

PENINSULA STREAMS SOCIETY
Financial Statements
Year Ended December 31, 2021

PENINSULA STREAMS SOCIETY
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Year Ended December 31, 2021

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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 Organization) that comprise the statement of financial position as at December 31, 2021, and the statements of operations and net assets (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 Organization 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 over these revenues was limited to the amounts recorded in the records of the Organization. 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, 2021, current assets and net assets as at December 31, 2021.

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, 2021, 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 Societies Act (British Columbia), 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
May 16, 2022

Paterson Henn CPA

Chartered Professional Accountants

PENINSULA STREAMS SOCIETY
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 149,552	\$ 122,039
Restricted cash <i>(Note 4)</i>	44,248	78,704
Accounts receivable	55,106	39,711
GST rebate receivable	3,321	15,876
	252,227	256,330
CAPITAL ASSETS <i>(Note 5)</i>	168	840
	\$ 252,395	\$ 257,170
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 36,164	\$ 84,898
Employee deductions payable	2,997	3,206
Wages payable	11,799	8,405
Deferred revenue <i>(Note 7)</i>	150,791	119,000
	201,751	215,509
LONG TERM DEBT <i>(Note 8)</i>	30,000	30,000
	231,751	245,509
NET ASSETS	20,644	11,661
	\$ 252,395	\$ 257,170

See notes to financial statements

PENINSULA STREAMS SOCIETY
Statement of Operations and Net Assets (Deficit)
Year Ended December 31, 2021

	2021	2020
REVENUE		
Grants	\$ 264,439	\$ 767,682
Contracts	74,351	41,789
Donations - individuals	42,161	51,891
Donations - organizations	34,087	10,460
Events and fundraising income	25,197	-
Corporate sponsorships	22,739	45,341
Membership fees and other income	7,701	2,071
Interest and investment income	229	179
	<u>470,904</u>	<u>919,413</u>
EXPENSES		
Accounting fees	6,853	5,830
Advertising and promotion	1,644	-
Amortization	672	672
Bank charges and interest	219	337
Construction materials	4,085	8,883
Contractor services	159,618	705,831
Equipment rentals	199	693
Fundraising expenses	3,384	62
Insurance	1,133	1,173
Laboratory fees	9,914	12,194
Meals	1,145	96
Memberships	-	346
Office and sundry	12,839	5,757
Professional fees - consultants	24,586	13,785
Rental	-	90
Supplies	24,341	14,849
Telephone and website expenses	5,136	452
Training	2,270	989
Travel	777	167
Vehicle reimbursements	8,960	3,933
Wages - employee benefits	14,690	8,013
Wages - salaries	179,456	111,331
	<u>461,921</u>	<u>895,483</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	8,983	23,930
OTHER INCOME		
Government assistance - CEBA loan (Note 8)	-	10,000
EXCESS OF REVENUE OVER EXPENSES	8,983	33,930
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	11,661	(22,269)
NET ASSETS (DEFICIT) - END OF YEAR	\$ 20,644	\$ 11,661

See notes to financial statements

PENINSULA STREAMS SOCIETY
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 8,983	\$ 33,930
Item not affecting cash:		
Amortization of capital assets	672	672
	<u>9,655</u>	<u>34,602</u>
Changes in non-cash working capital:		
Accounts receivable	(15,395)	(39,411)
GST rebate receivable	12,555	(13,564)
Accounts payable and accrued liabilities	(48,734)	11,682
Deferred revenue	31,791	(168,739)
Wages payable	3,394	337
Employee deductions payable	(209)	2,065
	<u>(16,598)</u>	<u>(207,630)</u>
Cash flow used by operating activities	<u>(6,943)</u>	<u>(173,028)</u>
FINANCING ACTIVITY		
Proceeds from long term financing	-	30,000
Cash flow from financing activity	<u>-</u>	<u>30,000</u>
DECREASE IN CASH FLOW	(6,943)	(143,028)
Cash - beginning of year	<u>200,743</u>	<u>343,771</u>
CASH - END OF YEAR	\$ 193,800	\$ 200,743
CASH CONSISTS OF:		
Cash	\$ 149,552	\$ 122,039
Restricted cash	<u>44,248</u>	<u>78,704</u>
	\$ 193,800	\$ 200,743

See notes to financial statements

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2021

1. PURPOSE OF THE ORGANIZATION

Peninsula Streams Society (the "Organization") is a not-for-profit organization incorporated under the Societies Act of British Columbia. As a registered charity the Organization 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 has continued and changed over this time period.

The Organization 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 Organization's purposes in a safe manner. The Organization has responded by cancelling in-person events and meetings and moving activities on-line, where possible. There has not been a significant impact on the operations to date as a result of the pandemic.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) 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, 2021

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 incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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, such as deferred contributions and useful life of capital assets, 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	2021 Net book value		2020 Net book value
Trailers	\$ 3,360	\$ 3,192	\$ 168	\$	840

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
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6. LINE OF CREDIT

The Society has an operating line of credit with VanCity Credit Union ("VanCity") in the amount of \$25,000 with interest payable at prime plus 2% (currently 6%). As at December 31, 2021, no amount has been drawn on this line of credit (2020 - \$NIL).

7. DEFERRED REVENUE

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

	2021	2020
Beach - Sitka Foundation	\$ -	\$ 11,000
Beach - World Wildlife Fund	7,000	-
Gaming Grant - Province of BC	44,300	33,000
Raingarden - Pacific Salmon Foundation	14,038	-
Raingarden - VanCity Community Foundation	-	5,000
Roberts Bay - Pacific Salmon Foundation	26,063	-
Seachange Marine Conservation Society	1,250	-
Various program grants and contributions	58,140	70,000
	\$ 150,791	\$ 119,000

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

	2021	2020
Revenue deferred from prior year	\$ 119,000	\$ 272,739
Revenue deferred to future year	(150,791)	(104,000)
	\$ (31,791)	\$ 168,739

8. LONG TERM DEBT

	2021	2020
Vancity CEBA loan bearing interest at 0% per annum repayable December 31, 2025. See below.	\$ 30,000	\$ 30,000

The Society applied and received \$40,000 as a long term loan with VanCity through the government program Canadian Emergency Business Account (CEBA). The loan is interest-free until December 31, 2023. If paid by December 31, 2023, \$10,000 will be forgiven. Should the loan not be repaid, the full amount of the loan (\$40,000) will be converted to an interest bearing loan and will become due December 31, 2025.

The \$10,000 forgivable portion of the loan was recognized as "other income" in the year ended December 31, 2020.

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2021

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, 2021 an additional \$1,122 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

Under the Societies Act (British Columbia) there is a requirement to disclose the remuneration paid to all directors, to the ten highest paid employees who are paid at least \$75,000 annually, and to all contractors who are paid at least \$75,000 annually. A company under contract for services was paid a total of \$134,240 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.