

LIVING LAKES CANADA SOCIETY

FINANCIAL STATEMENTS

November 30, 2023

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA
Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Living Lakes Canada Society

Opinion

We have audited the accompanying financial statements of the Living Lakes Canada Society (the Society), which comprise the statement of financial position as at November 30, 2023, the statement of operations, the statement of changes in net assets, and the statement of cash flow for the 14 month period then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Living Lakes Canada Society as at November 30, 2023 and the results of its operations, changes in net assets and its cash flow for the 14 month period 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 report. We are independent of the Society 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 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 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.

Auditor's Responsibility 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 these 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 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 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 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.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 have been applied on a basis consistent with that of the preceding year.

March 22, 2024



CHILDS CHANTON
CHARTERED PROFESSIONAL ACCOUNTANTS
Castlegar BC

LIVING LAKES CANADA SOCIETY
STATEMENT OF FINANCIAL POSITION
As at November 30, 2023 (Note 12)

	Nov 30 2023	Sept 30 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 783,158	\$ 1,856,780
Short-term investment (Note 4)	3,786,433	1,653,647
Accounts receivable	166,989	50,968
Goods and services tax refundable	42,711	30,178
Prepaid expenses	64,487	7,556
	4,843,778	3,599,129
Investment at cost (Note 4)	-	2,503,442
Tangible Capital Assets (Note 5)	218,427	216,732
Intangible Assets (Note 6)	12,657	17,087
	\$ 5,074,862	\$ 6,336,390
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable (Note 7)	\$ 99,332	\$ 207,572
Deferred revenue (Note 8)	3,884,532	2,952,376
	3,983,864	3,159,948
Long term debt	-	30,000
Deferred revenue (Note 8)	60,786	2,098,416
Deferred capital contributions (Note 9)	206,381	200,414
	4,251,031	5,488,778
Net assets		
Unrestricted net assets	800,816	815,894
Investment in intangible and tangible capital assets	23,015	31,718
	823,831	847,612
	\$ 5,074,862	\$ 6,336,390

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

LIVING LAKES CANADA SOCIETY

STATEMENT OF OPERATIONS

For the 14 month period from October 1, 2022 to November 30, 2023 (Note 12)

	2023	2022
Revenue		
Contributions - Foundations and NGOs	\$ 951,102	\$ 1,841,332
Contributions - Industry and corporations	82,588	47,963
Contributions - Government	2,005,425	478,040
Contributions - Sponsorship and donations	31,937	46,484
Fees for service	54,950	22,800
Interest	172,908	10,200
Eco Canada wage subsidy program	47,775	12,995
Other income	5,730	-
	3,352,415	2,459,814
Expenses		
Accounting and legal	19,000	27,268
Advertising and outreach	20,021	98,346
Amortization - capital assets	52,590	30,273
Amortization - intangible assets	4,430	3,797
Bank charges and interest	3,539	412
Donations	12,000	-
Insurance, licences and dues	22,395	2,993
Office expenses	22,340	10,645
Operating supplies	62,050	54,180
Professional and consulting fees	1,265,918	886,080
Program development	56,597	62,491
Rent	14,754	9,928
Telephone and internet	9,495	9,773
Travel and meals	195,810	61,638
Wages and benefits	1,615,257	726,415
	3,376,196	1,984,239
Excess (deficiency) of revenues over expenses	\$ (23,781)	\$ 475,575

The accompanying notes are an integral part of these financial statements.

LIVING LAKES CANADA SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the 14 month period from October 1, 2022 to November 30, 2023 (Note 12)

	Invested in Intangible and Tangible Capital Assets		Unrestricted	Total
Net assets, as at October 1, 2022	\$ 31,718	\$ 815,894		\$ 847,612
Acquisition of tangible capital assets	105,852	(105,852)		-
Disposal of tangible capital assets	(51,568)	51,568		-
Deferred capital contributions received	(105,852)	105,852		-
Reclassification of deferred capital contributions on disposal	51,568	(51,568)		-
Amortization of tangible capital assets	(52,590)	52,590		-
Amortization of intangible assets	(4,430)	4,430		-
Amortization of deferred capital contributions relating to tangible capital assets	48,317	(48,317)		-
Deficiency of revenues over expenses	-	(23,781)		(23,781)
Net assets, November 30, 2023	\$ 23,015	\$ 800,816		\$ 823,831

The accompanying notes are an integral part of these financial statements.

