

B.C. WILDLIFE FEDERATION

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of B.C. Wildlife Federation

Opinion

We have audited the financial statements of B.C. Wildlife Federation (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 Canadian accounting standards for private enterprises, 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 the financial statements.

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

We 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 our 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 Federation'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 Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.



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- 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.
- 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by the Federation 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 period.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Langley, Canada

March 28, 2024

B.C. WILDLIFE FEDERATION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 817,492	\$ 963,792
Restricted cash and cash equivalents (note 2)	4,446,070	6,591,252
Accounts receivable (note 3)	183,967	130,551
Inventories for resale (note 4)	30,271	29,816
Prepaid expenses	82,785	69,326
	<u>5,560,585</u>	<u>7,784,737</u>
Capital assets (note 5)	981,999	963,917
	<u>\$ 6,542,584</u>	<u>\$ 8,748,654</u>

Liabilities and Net Assets

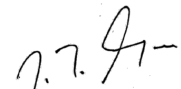
Current liabilities:		
Accounts payable and accrued liabilities	\$ 247,032	\$ 335,470
Deferred revenue (note 6)	3,706,194	5,831,736
	<u>3,953,226</u>	<u>6,167,206</u>
Deferred capital contributions (note 7)	15,424	16,087
	<u>3,968,650</u>	<u>6,183,293</u>
Net assets:		
Invested in capital assets (note 8)	966,575	947,830
Internally restricted (note 9)	739,876	759,516
Unrestricted	867,483	858,015
	<u>2,573,934</u>	<u>2,565,361</u>
	<u>\$ 6,542,584</u>	<u>\$ 8,748,654</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

B.C. WILDLIFE FEDERATION

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Conservation and education programs	\$ 5,003,172	\$ 3,758,411
Membership and dues	1,285,832	1,294,795
Lotteries	617,476	585,133
General sponsorships and donations	81,816	150,437
Memorial donations	37,764	75,893
Investment and other income	84,222	58,230
Special events	116,364	40,547
Merchandise and print sales	40,055	13,073
	<u>7,266,701</u>	<u>5,976,519</u>
Expenses:		
Conservation and education	4,822,693	3,680,569
Memberships	590,667	651,935
Administrative salaries and wages	582,030	491,711
Lotteries - direct operating costs	302,510	469,819
Board, executive and committees	192,782	224,241
Meetings and conventions	186,723	29,901
Office	176,820	31,367
BC Outdoors	120,385	117,839
Promotion and advertising	77,559	73,883
Professional fees	43,344	28,834
Interest and bank charges	28,749	12,506
Direct mailing costs	24,784	20,327
Repairs and maintenance	23,577	27,162
Merchandise and art prints	11,799	41,749
Property taxes	11,589	9,526
Strata fees and rent	9,499	8,634
	<u>7,205,510</u>	<u>5,920,003</u>
Excess of revenues over expenses before undernoted	61,191	56,516
Other revenue (expenses):		
Amortization of capital assets	(53,281)	(48,919)
Amortization of deferred capital contributions	663	663
	<u>(52,618)</u>	<u>(48,256)</u>
Excess of revenues over expenses	<u>\$ 8,573</u>	<u>\$ 8,260</u>

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Unrestricted	Internally restricted	Invested in capital assets	Total 2023
Balance, beginning of year	\$ 858,015	\$ 759,516	\$ 947,830	\$ 2,565,361
Excess (deficiency) of revenues over expenses	87,459	(26,268)	(52,618)	8,573
Memorial donations transferred to internally restricted (note 9(b))	(28,970)	28,970	-	-
Net change in investment in capital assets (note 8(c))	(71,363)	-	71,363	-
Transfer from Bequest Fund	22,342	(22,342)	-	-
Balance, end of year	\$ 867,483	\$ 739,876	\$ 966,575	\$ 2,573,934

	Unrestricted	Internally restricted	Invested in capital assets	Total 2022
Balance, beginning of year	\$ 910,762	\$ 698,702	\$ 947,637	\$ 2,557,101
Excess (deficiency) of revenues over expenses	71,927	(15,411)	(48,256)	8,260
Memorial donations transferred to internally restricted (note 9(b))	(76,225)	76,225	-	-
Net change in investment in capital assets (note 8(c))	(48,449)	-	48,449	-
Balance, end of year	\$ 858,015	\$ 759,516	\$ 947,830	\$ 2,565,361

