Financial Statements of

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

And Independent Auditor's Report thereon

Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Swan Lake Christmas Hill Nature Sanctuary Society

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Swan Lake Christmas Hill Nature Sanctuary Society (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balance 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 Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.
- 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 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 7, 2025

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	Operating Fund	Capital Fund	2024 Total	2023 Total (Schedule 1)
Assets				
Current assets:				
Cash and cash equivalents	$ 624,528	$ 5,096	$ 629,624	$ 527,046
Accounts receivable (note 2)	20,373	-	20,373	9,182
Prepaid expenses and deposits	-	-	-	2,500
Gift shop inventory	5,520	-	5,520	5,329
Receivable from (payable to) other fund	94,825	(94,825)	-	-
	745,246	(89,729)	655,517	544,057
Property and equipment (note 3)	-	787,907	787,907	907,342
	$ 745,246	$ 698,178	$ 1,443,424	$ 1,451,399
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$ 48,961	$ -	$ 48,961	$ 25,875
Deferred revenue (note 4)	131,347	-	131,347	105,174
	180,308	-	180,308	131,049
Fund Balances				
Invested in capital assets	-	695,210	695,210	809,446
Unrestricted	167,105	(134,568)	32,537	21,730
Capital fund - externally restricted	-	137,536	137,536	137,536
Internally restricted (note 10)	397,833	-	397,833	351,638
	564,938	698,178	1,263,116	1,320,350
	$ 745,246	$ 698,178	$ 1,443,424	$ 1,451,399

See accompanying notes to financial statements.

Approved by the Board:

Sharon Daly Director

Maureen Burke Director

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	Operating Fund	Capital Fund	2024 Total	2023 Total
				(Schedule 2)
Revenue:				
Management fee:				
Corporation of the District of Saanich Management Fee And Capital Grant (note 8)	$ 457,250	$ 77,792	$ 535,042	$ 387,500
Grants and donations:				
Donations and contributions	111,424	-	111,424	188,789
Other grants	120,039	-	120,039	130,114
Public gaming funds	65,000	-	65,000	-
Programs:				
School programs	25,357	-	25,357	31,518
Public programs	13,061	-	13,061	14,962
Facility rental	27,947	-	27,947	15,500
Gift shop sales	26,541	-	26,541	23,237
Interest	16,561	-	16,561	14,024
Native plant sales	49,845	-	49,845	44,577
Property rent	49,237	-	49,237	47,742
Society memberships	7,805	-	7,805	7,560
	970,067	77,792	1,047,859	905,523
Expenses:				
Salaries and wages	653,269	-	653,269	599,423
Administrative materials and services	104,581	-	104,581	82,133
Community outreach and marketing	21,233	-	21,233	8,939
Fundraising and grant expense	17,989	-	17,989	9,075
Plant sale cost	26,085	-	26,085	24,414
Gift shop sale cost	6,464	-	6,464	8,845
Program materials and services	29,750	-	29,750	45,865
Rental property expense	298	-	298	850
Site materials and services	30,225	-	30,225	32,664
Facility expense	17,921	83,042	100,963	111,349
Amortization	-	111,627	111,627	97,662
Loss on disposal of equipment	-	2,609	2,609	-
	907,815	197,278	1,105,093	1,021,219
Excess (deficiency) of revenue over expenses	$ 62,252	$ (119,486)	$ (57,234)	$ (115,696)

See accompanying notes to financial statements.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Changes in Fund Balances

Year ended December 31, 2024

	Operating Fund		Restricted Funds		
	Operating	Internally Restricted	Capital	Endowment	Total
Fund balance, December 31, 2023	156,148	351,638	812,564	-	1,320,350
Excess (deficiency) of revenue over expenses	62,252	-	(119,486)	-	(57,234)
Transfer from operating fund to internally restricted fund	(30,500)	30,500	-	-	-
Transfer from operating fund to internally restricted fund	(15,695)	15,695	-	-	-
Transfer from operating fund to capital fund	(5,100)	-	5,100	-	-
Fund balance, December 31, 2024	$ 167,105	$ 397,833	$ 698,178	$ -	$ 1,263,116

See accompanying notes to financial statements.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses:		
Operating Fund	$ 62,252	$ 1,948
Capital Fund	(119,486)	(117,644)
	(57,234)	(115,696)
Add amortization not involving cash	111,627	97,662
Loss on disposal of equipment	2,609	-
Changes in non-cash operating working capital:		
Accounts receivable	(11,191)	(3,335)
Prepaid expenses and deposits	2,500	(2,500)
Gift shop inventory	(191)	(1,021)
Accounts payable and accrued liabilities	23,085	(11,732)
Deferred revenue	26,173	(6,067)
	97,378	(42,689)
Investing activities:		
Proceeds from disposal of equipment	5,200	(61,504)
Increase (decrease) in cash and cash equivalents	102,578	(104,193)
Cash and cash equivalents, beginning of year	527,046	631,239
Cash and cash equivalents, end of year	$ 629,624	$ 527,046

See accompanying notes to financial statements.