LIVING LAKES CANADA SOCIETY**STATEMENT OF CASH FLOW****For the 14 month period from October 1, 2022 to November 30, 2023 (Note 12)**

	2023	2022
Operating transactions		
Cash receipts contributions, grants and fees for service	\$ 1,987,306	\$ 6,234,711
Cash paid to projects and expenses	(1,910,222)	(1,144,920)
Interest received	143,851	6,968
Cash paid to employees, including benefits	(1,586,658)	(708,256)
Cash provided by (applied to) operating transactions	(1,365,723)	4,388,503
Investing transactions		
Tangible capital asset additions	(105,851)	(225,075)
Tangible capital asset disposals	57,297	-
Increase in short-term investments	(2,132,787)	(1,653,647)
Decrease (increase) in long-term investments	2,503,442	(2,500,000)
Cash provided by (applied to) investing transactions	322,101	(4,378,722)
Financing transactions		
Payment of long term debt	(30,000)	-
Cash applied to financing transactions	(30,000)	-
Change in cash and cash equivalents	(1,073,622)	9,781
Cash and cash equivalents, beginning of year	1,856,780	1,846,999
Cash and cash equivalents, end of year	\$ 783,158	\$ 1,856,780
Cash and cash equivalents consist of:		
Unrestricted cash	\$ 783,158	\$ 1,856,780

The accompanying notes are an integral part of these financial statements.

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

1. PURPOSE OF THE ORGANIZATION

Living Lakes Canada Society (the Society) is a national network whose mission is to protect, restore and rehabilitate the health of lakes, wetlands, rivers, other water bodies and watersheds in Canada, primarily in British Columbia.

The Society was incorporated under the *British Columbia Societies Act* on February 22, 2017 as a non-profit enterprise and is a registered charity under the *Income Tax Act*. The Society is exempt from income tax pursuant to paragraph 149 (1) (e) of the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (Part III of the CPA Canada Handbook).

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Contributions are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue when received. Externally restricted contributions are deferred and recognized as revenues in the period the related expense is incurred or the restrictions are met. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue using a rate and method corresponding with that of the related capital asset.

The Society is at times engaged in providing services including project management and field technicians for a variety of programs managed by other organizations across Canada. The revenues associated with these services are recorded in the period in which the service was performed.

Interest revenue is recognized as revenue as earned.

Financial Instruments

All financial instruments are initially recorded at their fair market value and are subsequently recorded at their cost or amortized cost, net of any provisions for impairment unless management has elected to carry the instruments at fair value. Financial instruments are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. Financial instrument impairments and impairment reversals are recognized when incurred in the excess of revenue over expenses.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents, short-term investments, investments, accounts receivable, and accounts payable and accrued liabilities.

Cash and cash equivalents

Cash and cash equivalents include credit union balances, membership shares, and short-term deposits that will be converted to cash in less than 90 days from their acquisition date and at negligible cost.

Short-term investments and investments

Short-term investments are term deposits that mature from ninety-one days to twelve months after their acquisition date. Investments consist of term deposits with maturity dates of greater than twelve months from the date of acquisition.

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis reflecting the estimated useful lives of the capital assets commencing the year the asset is put in to use. The amortization rates used are as follows:

Computer Equipment	55%
Software	100%
Furniture and Equipment	20%
Monitoring Equipment	20%

Intangible assets

Intangible assets are stated at cost less accumulated amortization, with any impairment in the long term service potential to the Society recognized immediately in excess of revenue over expenses. The intangible assets are being amortized on a straight-line basis over their estimated useful lives as follows:

CKAN Portal	7 years
Website	2 years

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Material uncertainties involving management estimates include the allocation of revenues under the deferral method of accounting, and the useful lives of long term assets.

3. CASH AND CASH EQUIVALENTS

	Nov 30 2023	Sept 30 2022
Cash - operating	\$ 783,158	\$ 1,829,688
Cash - savings	-	27,092
	\$ 783,158	\$ 1,856,780

4. SHORT-TERM INVESTMENT AND INVESTMENT

A short-term investment consisting of a term deposit of \$3,786,433.30 (2022 - \$1,653,647) is measured at amortized cost, with an interest rate of 4.33% and this matures on September 22, 2024.

An investment consisting of a term deposit of \$2,500,000 in 2022 was measured at amortized cost, had a maturity date of September 15, 2025, and has a tiered interest rate: 3.35% up to September 15, 2023; 3.85% from September 16, 2023 to September 15, 2024; and 5.1% from September 16, 2024 to September 15, 2025. Full redemption without penalty is permitted within the period of one week prior to and one week after the anniversary date. This amount was disposed of in the period.

