

FRASER VALLEY CONSERVANCY
Financial Statements
Year Ended December 31, 2021

FRASER VALLEY CONSERVANCY
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Year Ended December 31, 2021

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A. Stephen Pomeroy Ltd.
Chartered Professional Accountant
202 33123 First Avenue
Mission B.C. V2V 1G5

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Fraser Valley Conservancy

I have reviewed the accompanying financial statements of Fraser Valley Conservancy (the organization) that comprise the statement of financial position as at December 31, 2021, 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Fraser Valley Conservancy as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Mission, British Columbia
May 31, 2022


A. Stephen Pomeroy Ltd
Chartered Professional Accountant

FRASER VALLEY CONSERVANCY
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 139,994	\$ 93,958
Accounts receivable	121,911	70,653
Goods and services tax recoverable	6,469	2,187
Prepaid expenses	74,415	54,362
	342,789	221,160
LAND HELD IN TRUST (Note 6)	5,458,000	5,458,000
LAND COVENANT (Note 5)	85,000	85,000
ENDOWMENT FUNDS (Note 4)	191,853	188,517
	\$ 6,077,642	\$ 5,952,677
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 75,780	\$ 15,219
Employee deductions payable	6,400	5,712
Deferred income	145,457	96,130
	227,637	117,061
NET ASSETS		
General fund	115,152	104,099
Endowment fund	191,853	188,517
Land held in trust and covenants fund	5,543,000	5,543,000
	5,850,005	5,835,616
	\$ 6,077,642	\$ 5,952,677

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

FRASER VALLEY CONSERVANCY
Statement of Revenues and Expenditures
Year Ended December 31, 2021

	2021	2020
REVENUES		
Grant revenue	\$ 531,482	\$ 440,466
Operating, general and contract revenue	135,230	112,465
Donation revenue	16,193	10,973
Investment revenue	7,328	7,355
Property endowment revenue	3,698	7,101
Membership revenue	761	806
Interest	3	82
	694,695	579,248
EXPENSES		
Advertising and promotion	3,122	5,076
Bank charges and interest	686	414
Business taxes, licenses and memberships	1,947	1,381
Insurance	1,901	1,658
Meetings and events	453	908
Office	9,416	1,358
Professional fees	3,075	3,075
Property taxes	467	425
Rent	17,130	13,223
Salaries and wages	342,000	254,037
Sub-contracts	205,584	162,383
Supplies	65,382	39,278
Telephone	5,180	4,255
Training	1,296	733
Travel	20,011	21,032
Worksafe B.C.	2,656	2,219
	680,306	511,455
EXCESS OF REVENUES OVER EXPENSES	\$ 14,389	\$ 67,793

FRASER VALLEY CONSERVANCY
Statement of Changes in Net Assets
Year Ended December 31, 2021

	General Fund	Endowment Fund	Land held in trust and covenants Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 104,099	\$ 188,517	\$ 5,543,000	\$ 5,835,616	\$ 5,767,823
EXCESS OF REVENUES OVER EXPENSES	11,053	3,336	-	14,389	67,793
NET ASSETS - END OF YEAR	\$ 115,152	\$ 191,853	\$ 5,543,000	\$ 5,850,005	\$ 5,835,616

See notes to financial statements

FRASER VALLEY CONSERVANCY
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 14,389	\$ 67,793
Changes in non-cash working capital:		
Accounts receivable	(51,258)	(44,544)
Accounts payable	60,562	2,609
Deferred income	49,327	(65,661)
Prepaid expenses	(20,053)	(51,967)
Goods and services tax payable	(4,282)	(19)
Employee deductions payable	688	-
	34,984	(159,582)
Cash flow from (used by) operating activities	49,373	(91,789)
INVESTING ACTIVITY		
Endowment funds	(3,337)	(7,101)
INCREASE (DECREASE) IN CASH FLOW	46,036	(98,890)
Cash - beginning of year	93,958	192,848
CASH - END OF YEAR	\$ 139,994	\$ 93,958

See notes to financial statements

FRASER VALLEY CONSERVANCY
Notes to Financial Statements
Year Ended December 31, 2021
(Unaudited)

1. PURPOSE OF THE SOCIETY

Fraser Valley Conservancy (the "Society") was incorporated under the Society Act of British Columbia on November 21, 1997 for the purpose of promoting the acquisition and preservation of areas with ecological and historic value in the Fraser Valley of British Columbia.

The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met.

The Fraser valley Conservancy operates under the Canadian Land Trust Alliance Standards which are the ethical and technical guidelines for the responsible operations of the land trust.

As a Charity, the Society's primary sources of revenue are contributions from the public (including gifts of land), government grants, fee for service revenue, investment revenue, and membership fees.

The charity uses it's revenue for conservation activities, administration and to meet the ongoing costs associated with the ownership and maintenance of it's conservation land.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Revenue recognition

Fraser Valley Conservancy 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.

