATION ENDOWMENT	-	-	-	-	-	(22,538)
INTERFUND TRANSFERS	86,577	87,416	(183,992)	9,995	(4)	2
NET ASSETS - END OF YEAR	\$ 220,108	\$ 465,107	\$ 2,515,786	\$ 612,743	\$ 3,813,744	\$ 3,728,318

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 85,430	\$ 131,492
Item not affecting cash:		
Amortization of tangible capital assets	23,973	27,130
	<u>109,403</u>	<u>158,622</u>
Changes in non-cash working capital:		
Accounts receivable	154,575	6,932
Accounts payable and accrued liabilities	2,981	3,852
Deferred revenue	(195,595)	128,219
Prepaid expenses	(1,528)	-
Goods and services tax payable	45,960	(50,378)
Payable to other charity	(473,875)	473,875
	<u>(467,482)</u>	<u>562,500</u>
Cash flow from (used by) operating activities	<u>(358,079)</u>	<u>721,122</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	(30,419)	(2,415)
Cash flow used by investing activity	<u>(30,419)</u>	<u>(2,415)</u>
FINANCING ACTIVITIES		
Removal of Vancouver Foundation endowment	-	(22,538)
Proceeds from long term financing	-	20,000
Repayment of long term debt	-	(10,000)
Cash flow from (used by) financing activities	<u>-</u>	<u>(12,538)</u>
INCREASE (DECREASE) IN CASH FLOW	(388,498)	706,169
Cash - beginning of year	<u>1,341,969</u>	<u>635,802</u>
CASH - END OF YEAR	\$ 953,471	\$ 1,341,971
CASH CONSISTS OF:		
Cash	\$ 374,792	\$ 750,193
Term deposits and marketable securities	505,233	480,746
Cash - contingency reserve	73,446	111,030
	<u>\$ 953,471</u>	<u>\$ 1,341,969</u>

See notes to financial statements

GALIANO CONSERVANCY ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

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. 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 MCL Land Management Endowment (\$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 Millard Learning Centre. In addition, existing marketable securities of \$117,321 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, 2022

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, 2022

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Millard Learning Centre	\$ 1,335,705	\$ -	\$ 1,335,705	\$ 1,335,705
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
Land held in trust (Note 8)	2,516,787	-	2,516,787	2,516,787
Buildings	701,068	88,325	612,743	621,690
Computer equipment	9,294	8,831	463	661
Equipment	64,691	30,222	34,469	19,128
Motor vehicles	14,593	13,175	1,418	1,169
	\$ 3,306,433	\$ 140,553	\$ 3,165,880	\$ 3,159,435

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. PURCHASE AND DONATION OF PROPERTY

In the prior year the organization purchased land located on Galiano Island, known as District Lot 64. The purchase price, including GST and property taxes, was \$2,064,872. The Nature Conservancy of Canada provided a grant of \$880,000 and the Nature Trust of BC raised funds and provided loans totaling \$1,084,872 to aid in the purchase of this property. The balance of \$473,875 was fully paid to the Nature Trust of BC in March 2022 for amounts paid on Galiano Conservancy Association's behalf relating to the purchase.

Also in the prior year donations of \$230,000 were received from private donors to directly facilitate the property purchase. These donations were not included in the organization's revenue donation amounts as the property they helped purchase was donated to the Nature Trust of BC in March 2022.

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GALIANO CONSERVANCY ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2022

4. PURCHASE AND DONATION OF PROPERTY *(continued)*

	2022	2021
Description of purchase transactions:		
Opening balance, January 1	-473,875	0
Purchase of Cable Bay (DL64) property		2,064,872
Recoverable portion of GST Public Service Bodies' Rebate		-49,125
Foundation Grant for property purchase		-748,000
Foundation Grant for property purchase (receivable)		-132,000
Nature Trust of BC share of land purchase		-905,747
Nature Trust of BC loan to cover pledged donation	130,000	-130,000
Nature Trust of BC loan to cover 50% of GST	49,125	-49,125
Donations received for property purchase		-230,000
Endowment of property to transfer with title, paid March 2022	294,750	-294,750
	0	-473,875

5. CEBA LOAN

	2022	2021
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 December 31, 2023. The \$20,000 forgivable portion was brought into income in prior years.	\$ 40,000	\$ 40,000

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, 2022

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.

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, 2022

8. LAND HELD IN TRUST *(continued)*

2023 BC Assessment Values on Above Properties:

Millard Learning Centre Land - 10825 Porlier Pass Road	\$6,054,500
Finlay Lake - Ellis Road	362,000
Great Beaver Swamp - Melissa Road	810,000
Laughlin Lake - Vineyard Way	331,000
Pebble Beach Reserve (District Lot 63) - McCoskrie Road	887,000
Mount Sutil - Steward Drive	653,000
Retreat Island	<u>406,000</u>
Total 2023 BC Assessment Values	<u>\$9,503,500</u>

Vanilla Leaf Land - Lot 1, District Lot 58 (Covenant) does not have a BC Assessment Value available
