

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

FINANCIAL STATEMENTS

MARCH 31, 2011

AUDITORS' REPORT

To the Members:

We have audited the statement of financial position of the Creston Valley Wildlife Management Authority Trust Fund as at March 31, 2011 and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Creston Valley Wildlife Management Authority Trust Fund as at March 31, 2011 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. We report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Creston, B. C.
May 19, 2011

Gadicke & Minichiello
CHARTERED ACCOUNTANTS



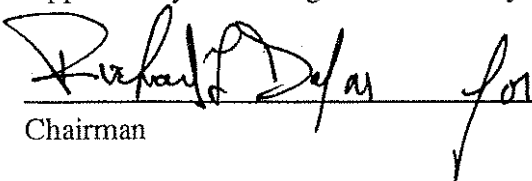
CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2011

	2011	2010
ASSETS		
Current		
Cash	\$ 150,208	\$ 460,051
Short term investments	25,385	112,605
Accounts receivable	-	51,679
HST receivable	7,738	4,883
Prepaid expenses	3,146	2,711
Inventory	4,480	11,419
	190,957	643,348
Property, Plant, and Equipment, note 2	223,796	248,020
	\$ 414,753	\$ 891,368
LIABILITIES		
Current		
Accounts payable	\$ 43,815	\$ 70,426
Deferred contribution, note 3	-	403,737
Current portion of long term debt	8,770	8,146
	52,585	482,309
Long Term Debt, note 4	27,740	36,511
	80,325	518,820
NET ASSETS		
Unrestricted Net Assets	307,946	347,548
Replacement Reserve, note 5	26,482	25,000
	334,428	372,548
	\$ 414,753	\$ 891,368

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, note 1
PERPETUAL FUND, note 7
ECONOMIC DEPENDENCY, note 8

Approved by the Management Authority:


Chairman

GADICKE & MINICHELLO

CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF OPERATIONS AND NET ASSETS FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
REVENUE		
Grants, note 6	\$ 506,473	\$ 594,952
Interest	2,619	3,011
Income from Perpetual Fund, note 7	10,153	3,404
Operations:		
Wildlife Centre and public programs	35,185	41,920
Donations	41,494	65,737
Other operations	65,130	69,804
	661,054	778,828
EXPENDITURE		
Wildlife Centre and public outreach	428,867	464,900
Fund development	1,571	5,841
Wildlife and habitat management	147,904	144,531
Administration and office	73,962	67,280
Other operations	48,352	23,945
	700,656	706,497
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR		
	(39,602)	72,331
Unrestricted net assets, beginning of year	347,548	275,217
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 307,946	\$ 347,548



CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditure for the year	\$ (39,602)	\$ 72,331
Amortization	46,933	44,721
Decrease (increase) in trade and other receivables	51,682	(38,875)
Decrease in inventory	6,939	1,194
Increase in HST receivable	(2,855)	(3,191)
Decrease (increase) in prepaid expenses	(435)	3,550
Increase (decrease) in trade and other payables	(26,615)	29,427
Increase (decrease) in deferred revenue	(403,737)	403,737
	(367,690)	512,894
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in long term debt	(8,146)	(7,567)
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in investments	87,220	16,365
Increase in Replacement Reserve	1,482	-
Additions to property, plant and equipment	(22,709)	(90,866)
	65,993	(74,501)
INCREASE (DECREASE) IN CASH		
Cash, beginning of period	(309,843)	430,826
	460,051	29,225
CASH, END OF PERIOD	\$ 150,208	\$ 460,051
During the year the Authority Trust Fund paid:		
Interest on long term debt	\$ 3,103	\$ 3,683

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

The Creston Valley Wildlife Management Authority Trust Fund was established in 1968 by the Creston Valley Wildlife Act for wildlife conservation, management and development in the Creston Valley Wildlife Management Area. The Trust Fund is administered by the Creston Valley Wildlife Management Authority.

Fund Accounting

The management authority follows the restricted fund method of accounting for contributions. The general fund reports contributions, other revenue and expenditures related to the operations, administration and capital funding of the organization. The replacement reserve fund reports contributions and expenditures for new projects, contingencies and replacement of equipment and machinery.

Financial Instruments

The fair value of cash, short term investments, accounts receivable, accounts payable and deferred contributions is approximately equal to their carrying value due to their short term maturity date.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management manages cash default risk by dealing with only large financial institutions with good credit ratings and manages receivable credit risk through standard credit and reference checks.

Liquidity risk

The Company considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long term financial needs, at a reasonable cost.

Measurement Uncertainty

These financial statements have been prepared in accordance with Canadian generally accepted accounting practices. In preparing these financial statements management has made estimates and assumptions that affect the amount reported. In particular, management has made estimates regarding the collectibility of accounts receivable, valuation of inventory and the useful lives of equipment and therefore their appropriate amortization rates. Actual results could differ from those estimates.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.



CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. Amortization is provided on a straight-line basis at the following rates:

Automobile	7 years
Buildings and bridges	20 years
Computer hardware	1 years
Equipment	5 years
Software	1 year
Water control structures	30 years

Other than computer hardware and software which are amortized fully, one half of these rates are applied in the year of acquisition

Revenue Recognition

Revenue is recognized as revenue in the general fund in the year in which the related expenses are incurred. The replacement reserve fund reports contributions when received and expenses as incurred.

Donated Materials and Services

Certain donated materials and services, such as biological advice, support services, and volunteer time in and around the wildlife management area are received on behalf of the Trust Fund. These donated materials and services are not recorded in the financial statements.

2. PROPERTY, PLANT, AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2011	Net 2010
Automotive	\$ 227,567	\$ 108,380	\$ 119,187	\$ 146,381
Equipment	61,701	29,700	32,001	21,058
Computers	39,780	32,312	7,468	11,720
Buildings and bridges	74,423	9,283	65,140	68,861
	<u>\$ 403,471</u>	<u>\$ 179,675</u>	<u>\$ 223,796</u>	<u>\$ 248,020</u>

The following property, plant and equipment of the management authority are not included in the financial statements as financial information necessary to determine the cost of these assets is not reasonably determinable:

1. 17,000 acres of land in the Kootenay River Valley in southeastern British Columbia, within which approximately 21.5 miles of earth dykes were built between 1969 and 1996
2. 30-35 culverts with control pumps, built/installed between 1969 and 1996
3. An office building (built in 1971)
4. A visitor centre (built in 1974)
5. A tenting area (built in 1970) which has been closed.

GADICKE & MINICHELLO

CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

3. DEFERRED CONTRIBUTION

The following amounts have been received in respect of the next fiscal year:

	2011	2010
B. C. Hydro	\$ -	\$ 380,310
Grazing pasture rentals	-	23,427
	\$ -	\$ 403,737

4. LONG TERM DEBT

	2011	2010
John Deere Agreement Payable		
Loan payable in quarterly instalments of \$2,812 including interest at 7.45%, secured by specific equipment, maturing October 2014	\$ 36,510	\$ 44,657
Less current portion of long term debt	8,770	8,146
	\$ 27,740	\$ 36,511

Principal payments due within the next four years are approximately as follows:

2012	\$ 8,770
2013	9,442
2014	10,166
2015	8,132
	\$ 36,510

5. REPLACEMENT RESERVE FUND

The Management Authority has established a Reserve Fund for the purposes of funding new projects, contingencies and replacement of equipment and machinery. The funds are maintained in a separate investment account and interest is added to the reserve as earned.

	2011	2010
Balance, beginning of year	\$ 25,000	\$ 25,000
Interest	1,482	-
Balance, end of year	\$ 26,482	\$ 25,000

GADICKE & MINICHELLO

CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

6. GRANT REVENUE

	2011	2010
Grant revenue was received from the following sources:		
B. C. Hydro - operating grant	\$ 380,310	\$ 379,978
B.C. Hydro - special funding	1,400	12,000
Canadian Museums Association	12,038	12,067
Centre for Environmental Stewardship and Conservation	-	10,000
Columbia Basin Trust	5,000	19,394
Creston & District Credit Union	2,000	-
Columbia Power	2,500	-
Ducks Unlimited Canada	17,500	1,000
EK Landowner	-	9,450
Environment Canada	24,362	19,088
Fortis BC	2,500	-
HCTF Wildlife Maintenance	40,000	85,150
HRDC Summer Career Placement	4,383	-
Ktunaxa Nation Council	-	4,000
Labatts	-	1,000
Ministry of Environment	-	20,000
Regional District of Central Kootenay	2,330	3,000
Town of Creston - annual grant	10,900	11,900
Town of Creston - special funding	1,250	-
Wildlife Habitat Canada	-	6,250
Wildsight	-	675
	\$ 506,473	\$ 594,952

7. PERPETUAL FUND

	2011	2010
Balance, beginning of year	\$ 261,320	\$ 251,785
Donations received	24,555	9,535
Balance, end of year	\$ 285,875	\$ 261,320

In connection with efforts towards obtaining funding from non-government sources, the Management Authority has established a perpetual fund administered by the Vancouver Foundation. Under the terms of the deed of gift, the perpetual fund is owned by the Vancouver Foundation. Income received from the Vancouver Foundation during the year amounted to \$10,153 (2010 - \$3,404). Included in the balance of the perpetual fund is \$14,672 (2010 - \$5,117) of funds that had not been transferred to the Vancouver Foundation as at the March 31.

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2011

8. ECONOMIC DEPENDENCY

Continued operation of the management authority is dependent on finding additional sources of revenue.

Beginning in 1999, the British Columbia Government has asked BC Hydro to contribute \$300,000 per year to the Creston Valley Wildlife Management Authority to ensure that adequate annual funding is in place. This contribution is being indexed annually. The current year contribution is \$380,310 (2010- \$379,978).