Government grants are recorded when there is a reasonable assurance that the society had complied with and will continue to comply with, all the necessary conditions to obtain the grants. In accordance with the deferral method, funds received in advance are deferred and recorded as revenue in the period in which the expense is incurred.

Membership revenue is recognized when the membership income is received.

Cash and short term investments

Cash is comprised of cash on hand, cash in the bank or credit union, and financial instruments with maturity dates of three months or less when acquired.

(continues)

FRASER VALLEY CONSERVANCY
Notes to Financial Statements
Year Ended December 31, 2021
(Unaudited)

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

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	30% declining balance method
Computer software	30% declining balance method
Furniture and fixtures	20% declining balance method

The organization regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Conservation lands and covenants

A conservation covenant is a voluntary, written agreement between a landowner and a covenant holder. In the agreement, the landowner covenants to protect the land or features on the land in ways that are specified in the covenant. The conservation covenant is registered against the title to the property in the British Columbia Land Title Registry. A conservation covenant registered under this section may be modified by the holder of the charge and the owner of the land charged, or discharged by the holder of the charge. The agreement runs with the title of the land and binds all future owners. If donated, a covenant's value is usually measured as the difference between the fair value of the property before and after the covenant is registered. If purchased, a covenant's value is recorded as the amount paid. Landowners may receive an income tax receipt for the donation of a conservation covenant to a registered charity.

Conservation lands are either purchased or donated. Lands are recorded at cost, which is fair market value, when the title is transferred. Landowners may receive an income tax receipt for the donation of lands to a registered charity.

Donated land, goods, or services.

Donated land is recorded at its fair market value at the time of the title transfer. Donated land is supported by independent appraisal. Other donated goods and services are not recognized in the financial statements. During the year no land was donated.

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.

FRASER VALLEY CONSERVANCY
Notes to Financial Statements
Year Ended December 31, 2021
(Unaudited)

3. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 16,315	\$ 16,315	\$ -	\$ -
Computer software	350	350	-	-
Furniture and fixtures	7,854	7,854	-	-
	\$ 24,519	\$ 24,519	\$ -	\$ -

4. ENDOWMENT FUNDS

	2021	2020
<u>Endowment funds of the Society</u>		
Endowment fund held by Abbotsford Community Foundation.	\$ 133,732	\$ 133,732
Long term investments held as property endowment funds.	58,121	54,785
	\$ 191,853	\$ 188,517

5. LAND COVENANT

<u>Land Conservation covenants</u>		
Conservation covenant over lands located at 34750 and 34752 Walker Crescent , Abbotsford B.C.	\$ 85,000	\$ 85,000

6. LAND HELD IN TRUST

Land held in trust consists of the following

	2021	2020
<u>Section heading</u>		
20758 and 30796 South Fraser Way, Abbotsford, B.C.	\$ 1,850,000	\$ 1,850,000
McKee Peak (Ledgview), Abbotsford, B.C.	1,815,300	1,815,300
33350 Industrial Avenue, Abbotsford, B.C.	1,665,000	1,665,000
Windebank Creek, Mission, B.C.	105,000	105,000
48513 Auchenway Road, Chilliwack, B.C.	22,700	22,700
	\$ 5,458,000	\$ 5,458,000

FRASER VALLEY CONSERVANCY
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(Unaudited)

7. LEASE COMMITMENT

The organization has entered into a premises lease for the period July 2021 to June 2024. The lease rate is \$1,237 to \$1,367 per month. The minimum required lease payments are as follows:

2022	\$15,230
2023	\$16,011
2024	\$ 8,201

8. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from funders and various other accounts receivable. As the Society's main funders are governments credit risks are considered low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As the society does not extend significant credit, it is not exposed to this risk in respect of its receipt of funds from its customers. As there is no long term debt and this reduces liquidity risk. The company monitors its cash balances and cash flows generated from operations to meet its requirements. Management is of the opinion that in the normal course of operations the company has sufficient resources to meet its liabilities when due.

Currency risk

Currency risk is the risk to the society that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. As the society does not hold a significant amount of currency, accounts receivable or accounts payable in foreign denominations the society does not have significant currency risk.

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. The society does not have significant interest rate risk.

FRASER VALLEY CONSERVANCY
Notes to Financial Statements
Year Ended December 31, 2021
(Unaudited)

9. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions:

	2021	2020
Transactions with a director of the Society		
Subcontract consulting work was done by a director of the Society	\$ 81,263	\$ 19,468
	\$ 81,263	\$ 19,468

These 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.

10. REMUNERATION

Under the British Columbia Societies act there is a requirement to disclose the remuneration paid to all directors, and certain employees and contractors who are paid at least \$75,000.

During the year the society paid no remuneration to it's directors for acting as directors. One director was paid \$81,263 for contract work in the normal course of business (see Related Party Transactions).
