

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

FINANCIAL STATEMENTS

MARCH 31, 2014





INDEPENDENT AUDITOR'S REPORT

To the Board of the Trust Fund and the Minister responsible:

We have audited the accompanying financial statements of Creston Valley Wildlife Management Authority Trust Fund, which are comprised of the statement of financial position as at March 31, 2014 and the statement of operations and net assets for the year then ended, and the related notes, which include 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Creston Valley Wildlife Management Authority Trust Fund as at March 31, 2014, and its financial performance and cash flows for the year ended March 31, 2014, in accordance with Canadian accounting standards for not-for-profit organizations.

Creston, B. C.
June 19, 2014

Gadicke & Carr
CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2014

| | 2014 | 2013 |
|-----------------------------------|------------|------------|
| ASSETS | | |
| Current | | |
| Cash and term deposits | \$ 209,428 | \$ 159,234 |
| Accounts receivable | 124,443 | 49,642 |
| HST receivable | - | 7,454 |
| Prepaid expenses | 2,514 | 2,198 |
| Inventory | 10,582 | 11,413 |
| | 346,967 | 229,941 |
| Capital Assets, note 2 | 108,681 | 149,984 |
| | \$ 455,648 | \$ 379,925 |
| LIABILITIES | | |
| Current | | |
| Accounts payable | \$ 15,337 | \$ 33,175 |
| HST/GST payable | 14,231 | - |
| Deferred Revenue, note 3 | 27,100 | 1,500 |
| Current portion of long term debt | 8,132 | 10,166 |
| | 64,800 | 44,841 |
| Long Term Debt, note 4 | - | 8,132 |
| | 64,800 | 52,973 |
| NET ASSETS | | |
| Unrestricted Net Assets | 390,848 | 326,952 |
| | \$ 455,648 | \$ 379,925 |

See accompanying notes to the financial statements

Approved by the Management Authority:



15 July 2014

Chairman



Gadicke & Carr
CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF OPERATIONS AND NET ASSETS FOR THE YEAR ENDED MARCH 31, 2014

| | 2014 | 2013 |
|---|-------------------|-------------------|
| REVENUE | | |
| Grants, note 5 | \$ 535,900 | \$ 644,729 |
| Interest | 508 | 1,156 |
| Income from Perpetual Fund, note 6 | 10,922 | 10,518 |
| Operations: | | |
| Wildlife Centre and public programs | 35,014 | 31,110 |
| Donations | 103,062 | 24,961 |
| Other operations | 81,879 | 51,055 |
| | <u>767,285</u> | <u>763,529</u> |
| EXPENDITURE | | |
| Wildlife Centre and public outreach | 365,779 | 452,581 |
| Fund development | 365 | 432 |
| Wildlife and habitat management | 256,923 | 246,704 |
| Administration and office | 48,104 | 53,751 |
| Interpretive Centre | 32,218 | 40,411 |
| | <u>703,389</u> | <u>793,879</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR | 63,896 | (30,350) |
| Unrestricted net assets, beginning of year | 326,952 | 357,302 |
| UNRESTRICTED NET ASSETS, END OF YEAR | <u>\$ 390,848</u> | <u>\$ 326,952</u> |

See accompanying notes to the financial statements



Gadick & Carr
CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

| | 2014 | 2013 |
|---|------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Excess(deficiency) of revenue over expenditure for the year | \$ 63,896 | \$ (30,350) |
| Amortization | 44,764 | 47,603 |
| Increase in trade and other receivables | (74,801) | (48,827) |
| Decrease (increase) in inventory | 831 | (3,794) |
| Decrease (increase) in HST receivable | 21,685 | (5,483) |
| Decrease (increase) in prepaid expenses | (317) | 561 |
| Increase (decrease) in trade and other payables | (17,837) | 9,780 |
| Increase in deferred revenue | 25,600 | 1,500 |
| | 63,821 | (29,010) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Decrease in long term debt | (10,166) | (9,442) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Decrease in investments | - | (25,000) |
| Transfer from short term investments | - | 25,000 |
| Proceeds on disposal of capital assets | - | (325) |
| Additions to capital assets | (3,461) | (4,258) |
| | (3,461) | (4,583) |
| INCREASE (DECREASE) IN CASH | 50,194 | (43,035) |
| Cash and term deposits, beginning of period | 159,234 | 202,269 |
| CASH AND TERM DEPOSITS, END OF PERIOD | \$ 209,428 | \$ 159,234 |

See accompanying notes to the financial statements



Gadick & Carr
CHARTERED ACCOUNTANTS

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for non-profit organizations (ASNFPO)

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.

