

PENINSULA STREAMS SOCIETY
Financial Statements
Year Ended December 31, 2020

PENINSULA STREAMS SOCIETY
Index to Financial Statements
Year Ended December 31, 2020

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Deficit	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Peninsula Streams Society

We have reviewed the accompanying financial statements of Peninsula Streams Society (the Society) that comprise the statement of financial position as at December 31, 2020, and the statements of operations and deficit 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, 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 Peninsula Streams Society as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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Independent Practitioner's Review Engagement Report to the Members of Peninsula Streams Society
(continued)

Report on Other Legal and Regulatory Requirements

As required by the BC Societies Act, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with the preceding year.

Sidney, British Columbia
April 21, 2021

Paterson Henn CPA

Chartered Professional Accountants

PENINSULA STREAMS SOCIETY
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 122,039	\$ 21,434
Restricted cash (Note 4)	78,704	322,337
Accounts receivable	39,711	300
GST rebate receivable	15,876	2,312
	256,330	346,383
CAPITAL ASSETS (Note 5)	840	1,512
	\$ 257,170	\$ 347,895
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 88,104	\$ 74,357
Wages payable	8,405	8,068
Deferred revenue (Note 8)	119,000	287,739
	215,509	370,164
LONG TERM DEBT (Note 7)	30,000	-
	245,509	370,164
NET ASSETS (DEBT)	11,661	(22,269)
	\$ 257,170	\$ 347,895

ON BEHALF OF THE BOARD



Director



Director

PENINSULA STREAMS SOCIETY
Statement of Operations and Deficit
Year Ended December 31, 2020

	2020	2019
REVENUE		
Contracts	\$ 41,789	\$ 42,723
Corporate sponsorships	45,341	15,094
Grants	767,682	158,613
Donations - organizations	10,460	21,133
Donations - individuals	51,891	37,203
Events and fundraising income	-	64,976
Membership fees and other income	2,071	2,998
Interest and investment income	179	402
	<u>919,413</u>	<u>343,142</u>
EXPENSES		
Accounting fees	5,830	2,255
Amortization	672	672
Bank charges and interest	337	857
Construction materials	8,883	7,150
Contractor services	705,831	87,331
Equipment rentals	693	17,062
Fundraising expenses	62	21,193
Insurance	1,173	597
Laboratory fees	12,194	8,206
Meals	96	-
Memberships	346	225
Office and sundry	5,757	3,071
Professional fees - consultants	13,785	-
Rental	90	644
Supplies	14,849	13,128
Telephone and website expenses	452	690
Training	989	1,560
Travel	167	318
Vehicle reimbursements	3,933	5,197
Wages - employee benefits	8,013	8,976
Wages - salaries	111,331	143,860
	<u>895,483</u>	<u>322,992</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	23,930	20,150
OTHER INCOME		
Government assistance - CEBA loan (Note 7)	10,000	-
	<u>10,000</u>	<u>-</u>
NET EXCESS OF REVENUE OVER EXPENSES	33,930	20,150
NET ASSETS (DEBT) - BEGINNING OF YEAR	<u>(22,269)</u>	<u>(42,419)</u>
NET ASSETS (DEBT) - END OF YEAR	<u>\$ 11,661</u>	<u>\$ (22,269)</u>

See notes to financial statements

PENINSULA STREAMS SOCIETY
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 33,930	\$ 20,150
Item not affecting cash:		
Amortization of capital assets	672	672
	<u>34,602</u>	<u>20,822</u>
Changes in non-cash working capital:		
Accounts receivable	(39,411)	1,367
GST rebate receivable	(13,564)	5,197
Accounts payable and accrued liabilities	13,747	36,228
Wages payable	337	600
Deferred revenue	(168,739)	181,724
	<u>(207,630)</u>	<u>225,116</u>
Cash flow from (used by) operating activities	<u>(173,028)</u>	<u>245,938</u>
FINANCING ACTIVITY		
Proceeds from CEBA loan (net) (Note 7)	30,000	-
Cash flow from financing activity	<u>30,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(143,028)	245,938
Cash - beginning of year	<u>343,771</u>	<u>97,833</u>
CASH - END OF YEAR	\$ 200,743	\$ 343,771
CASH CONSISTS OF:		
Cash	\$ 122,039	\$ 21,434
Restricted cash (Note 4)	<u>78,704</u>	<u>322,337</u>
	<u>\$ 200,743</u>	<u>\$ 343,771</u>

