

**FRASER VALLEY CONSERVANCY**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Fraser Valley Conservancy

We have reviewed the accompanying financial statements of Fraser Valley Conservancy (the Organization) that comprise the statement of financial position as at December 31, 2025, 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 Fraser Valley Conservancy as at December 31, 2025, 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 Fraser Valley Conservancy for the year ended December 31, 2024 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on September 24, 2025.

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Independent Practitioner's Review Engagement Report to the Members of Fraser Valley Conservancy  
(continued)

*Other legal and regulatory matter*

As required by the B.C. Society Act, we report that the accounting principles used in these financial statements have been applied on a consistent basis with that of the preceding year.

*Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 3 of the financial statements, which describes the prior period restatement.

*Empire CPA*

**EMPIRE, CHARTERED PROFESSIONAL ACCOUNTANTS**

Mission, BC  
June 3, 2026

**FRASER VALLEY CONSERVANCY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Year Ended December 31, 2025**

	2025	2024
<b>REVENUES</b>		
Donation revenue	\$ 30,263	\$ 46,985
Grant revenue	447,129	392,343
Interest	118	272
Investment revenue	5,968	3,359
Membership revenue	905	1,435
Operating, general, and contract revenue	79,699	90,382
Property endowment revenue	1,226	1,934
	565,308	536,710
<b>EXPENSES</b>		
Advertising and promotion	4,545	6,217
Bad debts (recovery)	9,365	(15,576)
Bank charges and interest	15,362	1,785
Insurance	2,304	1,736
Meetings and events	769	1,048
Office	3,145	2,249
Professional fees	6,236	5,552
Property taxes	1,358	1,151
Rent	28,000	26,886
Sub-contracts	145,589	139,684
Supplies	55,108	26,572
Telephone	4,817	4,981
Training	962	1,609
Travel	13,049	11,224
Wages and benefits	486,535	327,503
	777,144	542,621
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (211,836)</b>	<b>\$ (5,911)</b>

See notes to financial statements

**FRASER VALLEY CONSERVANCY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**Year Ended December 31, 2025**

	2024 Balance <i>Restated</i>	Deficiency of revenues over expenses	2025 Balance
General fund	\$ 252,892	\$ (213,062)	\$ 39,830
Endowment fund ( <i>Note 3</i> )	22,441	1,226	23,667
Land held in Trust and Covenants fund	5,543,000	-	5,543,000
	<b>\$ 5,818,333</b>	<b>\$ (211,836)</b>	<b>\$ 5,606,497</b>

	2023 Balance <i>Restated</i>	Deficiency of revenues over expenses	2024 Balance <i>Restated</i>
General fund	\$ 261,737	\$ (8,845)	\$ 252,892
Endowment fund ( <i>Note 3</i> )	19,507	2,934	22,441
Land held in Trust and Covenants fund	5,543,000	-	5,543,000
	<b>\$ 5,824,244</b>	<b>\$ (5,911)</b>	<b>\$ 5,818,333</b>

**FRASER VALLEY CONSERVANCY**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (211,836)	\$ (5,911)
Changes in non-cash working capital:		
Accounts receivable	(35,732)	98,085
Employee advances receivable	8,702	-
Government agencies recoverable	4,380	(5,611)
Prepaid expenses	255,874	(50,379)
Accounts payable and accrued liabilities	(86,552)	68,016
Government agencies payable	39,736	22,942
Deferred income	(2,069)	(34,621)
	184,339	98,432
Cash flow from (used by) operating activities	(27,497)	92,521
<b>INVESTING ACTIVITY</b>		
Endowment funds	(1,226)	(11,637)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(28,723)</b>	<b>80,884</b>
Cash (deficiency) - beginning of year	19,543	(61,341)
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<b>\$ (9,180)</b>	<b>\$ 19,543</b>

**FRASER VALLEY CONSERVANCY**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2025**

	2025	2024 <i>Restated</i>
<b>ASSETS</b>		
Current		
Cash	\$ -	\$ 19,543
Accounts receivable	190,806	155,074
Employee advances receivable	-	8,702
Government agencies recoverable	3,885	8,265
Prepaid expenses (Note 5)	21,669	277,543
	216,360	469,127
Endowment funds (Notes 3, 7)	23,667	22,441
Land covenant (Note 8)	85,000	85,000
Land held in trust (Note 9)	5,458,000	5,458,000
	\$ 5,783,027	\$ 6,034,568
<b>LIABILITIES AND NET ASSETS</b>		
Current		
Bank indebtedness	\$ 9,180	\$ -
Accounts payable and accrued liabilities	47,168	133,720
Government agencies payable	77,908	38,172
Deferred income (Note 10)	42,274	44,343
	176,530	216,235
<b>NET ASSETS</b>	5,606,497	5,818,333
	\$ 5,783,027	\$ 6,034,568

Loss of registered charity status (Note 4)

Lease commitments (Note 11)

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

*Emma Bryce*  
 \_\_\_\_\_ Director

See notes to financial statements

**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

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**1. PURPOSE OF THE ORGANIZATION**

Fraser Valley Conservancy (the "Organization") 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 Organization 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 not-for-profit entity, the Organization's primary sources of revenue are contributions from the public, government grants, fee for service revenue, investment revenue, and membership fees.

The Organization uses its revenue for conservation activities, administration, and to meet the ongoing costs associated with the ownership and maintenance of its conservation land.

**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 (ASNPO) found in Part III of the Chartered Professional Accountants Handbook- Accounting. Outlined below are the policies considered particularly significant:

**Fund accounting**

Fraser Valley Conservancy follows the deferral method of accounting for contributions and maintains the following funds:

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or General Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

The Land held in Trust and Covenants Fund reports only restricted resources that are held by the Organization for conservation.