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 8,573	\$ 8,260
Items not involving cash:		
Amortization of capital assets	53,281	48,919
Amortization of deferred capital contributions	(663)	(663)
Changes in non-cash operating working capital:		
Accounts receivable	(53,416)	227,142
Inventories for resale	(455)	24,878
Prepaid expenses	(13,459)	(9,743)
Accounts payable and accrued liabilities	(88,438)	(265,521)
Deferred revenue	(2,125,542)	4,154,617
	(2,220,119)	4,187,889
Financing:		
Deferred capital contributions received	-	2,805
Investing:		
Purchase of capital assets	(71,363)	(51,254)
Increase in cash and cash equivalents	(2,291,482)	4,139,440
Cash and cash equivalents, beginning of year	7,555,044	3,415,604
Cash and cash equivalents, end of year	\$ 5,263,562	\$ 7,555,044
Cash and cash equivalents consists of:		
Restricted (note 2)	\$ 4,446,070	\$ 6,591,252
Unrestricted	817,492	963,792
	\$ 5,263,562	\$ 7,555,044

See accompanying notes to financial statements.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements

Year ended December 31, 2023

Nature of operations:

B.C. Wildlife Federation (the "Federation") is a provincially incorporated not-for-profit organization. The Federation is a province-wide voluntary conservation organization representing British Columbians whose aims are, in co-operation with the general public, the media, government, industry and special interest groups, to protect, enhance and promote the wise use of the environment for the benefit of present and future generations.

The Federation is incorporated under the Societies Act (British Columbia) as a not-for-profit organization and is a registered charity under the Income Tax Act (the "Act"), and as such is not subject to income taxes provided certain requirements of the Act are met, and is authorized to issue donations receipts for income tax purposes.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Federation's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits that are redeemable without penalty which are highly liquid.

(b) Inventories for resale:

Inventories for resale consists of manuals, merchandise, art prints and art cards and is valued at the lower of cost and net realizable value, on a first-in, first-out basis.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimate life of an asset are capitalized. Tangible capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Federation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Capital assets (continued):

Capital assets are amortized using declining balance basis and the following rates:

Asset	Rate
Building	4%
Computer equipment	30%
Website	30%
Furniture, fixtures and equipment	20%
Vehicles	30%
Computer software	30%
Office equipment under capital lease	20%

(d) Revenue recognition:

The Federation follows the deferral method of accounting for contributions that are restricted as to their use. Donations and sponsorship for specific programs are deferred and subsequently recognized as revenue at the time the related expenses are incurred. Unrestricted donations are recognized as revenue when received. Memorial donations are recognized when the Federation's right to receive them has been established and the amount of the donations can be estimated.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Restricted endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenues from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold.

(e) Donated services:

Volunteers contribute a significant number of hours during the year to assist the Federation. Due to the difficulty of determining their fair value, donated services are not recognized in the financial statements.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Allocation of expenses:

The Federation records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Federation allocates these expenses based on the relative allocation of wages and benefits attributed to each program based on individual department and project.

(g) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Federation has not elected to carry any such financial instruments at fair value.

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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Federation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Federation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Restricted cash and cash equivalents:

	2023	2022
Externally restricted (note 6):		
Cash, which is externally restricted by the British Columbia Gaming Commission	\$ 803,667	\$ 629,934
Other externally restricted	2,902,527	5,201,802
	<u>3,706,194</u>	<u>5,831,736</u>
Internally restricted:		
Special purpose fund (note 9(a))	27,174	27,045
Memorial donations and bequest fund (note 9(b))	679,635	699,404
Automotive fund (note 9(c))	33,067	33,067
	<u>739,876</u>	<u>759,516</u>
	<u>\$ 4,446,070</u>	<u>\$ 6,591,252</u>

The Federation has a line of credit of \$305,000 of which nil (2022 - nil) was utilized as at December 31, 2023.

3. Accounts receivable:

	2023	2022
Accounts receivable	\$ 182,458	\$ 114,871
Goods and services tax receivable	1,509	15,680
	<u>\$ 183,967</u>	<u>\$ 130,551</u>

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Inventories for resale:

	2023		2022	
Merchandise	\$	22,674	\$	14,866
Art prints		16,869		17,888
CORE manuals		7,718		13,686
Art cards		1,535		1,758
Firearms manuals		400		545
Diamond rings		719		719
		49,915		49,462
Valuation allowance		(19,644)		(19,646)
	\$	30,271	\$	29,816

Art prints donated to the Federation are to be used for fund-raising activities by the Federation and related organizations. Because of the uncertainty in the timing of the sale of these items and the amount of proceeds which will ultimately be realized from those sales, donated art prints are not recognized in the financial statements until they are sold, at which time the sale is recorded in the statement of operations.