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

1. PURPOSE OF THE SOCIETY

Peninsula Streams Society (the "Society") is a not-for-profit organization incorporated under the Societies Act of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The purposes of Peninsula Streams Society are:

1. To develop, organize and participate in environmental projects and programs on the Saanich Peninsula and surrounding areas that will:
 - monitor, preserve and restore flora and fauna;
 - monitor, preserve and restore rivers, creeks and watershed, marine environments and near-shore environments;
 - conserve, re-use and reduce water and waste;
 - improve the urban and rural/agricultural environments.
2. To educate and increase the understanding of the public, environmental organizations, government and the press about environmental preservation and restoration and their importance, by offering workshops, seminars, training and lectures.
3. To conduct research relating to the environment and disseminate the results of such research.

2. COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The Society follows the BC provincial guidance and orders to conduct their operations within the Provincial Health Officer orders (PHO), BC provincial orders, BC Workers' Compensation and any other guidelines to carry out the Society's purposes in a safe manner.

Management is uncertain of the long term implications but has been able to continue to operate and based on the current information, management does not believe there is a going concern issue for the Society.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis:

Trailers	5 years
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Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

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

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. Significant contributions in-kind are received each year and where the fair value of these donated materials and services cannot be reasonably determined, these have not been included in revenue and expenses and are therefore not reflected in these financial statements.

Financial instruments

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.

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.

Revenue recognition

Peninsula Streams Society 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.

Contract revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

4. RESTRICTED CASH

Restricted cash consists of funding received from gaming and other grants to be used for specific purposes. These amounts include funds to be paid out as payables or grants to be repaid.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Trailers	\$ 3,360	\$ 2,520	\$ 840	\$ 1,512

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

6. LINE OF CREDIT

The Society has an operating line of credit with VanCity in the amount of \$25,000 with interest payable at prime plus 2% (currently 4.45%). The operating account was not in an overdraft position at the current year end or prior year end.

7. LONG TERM DEBT

	2020	2019
Vancity CEBA loan bearing interest at 0% per annum repayable December 31, 2025. See below.	\$ 30,000	\$ -

The Society applied and received \$40,000 as a long term loan with VanCity Credit Union through the government program Canadian Emergency Business Account (CEBA). The loan is interest-free until December 31, 2022. If paid by December 31, 2022, \$10,000 will be forgiven. Should the loan not be repaid, it will be converted to an interest bearing loan and is due December 31, 2025.

The \$10,000 has been included in the current year as "Other Income" as the Society is expecting to pay the \$30,000 portion of the loan by December 31, 2022.

8. DEFERRED REVENUE

Grants and other contributions related to the Society's projects and specific purposes have been deferred as follows:

	2020	2019
BEACH - Sitka Foundation	\$ 11,000	\$ -
Core Program - Victoria Foundation/various	22,500	-
Education Program - VanCity Community Foundation	15,000	15,000
Gaming Grant - Province of BC	33,000	25,500
Gaming Grant - Province of BC - Capital Projects	-	232,285
Lochside/Blenkinsop - VanCity Community Foundation	5,000	-
Millstream Project - various sources	27,500	14,954
Raingarden - VanCity Community Foundation	5,000	-
	\$ 119,000	\$ 287,739

Deferred revenue recognized during the year is included in grant revenue as follows:

	2020	2019
Revenue deferred from prior year	\$ 272,739	\$ 41,824
Revenue deferred to future year	(104,000)	(238,303)
	\$ 168,739	\$ (196,479)

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

9. VICTORIA FOUNDATION ENDOWMENT FUND

The Society contributed to a Hosted Organization Endowment Fund with the Victoria Foundation. The contribution is invested by the Victoria Foundation and based on the contributions and any net increases in investment values, the Society is entitled to receive grant funds which can be used for general operations. The distributions are recorded as part of grant revenue in the year they are received. At December 31, 2020 an additional \$878 was available and has not been recorded as revenue.

The Society and other individuals or organizations are able to contribute to this fund through the Victoria Foundation.

10. REMUNERATION

As required by the Societies Act of British Columbia, a company under contract for services was paid a total of \$93,562 during the year (excluding taxes and reimbursement of materials/other expenditures). No amount was paid to directors during the year and there were no employees paid in excess of \$75,000 during the year.