**Revenue recognition**

Restricted contributions (funds designated by the contributor for a particular project or purpose) are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue 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.

Investment income earned on Endowment Fund resources that must be spent on research activities is recognized as revenue of the Endowment Fund. Other investment income is recognized as revenue of the General Fund when earned.

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**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

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

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.

Operating, general, and contract revenue is recognized revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Contributed properties and 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 cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated property is recorded at it's fair market value at the time of the title transfer as determined by independent appraisal. There was no property donated during the current year.

**Cash and cash equivalents**

Cash includes unrestricted and restricted balances held in Canadian financial institutions. Restricted cash consists of amounts designated for specific projects.

**Tangible capital assets**

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	30%
Computer software	30%
Furniture and fixtures	20%

The Organization reviews for impairment of tangible capital assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

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**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

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

**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 typically 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.

Conservation lands are either purchased or donated. Lands are recorded at cost, being the fair market value when the title is transferred.

**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.

**Financial instruments**

*Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

**Cloud computing arrangements**

The Organization has elected to apply the simplification approach for cloud computing arrangements, in accordance with Accounting Guideline AcG-20, which permits the expensing of all expenditures related to cloud computing arrangements as incurred.

**3. RESTATEMENT**

The prior year figures have been restated to reflect the removal of the Abbotsford Community Foundation Endowment Fund from the financial statements. This change was made because the Organization had no control or ownership of the fund. This change resulted in a decrease of Endowment Fund net assets as at January 1, 2024 of \$134,732 and a decrease in total assets as at January 1, 2024 of \$134,732.

**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

**4. LOSS OF REGISTERED CHARITY STATUS**

On June 21, 2025, the Canada Revenue Agency revoked the Organization's status as a registered charity under the Income Tax Act. The impact of the revocation of charity status includes:

- the loss of tax exemptions, effective the date of revocation;
- the loss of the ability to issue official donation receipts; and
- revocation tax based on the fair market value of its net assets after discharging its financial liabilities on the revocation date and certain transfers within 120 days of the revocation.

Management is in the process of re-applying for registration and believes the Organization is eligible for reinstatement, which would negate the effects described above. No tax liability has been recorded as a result.

**5. PREPAID EXPENSES**

	2025	2024
Project expenses	\$ 17,117	\$ 274,956
Rent and insurance	4,552	2,587
	<b>\$ 21,669</b>	<b>\$ 277,543</b>

Prepaid project expenses include expenses incurred for designated projects where funding is expected to be received but has not been collected, and as such is subject to measurement uncertainty. Project expenses are deferred to the period in which the funding is ultimately received.

**6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 16,315	\$ 16,315	\$ -	\$ -
Computer software	350	350	-	-
Furniture and fixtures	7,854	7,854	-	-
	<b>\$ 24,519</b>	<b>\$ 24,519</b>	<b>\$ -</b>	<b>\$ -</b>

**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

**7. ENDOWMENT FUNDS**

	2025	2024 <i>Restated</i>
Long term investments held as property endowment funds. These investments are recorded at fair market value.	\$ 23,667	\$ 22,441

The Organization also has endowment funds managed by Abbotsford Community Foundation, which generate investment revenue for the General Fund. The capital of the Endowment Fund and any additional contributions are held permanently by Abbotsford Community Foundation. The capital in this endowment fund is \$134,732 (2024 - \$134,732). During the year, investment income of \$5,968 (2024 - \$3,359) was earned on this fund.

**8. LAND COVENANT**

	2025	2024
Conservation covenant over lands located at 34750 and 34752 Walker Crescent , Abbotsford B.C.	\$ 85,000	\$ 85,000

**9. LAND HELD IN TRUST**

	2025	2024
20758 and 30796 South Fraser Way, Abbotsford, B.C.	\$ 1,850,000	\$ 1,850,000
McKee Peak (Ledgeview), 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
	<b>\$ 5,458,000</b>	<b>\$ 5,458,000</b>

**10. DEFERRED INCOME**

	2025	2024
Beginning balance	\$ 44,343	\$ 78,964
Deferred income recognized as revenue (net)	(2,069)	(34,621)
Closing balance	<b>\$ 42,274</b>	<b>\$ 44,343</b>

**11. LEASE COMMITMENT**

The Organization has entered into a commercial lease agreement for office space expiring in June, 2027, with the following minimum annual payments:

2026	\$ 19,134
2027	9,762
	<u>\$ 28,896</u>

**FRASER VALLEY CONSERVANCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2025**

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**12. ECONOMIC DEPENDENCE**

The Organization receives approximately 76% of its funding from one government funding agency. Should this agency substantially change the funding available to the Organization, management is of the opinion that continued viable operations would be doubtful.

**13. CAPITAL DISCLOSURE**

The Society defines its capital as the amounts included in its net asset balances.

The Society's objective when managing its capital is to safeguard the Society's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the economically disadvantaged communities that it serves.

**14. DISCLOSURE OF DIRECTOR AND EMPLOYEE COMPENSATION**

During the current and prior year, no employees received remuneration exceeding \$75,000. In addition, no remuneration was paid to any members of the Board of Directors in the current or prior year.

**15. 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, 2025.

**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 donors. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization's primary source of funding comes from federal and provincial government agencies which minimizes concentration of credit risk.

The Organization is exposed to credit risk equal to the sum of its financial instruments. Management believes that the risk is appropriately managed.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.