Capital Assets

Capital assets are 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 |

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



CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

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 as the amount is not reasonably determinable.

2. CAPITAL ASSETS

As as March 31, 2014

| | Cost | Accumulated Amortization | Net 2014 |
|-----------------------|-------------------|-----------------------------|-------------------|
| Automotive | \$ 230,067 | \$ 190,471 | \$ 39,596 |
| Equipment | 79,003 | 63,895 | 15,108 |
| Computers | 44,019 | 44,019 | - |
| Buildings and bridges | 74,423 | 20,446 | 53,977 |
| | <u>\$ 427,512</u> | <u>\$ 318,831</u> | <u>\$ 108,681</u> |

CAPITAL ASSETS

As at March 31, 2013

| | Cost | Accumulated Amortization | Net 2013 |
|-----------------------|-------------------|-----------------------------|-------------------|
| Automotive | \$ 230,067 | \$ 162,947 | \$ 67,120 |
| Equipment | 77,799 | 53,704 | 24,095 |
| Computers | 41,762 | 40,691 | 1,071 |
| Buildings and bridges | 74,423 | 16,725 | 57,698 |
| | <u>\$ 424,051</u> | <u>\$ 274,067</u> | <u>\$ 149,984</u> |

The following capital assets 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 and subsequent improvements
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.



CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

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3. DEFERRED REVENUE

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

| | 2014 | 2013 |
|---------------------------------------|-----------|----------|
| Columbia Basin Trust | \$ 22,100 | \$ 1,500 |
| Friends of the Environment Foundation | 5,000 | - |
| | \$ 27,100 | \$ 1,500 |

4. LONG TERM DEBT

| | 2014 | 2013 |
|--|----------|-----------|
| John Deere Agreement Payable | | |
| Loan payable in quarterly instalments of \$2,812 including interest at 7.45%, secured by specific equipment, maturing October 2014 | \$ 8,132 | \$ 18,298 |
| Less current portion of long term debt | 8,132 | 10,166 |
| | \$ - | \$ 8,132 |

5. GRANT REVENUE

| | 2014 | 2013 |
|--|------------|------------|
| Grant revenue was received from the following sources: | | |
| B. C. Hydro - operating grant | \$ - | \$ 400,885 |
| B.C. Hydro - special funding | 9,025 | - |
| Columbia Power Corporation | 1,500 | - |
| Ducks Unlimited Canada | 407,522 | - |
| Friends of the Environment Foundation | 4,000 | - |
| HCTF Wildlife Maintenance | 10,000 | 38,000 |
| HRDC Summer Career Placement | 5,626 | 4,922 |
| Ministry of Forests, Lands & Natural Resources | 87,327 | 179,022 |
| Regional District of Central Kootenay | - | 1,000 |
| Town of Creston - annual grant | 10,900 | 10,900 |
| Wildlife Habitat Canada | - | 10,000 |
| | \$ 535,900 | \$ 644,729 |



CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

6. PERPETUAL FUND

| | 2014 | 2013 |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 298,949 | \$ 296,563 |
| Donations received | 2,947 | 2,386 |
| Balance, end of year | \$ 301,896 | \$ 298,949 |

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 \$10,922 (2013 - \$10,518).

7. ECONOMIC DEPENDENCY

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

Beginning in 1999, the government of BC 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. That contribution was indexed to increase annually. The agreement ceased in 2013.

Effective April 1, 2013 the Creston Valley Wildlife Management Authority signed a Memorandum of Understanding (MOU) with Ducks Unlimited Canada (DUC) which provides for funding to the authority of \$100,000 per quarter. The MOU is not legally binding and is predicated upon the receipt by DUC of funding from BC Hydro intended for the authority.

8. RECLASSIFICATION

Certain of the prior year figures have been reclassified in order to conform with the presentation adopted in the current year.