Swan Lake Christmas Hill Nature Sanctuary Society (the "Society") is incorporated under the *Society Act (British Columbia)*. Its principal activity is the operation of the Nature House and wildlife sanctuary at Swan Lake and Christmas Hill on land in infrastructure owned by The Corporation of the District of Saanich and the Nature Trust of BC. This land includes a crown grant on title stating that it is to be maintained for park and nature centre purposes (and if it ceases to be used as such, it reverts back to ownership of the Province). The Society operates on this land under an operating agreement with The Corporation of the District of Saanich. The current agreement is for a 5-year term ended December 31, 2024, with a 5 year renewal term ending December 31, 2029. The agreement has been extended to December 31, 2025, while a longer term renewal is being updated. The Society is a charitable organization under the *Income Tax Act* and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Fund accounting:

The Society follows the restricted fund method of accounting for contributions.

Operating Fund:

The Operating Fund accounts for the Society's program delivery and administrative activities. This Fund reports unrestricted resources and restricted operating grants.

Restricted Funds:

The restricted fund is comprised of the following:

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets and management of Saanich's capital assets.

The Board of Directors has internally restricted certain funds for purposes of future capital projects and contingency.

1. Significant accounting policies (continued):

(b) Property and equipment:

Property and equipment are stated at cost, less accumulated amortization. Amortization is provided using the followings methods and annual rates:

Asset	Basis	Rate
Nature House Building	Straight-line	5%
Building improvements	Straight-line	10%
Displays	Straight-line	10%
Computer equipment	Straight-line	20%
Furniture and equipment	Straight-line	10%
Boardwalks	Straight-line	4% to 10%
Trails and signs	Straight-line	10%
Native plant garden	Straight-line	10%
Fencing	Straight-line	10%
Vehicles	Straight-line	10%
Tent	Straight-line	10%
Shed	Straight-line	10%

When property and equipment no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value. Assets under construction are not amortized until the year the asset is available for use.

(c) Revenue recognition:

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to operations are recognized as revenue of the Operating Fund in the year in which the related expense is incurred. All other restricted contributions are recognized as revenue of the appropriate fund in the year received or receivable.

(d) Cash and cash equivalents:

The Society considers deposits in banks and short-term deposits with original maturities of three months or less from the acquisition date as cash and cash equivalents.

(e) Term deposits:

The Society holds term deposits with maturities of greater than three months recorded at cost plus accrued interest. Cashable GIC's are included in cash and cash equivalents. Investment income is reported as revenue in the period earned.

1. Significant accounting policies (continued):

(f) 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 Society 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 Society 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 Society expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Contributed services are not recognized in the financial statements as the services would not have otherwise been purchased by the Society.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

2. Accounts receivable:

Included in accounts receivable are government remittances receivable of $2,403 (2023 - $nil) relating to federal and provincial sales taxes.

3. Property and equipment:

2024	Cost	Accumulated amortization	Net book value
Nature House building	$ 523,940	$ 496,324	$ 27,616
Building improvements - Martelli House and other buildings	178,290	178,290	-
Displays	203,444	203,444	-
Computer equipment	66,162	66,162	-
Furniture and equipment	174,959	174,959	-
Boardwalks	1,644,145	909,353	734,792
Trails and signs	344,474	344,474	-
Native plant garden	47,909	47,909	-
Fencing	45,794	35,694	10,100
Vehicles	18,068	9,938	8,130
Shed	11,606	4,337	7,269
	$ 3,251,791	$ 2,470,883	$ 787,907

2023	Cost	Accumulated amortization	Net book value
Nature House building	$ 523,940	$ 470,127	$ 53,813
Building improvements - Martelli House and other buildings	178,290	178,290	-
Displays	203,444	201,316	2,128
Computer equipment	66,162	66,162	-
Furniture and equipment	174,959	174,959	-
Boardwalks	1,644,145	843,587	800,558
Trails and signs	344,474	335,905	8,569
Native plant garden	47,909	47,909	-
Fencing	45,794	31,115	14,679
Vehicles	18,068	8,130	9,938
Tent	14,197	4,969	9,228
Shed	11,606	3,177	8,429
	$ 3,272,988	$ 2,365,646	$ 907,342

There were no write-offs capital assets during the year (2023 - nil).

