

PENINSULA STREAMS SOCIETY
Financial Statements
Year Ended December 31, 2023

PENINSULA STREAMS SOCIETY
Index to Financial Statements
Year Ended December 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



CHARTERED PROFESSIONAL ACCOUNTANT

info@schenncpa.ca

schenncpa.ca

P: 250-656-7284

F: 250-656-7284

2440 Bevan Ave Sidney, BC V8L 5C5

INDEPENDENT AUDITOR'S REPORT

To the Members of Peninsula Streams Society

Report on the Financial Statements

Qualified Opinion

I have audited the financial statements of Peninsula Streams Society (the "society"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the society. Therefore, I was 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, 2023, current assets and net assets as at December 31, 2023. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the society in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were the same auditor, operating under a different firm name, and a qualified opinion on those financial statements on May 25, 2023 for the reasons described in the *Basis for Qualified Opinion* section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Peninsula Streams Society (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Sidney, British Columbia
May 22, 2024

SC Henn CPA
Chartered Professional Accountant

PENINSULA STREAMS SOCIETY
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 181,575	\$ 145,529
Restricted cash (Note 4)	67,000	-
Accounts receivable	19,201	21,340
Prepaid expenses	3,931	2,617
GST rebate receivable	1,115	9,662
	\$ 272,822	\$ 179,148
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,422	\$ 170,596
Wages payable	-	12,132
Employee deductions payable	8,350	17,049
Deferred revenue	222,402	39,375
	240,174	239,152
 LONG TERM DEBT (Note 8)	 -	 30,000
	240,174	269,152
 NET ASSETS (DEBT)	 32,648	 (90,004)
	\$ 272,822	\$ 179,148

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

PENINSULA STREAMS SOCIETY
Statement of Operations and Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
REVENUES		
Grants	\$ 706,725	\$ 573,641
Donations - organizations	76,183	11,505
Donations - individuals	58,988	25,842
Corporate sponsorships	42,486	57,519
Projects, initiatives and training income	68,524	50,803
Events and fundraising income	34,221	34,071
Membership fees and other income	11,295	8,298
Interest and investment income	4,584	3,899
Wage and other subsidies	15,625	-
	<u>1,018,631</u>	<u>765,578</u>
EXPENSES		
Accounting fees	17,628	13,405
Advertising and promotion	3,656	2,639
Amortization	-	168
Bank charges and interest	3,151	374
Construction materials	62,093	30,740
Contractor services	78,285	352,541
Equipment rentals	16,367	604
Fundraising expenses	8,868	2,628
Insurance	5,799	286
Laboratory fees	9,545	11,638
Meals	3,364	5,317
Memberships	348	263
Office and sundry	23,044	12,884
Professional fees - consultants	161,321	64,686
Rental	675	1,399
Supplies	79,871	65,501
Telephone and website expenses	907	907
Training	13,462	1,118
Travel	562	1,098
Vehicle reimbursements	19,699	16,491
Wages - employee benefits	34,295	21,175
Wages - salaries	353,039	270,364
	<u>895,979</u>	<u>876,226</u>
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	122,652	(110,648)
NET ASSETS - BEGINNING OF YEAR	(90,004)	20,644
NET ASSETS - END OF YEAR	\$ 32,648	\$ (90,004)

PENINSULA STREAMS SOCIETY
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 122,652	\$ (110,648)
Item not affecting cash:		
Amortization of capital assets	-	168
	<u>122,652</u>	<u>(110,480)</u>
Changes in non-cash working capital:		
Accounts receivable	2,139	33,766
GST rebate receivable	8,547	(6,341)
Prepaid expenses	(1,314)	(2,617)
Accounts payable and accrued liabilities	(161,174)	134,432
Wages payable	(12,132)	333
Employee deductions payable	(8,699)	14,052
Deferred revenue	183,027	(111,416)
	<u>10,394</u>	<u>62,209</u>
Cash flow from (used by) operating activities	<u>133,046</u>	<u>(48,271)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(30,000)	-
Cash flow from (used by) financing activity	<u>(30,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	103,046	(48,271)
Cash - beginning of year	<u>145,529</u>	<u>193,800</u>
CASH - END OF YEAR	\$ 248,575	\$ 145,529
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 181,575	\$ 145,529
Restricted cash	67,000	-
	<u>\$ 248,575</u>	<u>\$ 145,529</u>

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2023

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 Society also does business as Peninsula Streams and Shorelines.

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. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in Guaranteed Investment Certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they are redeemable and are short term.

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
----------	---------

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

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.

(continues)

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2023

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

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	2023 Net book value	2022 Net book value <i>(Unaudited)</i>
Trailers	\$ 3,360	\$ 3,360	\$ -	\$ -

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% (current rate 9.2%). No amounts have been drawn on this line of credit in the current year and prior year.

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2023

7. DEFERRED REVENUE

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

	2023	2022
BC Salmon Restoration and Innovation Fund	\$ 23,011	\$ -
Environment and Climate Change Canada - EcoAction	-	39,375
Gaming Grant - Province of BC	67,000	-
Pacific Salmon Foundation	130,808	-
Wage subsidy	1,583	-
	\$ 222,402	\$ 39,375

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

	2023	2022
Revenue deferred from prior year	\$ 39,375	\$ 150,791

8. LONG TERM DEBT

	2023	2022
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 through the government program Canadian Emergency Business Account (CEBA). The loan is interest-free until December 31, 2023. The loan was paid in full December 2023.

PENINSULA STREAMS SOCIETY
Notes to Financial Statements
Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS

The society 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 society's risk exposure and concentration as of December 31, 2023.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The society is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities. The society has currently not required using the overdraft and the risk has been minimal.

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

10. 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, 2023 an additional \$1,283 was available (2022 - \$1,233) 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.

11. 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. Two employees and one company under contract for services was paid a total of \$245,332 during the year (excluding taxes and reimbursement of materials/other expenditures). No amount was paid to directors during the year.