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

5. TANGIBLE CAPITAL ASSETS

			Nov 30 2023	Sept 30 2,022
	Cost	Accumulated Amortization	Net Book Value	
Computer equipment	\$ 26,744	\$ 17,164	\$ 9,580	\$ 10,498
Software	1,230	1,230	-	-
Furniture & Equipment	27,238	15,836	11,402	14,743
Monitoring equipment	253,717	56,272	197,445	191,491
	\$ 308,929	\$ 90,502	\$ 218,427	\$ 216,732

6. INTANGIBLE ASSETS

			Nov 30 2023	Sept 30 2,022
	Cost	Accumulated Amortization	Net Book Value	
CKAN Portal	\$ 26,579	\$ 13,922	\$ 12,657	17,087
Website	7,175	7,175	-	-
	\$ 33,754	\$ 21,097	\$ 12,657	17,087

7. ACCOUNTS PAYABLE

		Nov 30 2023	Sept 30 2022
Trade accounts payable and accrued liabilities		\$ 48,815	\$ 186,053
Wages payable		19,784	4,184
Government remittances		30,733	17,335
		\$ 99,332	\$ 207,572

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

8. DEFERRED REVENUE

Deferred revenue includes contributions, restricted by terms of funders, to cover expenses in periods when they occur. The long-term portion of deferred revenue represents a portion of the \$4 million in funding received in fiscal 2023 that is expected to cover project expenses incurred later than fiscal 2024.

	September 30 2022	Funding Received	Reductions	November 30 2023
Contributions from foundations/NGOs:				
Vancouver Foundation	\$ 100,000	\$ 30,000	\$ (115,000)	\$ 15,000
RBC Foundation	375,000	425,000	(410,400)	389,600
Telus - Youth	100,000	100,000	(16,000)	184,000
Sitka Foundation	50,000	130,000	(50,000)	130,000
Calgary Foundation	80,000	51,450	(65,193)	66,257
Columbia Wetlands Stewardship Partners	-	86,200	(42,150)	44,050
Other (less than \$50,000)	86,026	335,043	(322,143)	98,926
	791,026	1,157,693	(1,020,886)	927,833
Contributions from industry/corporations:				
	20,000	81,588	(70,088)	31,500
Contributions from governments:				
BC Ministry of Environment	3,837,224	-	(969,066)	2,868,158
Columbia Basin Trust	145,790	164,560	(310,350)	-
Department of Fisheries	240,000	80,000	(320,000)	-
Scw'Exmx Tribal Council	-	80,000	(80,000)	-
Aq'am	-	56,500	(56,500)	-
University of Guelph	-	105,490	(105,490)	-
BC Gaming	-	50,000	(25,000)	25,000
Other (less than \$50,000)	16,752	279,077	(203,002)	92,827
	4,239,766	815,627	(2,069,408)	2,985,985
	5,050,792	2,054,908	(3,160,382)	3,945,318
Less: current portion				3,884,532
				\$ 60,786

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include the unamortized amount of contributions received for the purchase of capital assets. Amortization of deferred capital contributions is recorded in Contributions - Foundations and Contributions - Government on the statement of operations.

	Nov 30 2023	Sept 30 2022
Balance, beginning of year	\$ 200,414	\$ -
Amounts received during the year	105,852	225,075
Amount reversed to deferred revenue	(51,568)	-
Amounts recognized as revenue during the year	(48,317)	(24,661)
Balance, end of year	206,381	200,414

10. FINANCIAL RISKS

The Society is exposed to the following potentially significant financial risks through its transactions in financial instruments:

Credit risk: Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other by failing to discharge an obligation. The Society has exposure to credit risk to the extent of its cash and cash equivalents, short-term investments, goods and services tax receivable from the Receiver General, and accounts receivable.

All material cash and cash equivalent and short-term investment amounts are maintained in an established financial institution and therefore, the risk of non-performance with respect to cash is remote. This risk has not changed since the prior year. While accounts receivable has increased significantly this year, material amounts owed are from government organizations and therefore, the risk of non-performance with respect to accounts receivable is also remote.

Management monitors this risk on an ongoing basis and provides for any amounts that are assessed as not collectible.

Liquidity risk: Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. The Society is exposed to liquidity risk due to repayment of its accounts payable. Liquidity risk is managed by maintaining sufficient cash and cash equivalents to meet requirements for payment of accounts payable. Although accounts payable have decreased, management assesses that this risk has not changed significantly since the prior year.

Interest rate risk: Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Fixed interest rate investments are subject to fair value risks. The Society is exposed to interest rate risk through its term deposits, short-term investments which receive a fixed rate of interest. This risk is managed by acquiring investments with varying terms to maturity. This risk has increased since the prior year.

LIVING LAKES CANADA SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2023

11. REMUNERATION OF EMPLOYEES AND CONTRACTORS

In accordance with the Societies Act of British Columbia, the Society is required to disclose that for the period ended November 30, 2023, five employees received remuneration that exceeded \$75,000 each for a total of \$522,595. In addition, three contractors received remuneration that exceeded \$75,000 each for a total of \$476,332.

12. CHANGE IN FISCAL YEAR END

In 2023, the financial year end of the Society was changed from September 30 to November 30. Accordingly, the current financial statements are prepared for 14 months from October 1, 2022 to November 30, 2023 and as a result, the comparative figures stated in the statement of operations, statement of changes in net assets, statement of cash flow and the related notes are not directly comparable.