5. Capital assets:

			2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value		
Land	\$ 614,699	\$ -	\$ 614,699	\$ 614,699		
Building	292,427	94,615	197,812	204,934		
Computer equipment	264,818	133,344	131,474	92,959		
Website	46,586	36,665	9,921	14,173		
Furniture, fixtures and equipment	130,919	114,059	16,860	21,103		
Vehicles	43,390	36,208	7,182	10,260		
Computer software	30,556	26,505	4,051	5,789		
	\$ 1,423,395	\$ 441,396	\$ 981,999	\$ 963,917		

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue:

Deferred revenue represents prepaid membership dues and restricted funding received that is related to costs of programs that are expected to occur in subsequent years. Changes in the deferred revenue balance are as follows:

	Balance, January 1, 2023	Cash received/ receivable	Revenue recognized	Balance, December 31, 2023
Action Fund (a)	\$ 2,947	\$ 2,830	\$ -	\$ 5,777
Colleen Laviolette Fund (b)	476	-	-	476
Enforcement/Rewards (c)	12,175	-	-	12,175
Fishing Forever	200,782	60,099	260,881	-
Mule Deer Project (d)	27,636	20,839	5,010	43,465
National Archery in the Schools Program	47,923	46,953	81,984	12,892
Net Gaming Proceeds	157,329	559,689	321,904	395,114
Rockfish Fund	550	-	-	550
Wetland Education Program (e)	66,480	551,993	618,473	-
Wild Kidz Camp (f)	25,806	55,373	72,742	8,437
Wilderness Watch (g)	190	-	-	190
Youth Programs	66,472	115,427	164,149	17,750
Fish Habitat	55,200	345,569	400,769	-
Anderson Fund	725	853	-	1,578
Kootenay Lake Angler Program	(938)	2,711	9,924	(8,151)
Wetlands Workforce (h)	138,899	42,483	181,382	-
Watershed Security (i)	4,892,824	545,210	2,572,415	2,865,619
Other	136,260	25,263	9,355	152,168
Community Services				
Recovery Fund (j)	-	139,944	109,227	30,717
EVE Fishing Forever (k)	-	90,661	67,846	22,815
EVE Gently Down the Seymour(k)	-	62,489	60,259	2,230
Controlled Burns (l)	-	270,700	128,308	142,392
Balance, end of year	\$ 5,831,736	\$ 2,939,086	\$ 5,064,628	\$ 3,706,194

As at December 31 2023, the deferred revenue balances are included in restricted cash of \$3,706,194 (2022 - \$5,831,736).

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue (continued):

- (a) The Action Fund was established to manage funds received from affiliated clubs, members, donors, or outside sources. Revenues accumulated within this fund shall be dispersed only to protect the wise use of our fish and wildlife and their habitat while ensuring access to a sustainable harvest of fish and wildlife for present and future generations through the use of legal process, the court system, or other effective lawful means.
- (b) The Colleen Laviolette Fund was established in memory of Colleen Laviolette and provides scholarships for the Becoming an Outdoors Woman program.
- (c) The source of financing for the Enforcement/Rewards Fund is donated and directed money. Monies from the Enforcement/Rewards Fund (up to the amount of \$2,000) may be paid to individuals for their part in reporting violators. The Enforcement/Rewards Fund also supports special enforcement projects as well as education and promotion of programs that create awareness, use of and support for the Rewards Program and the Observe, Record, Report Ethic.
- (d) The purpose of the Mule Deer Project is to identify the effect of wildfire on mule deer habitat selection and population growth in the Boundary Region, West Okanagan, and Bonaparte Plateau areas of British Columbia, and provide management tools and recommendations to increase mule deer abundance.
- (e) The mission of the Wetlands Education Program is to "foster wetland conservation through education and stewardship." The program has three pillar workshops: Wetlandkeepers, Wetland Institute and Map Our Marshes. Wetlandkeepers (WK) consists of the WK handbook and training through a WK workshop. The Wetlands Institute (Institute) is a week-long course where participants develop a wetland conservation, education, or restoration project plan to implement in their community. Participants learn wetland mapping and monitoring techniques and skills to build relationships with community partners. They learn these skills by participating in three or four wetland projects that Institute participants build in the community where the Institute is hosted. The Map Our Marshes Project trains volunteers in basic wetland ecology, global positioning system (GPS) technology to map small wetlands, and ways to access land use planning processes to conserve small wetlands. In addition to the three workshops, the Wetlands Education Program also delivers unique courses tailored to community needs, such as restoration workshops and planning workshops related to wetland conservation and protection.
- (f) Wild Kidz Camp is an additional component of the Wetlands Education Program, which connects kids with nature and outdoor activities. This five day camp is located in a different location in B.C. each year.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue (continued):