4. Deferred revenue, operating fund:

	2024	2023
Gaming fund	$ 65,000	$ -
Others	66,347	105,174
	$ 131,347	$ 105,174

5. Endowment Fund with Victoria Foundation:

In 2020, the Society established the Swan Lake Christmas Hill Sanctuary Fund with the Victoria Foundation, a permanent endowment fund. The balance of the Society's Endowment Fund was transferred to Victoria Foundation, with additional funding provided by the Operating Fund of $2,477 for a total contribution of $7,500. The Victoria Foundation provided a matching contribution of $7,500 thus establishing a $15,000 fund with the Victoria Foundation. The balance of the fund as at December 31, 2024 was $29,951 (2023: $22,024). During 2024, $859 of grants were distributed (2023 - $777).

6. Donated labour:

Volunteers from the community work to improve the Swan Lake Christmas Hill Nature Sanctuary. In 2024, the Society estimated that volunteers provided a total of 10,593 (2023 - 10,428) hours of donated labour. The value of this labour, although not recorded in these financial statements, is equivalent to approximately $363,861 (2023 - $339,937) using a median wage rate of $34.35 (2023 - $32.60) per hour as published in Statistics Canada Labour Force Survey.

7. Economic dependency:

The Society received 51% (2023 - 41%) of its revenue from the Corporation of the District of Saanich and remains dependent upon this funding to manage Saanich's infrastructure and natural assets.

8. Financial risks and concentrations of risk:

The Society's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

9. Employee remuneration:

The BC Societies Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than $75,000. In 2024, the Society paid two employees annual remuneration greater than $75,000, totaling $194,027 (2023 - one employee $110,010).

10. Internally restricted funds:

	2024	2023
Holdback Dissolution	$ 150,242	$ 143,162
Future Projects	217,091	208,476
	$ 367,333	$ 351,638

On November 24, 2023, the Board approved a Motion to internally restrict $137,644 of the unrestricted operating fund balance as “Holdback Dissolution Funds” to cover any costs associated with the dissolution of the Society, including any contractual obligations to pay out salary to employees as well as any wind down costs. Holdback dissolution funds are segregated from operating funds and are invested in a Guaranteed Investment Certificate with interest earned added to the principal.

On November 24, 2023, the Board approved a Motion to establish, through transfer from the unrestricted operating fund balance, an internally restricted fund named the “Future Projects Fund” for large expenditures, with an initial allocation of $200,000. The funding amount is based on anticipated future projects. Interest earned is added to the principal.

The Society as internally restricted $30,500 representing its contribution towards matching funds for a Government of Canada grant with Environment and Climate Change Canada to be used in fiscal 2025 for the completion of this grant work.

11. Comparative information:

Certain comparative information have been reclassified to conform with the financial statement presentation adopted in the current year.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Financial Position — Schedule 1

December 31, 2023

	Operating Fund	Capital Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 523,928	$ 3,118	$ 527,046
Accounts receivable (note 2)	9,182	-	9,182
Prepaid expenses and deposits	2,500	-	2,500
Gift shop inventory	5,329	-	5,329
Receivable from (payable to) other fund	97,896	(97,896)	-
	638,835	(94,778)	544,057
Property and equipment (note 3)	-	907,342	907,342
	$ 638,835	$ 812,564	$ 1,451,399
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 25,875	$ -	$ 25,875
Deferred revenue (note 4)	105,174	-	105,174
	131,049	-	131,049
Fund Balances			
Invested in capital assets	-	809,446	809,446
Unrestricted	156,148	(134,418)	21,730
Internally restricted (note 10)	351,638	-	351,638
Externally restricted	-	137,536	137,536
	507,786	812,564	1,320,350
	$ 638,835	$ 812,564	$ 1,451,399

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Operations — Schedule 2

Year ended December 31, 2023

	Operating Fund	Capital Fund	Total
Revenue:			
Management fee:			
Corporation of the District of Saanich Management Fee (note 8)	$ 387,500	$ -	$ 387,500
Grants and donations:			
Donations and contributions	188,789	-	188,789
Other grants	59,295	70,819	130,114
Public gaming funds		-	
Programs:			
School programs	31,518	-	31,518
Public programs	14,962	-	14,962
Facility rental	15,500	-	15,500
Gift shop sales	23,237	-	23,237
Interest	14,024	-	14,024
Native plant sales	44,577	-	44,577
Property rent	47,742	-	47,742
Society memberships	7,560	-	7,560
	834,704	70,819	905,523
Expenses:			
Salaries and wages	599,423	-	599,423
Administrative materials and services	82,133	-	82,133
Community outreach and marketing	8,939	-	8,939
Fundraising and grant expense	9,075	-	9,075
Plant sale cost	24,414	-	24,414
Gift shop sale cost	8,845	-	8,845
Program materials and services	45,865	-	45,865
Rental property expense	850	-	850
Facility expense	20,548	90,801	111,349
Site materials and services	32,664	-	32,664
Amortization	-	97,662	97,662
	832,756	188,463	1,021,219
Excess (deficiency) of revenue over expenses	$ 1,948	$ (117,644)	$ (115,696)