- (g) The Wilderness Watch is a program developed by the Federation to stop illegal activities affecting the environment and conservation. Volunteers assist conservation officers to "Observe, Record and Report" on the "Report All Poachers and Polluters (RAPP)" telephone hotline.
- (h) The B.C. Wildlife Federation's Wetlands Workforce project is a collaboration with conservation organizations and First Nations that deploys work-pods across British Columbia throughout 2021 to 2023. Through these work-pods the project aims to improve riparian area habitat; monitor the effectiveness of wetland restoration sites; advance collaborative restoration projects with First Nations and communities; provide employment opportunities targeting women, young adults, and First Nations; and to support Province-wide monitoring initiatives that will improve wetland management.
- (i) The Province of British Columbia granted B.C. Wildlife Federation \$5.5M to extend the Wetlands Workforce project to provide continuous employment, strengthen existing partnerships with First Nations and for continued support to improve wetland management.

This project was supported through the Healthy Watersheds Initiative, which is delivered by the Real Estate Foundation of BC and Watersheds BC, with financial support from the Province of British Columbia as part of its \$10-billion COVID-19 response.

- (j) The Community Services Recovery Fund is a \$400 million investment from the Government of Canada to support charities and non-profits as they focus on how to adapt their organizations for pandemic recovery. BCWF applied for funding to support our administration costs, Human Resource Coordinator, Youth activities and a computer software system overhaul.
- (k) This was due to a program switch. BCWF moved Fishing Forever to the education and volunteer engagement Department as it was a better fit. The key difference was the volunteer and club engagement focus of Fishing Forever. CS programs are more focused on environmental restoration work than BCWF member engagement and volunteerism.
- (l) This is to fund the reintroduction of cultural and prescribed burning in remote areas of BC, which will reintroduce fire in a controlled manner based in science and traditional knowledge to the landscape. This will include monitoring the impacts/benefits to wildlife and native plant communities, including critical habitat areas for multiple federally listed species at risk.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2023	2022
Balance, beginning of year	\$ 16,087	\$ 13,945
Amounts received	-	2,805
Amounts amortized to revenue	(663)	(663)
Balance, end of year	\$ 15,424	\$ 16,087

8. Invested in capital assets:

(a) Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	\$ 981,999	\$ 963,917
Amounts financed by unamortized deferred capital contributions	(15,424)	(16,087)
	\$ 966,575	\$ 947,830

(b) Deficiency of revenue over expenses:

	2023	2022
Amortization of deferred capital contributions	\$ 663	\$ 663
Amortization of capital assets	(53,281)	(48,919)
	\$ (52,618)	\$ (48,256)

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Invested in capital assets (continued):

(c) Changes in net assets invested in capital assets:

	2023		2022
Purchase of capital assets	\$ 71,363	\$	51,254
Deferred capital contribution received	-		(2,805)
	\$ 71,363	\$	48,449

9. Internally restricted net assets:

(a) Special purpose fund:

In 2002, the Federation received an unrestricted donation of \$20,000 which, together with interest earned, has been internally restricted to be used specifically for the maintenance, care and well-being and future construction of a permanent location for the animal mounts which were donated to the Federation in 2000.

(b) Memorial donations and bequest fund:

The Bequest fund was created to manage unrestricted funds received through bequest, whether they be wills, estates, donations etc. It is to be used in accordance with the terms of reference as a long-term security fund, for potential specified purposes such as acquiring property for a new building, general operating expenses or as specified by the donor. The bequest fund, together with interest earned, is to be accumulated in an internally restricted equity fund. During the year \$28,970 (2022 - \$76,225) of unrestricted memorial donations were recognized as revenue and transferred to the memorial donations and bequest fund.

(c) Building and automotive funds:

The building and automotive funds were created by the Board to help provide for future planned capital additions.

B.C. WILDLIFE FEDERATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Federation is exposed to credit risk with respect to the accounts receivable. The Federation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Federation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible.

(b) Liquidity risk:

Liquidity risk is the risk that the Federation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Federation manages its liquidity risk by monitoring its operating requirements. The Federation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Interest rate risk:

The Federation owns significant term deposit which earn interest at market rates applicable to such investments. As a result, the Federation is exposed to interest rate risk due to fluctuations in the term deposit interest rates.

There have been no changes to these risk exposures from the prior year.

11. Remuneration:

For the fiscal year ending December 31, 2023, the Federation paid \$587,690 (2022 - \$450,690) to five (2022 - four) employees or contractors for services whose total annual remuneration was greater than \$75,000. No amounts were paid to members of the board of directors.

12. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.